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Negotiation Tendencies and Culture: Role of Generations X and Y in Finland, Germany, and Pakistan

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ABBREVIATIONS

IBN	International business negotiation
IBNs	International business negotiations
IBM	International Business Machines Corporation
PDI	Power distance
IDV	Individualism
MAS	Masculinity
UAI	Uncertainty avoidance
RQs	Research questions
CVS	Chinese value survey
WVS	World value survey
Yers	Generation Y members
Xers	Generation X members
GenY	Generation Y
GenX	Generation X
GNI	Gross national income
EU	European Union
CFA	Confirmatory factor analysis
M	Mean

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ABSTRACT

Purpose – The purpose of this paper is to explore possible changes in cultural values and in behavior within international business negotiations for generation X and Y members in the three selected countries Finland, Germany, and Pakistan.
Methodology – This exploratory study is underlying the critical realism philosophy and follows the deductive approach. This research does not seek generalization. Survey items were adopted from the seminal works by Hofstede and Salacuse and distributed through an online questionnaire via ELomake. The survey yielded in n= 574 responses. Data analysis was conducted with the help of SPSS and SPSS AMOS. After the confirmatory factor analysis, an independent t- test was applied in order to test the dependency between age cohort and cultural values/ negotiation behavior.
Findings – Significant differences between generations X and Y were found regarding their cultural values and their behavior within business negotiations. The results further confirm previous studies by showing different negotiation behavior across the three investigated countries. A trend towards a global culture was not confirmed by the results of this study.
Research limitations/implications – This empirical study should be repeated with a representative sample from a greater variety of countries. Additionally, generation Z should be in the center of investigation in the near future, since they will enter the job market eventually. Furthermore, qualitative methods like interviews or simulations should be added in order to gain in-depth findings and understand the background of the results.
Practical implications – The findings introduce a new source of opportunities but also danger within cross-cultural business negotiations. The results imply that the vital preparation process of a business negotiation needs to concentrate on the negotiator's age cohort in addition to his/her national culture and further contextual factors.
Originality/Value – This research gives advanced insights into cross-cultural negotiations. Due to the research gap within this field of inquiry, this study presents pioneer thoughts on generational-dependent behavior within business negotiations, also regarding cultural values.

KEY WORDS: Generations X and Y, generational cohort theory, national culture, international business negotiations, cross-cultural negotiations

1. INTRODUCTION

1.1. Background of the study

In recent decades, enterprises in many sectors have been globalizing. Living in a world of technological expansion where distance amongst continents gets smaller and where time zones are not a barrier to communication anymore, leads to cross-border business activities (Ulijin 2005: 113). Business partners, employees, suppliers, distributors, government officials, etc. from various countries and cultures belong to the daily work environment of a global company. The globalization processes are further accompanied by an intensifying pressure to innovate. In turn, this is forcing global companies increasingly to rely on the effectiveness of transborder activities for their survival and further growth opportunities (Reynolds et al. 2003: 236). However, navigating through the complex "cultural hurdles" (Richardson & Rammal 2018: 401) that exist in international settings can pose a challenge for favorable outcomes.

Negotiations accompany us in both informal day-to-day interactions and formal transactions such as negotiating legal contracts, cross-border trade agreements or business mergers (Khakhar 2017: 30). Negotiations can be seen as a process by which people aim to settle differences. A compromise or an agreement is preferably reached as an outcome while arguments and disputes are avoided to the highest possible extent. During the negotiation process, individuals aim to achieve the best possible outcome for their position. While negotiations in informal day-to-day interactions can be of unpleasant nature, the stakes in these involvements are relatively low. Negotiations which are taking place on formal levels and involve business actions, on the contrary, are characterized by high stakes and, therefore, need particular attention (Ghauri & Usunier 2003: 3).

As mentioned above, ongoing globalization processes are continuously driving companies to engage in cross-border activities. Therefore, the nature of business negotiations has shifted from national surroundings towards international settings. The main difficulty

concerning international business negotiations involves dealing with different sets of values, attitudes, behaviors, and communication styles of the other party (Zhu et al. 2007: 361). This reflects in the central challenge of international business negotiations: To forecast all possible demands of the other side and prepare alternatives to one's own wishes on the one hand and on the other hand to anticipate culture-specific behavior traits of the other party while the own culturally influenced behavior may have to be suppressed.

Although the cross-border business alliances have created an environment full of opportunities, firms are facing numerous challenges in order to take advantages of these favorable circumstances (Rammal 2005: 129). As Mintu-Wimsatt and Calantone (1996) state and as mentioned above, the stakes involved in international business negotiations are generally high and so are the consequences of failure in IBNs (Tung 1988). Illustrations for the high stakes can be seen for example in the Microsoft – Nokia arrangement in 2013 where Microsoft announced a deal to acquire Finnish mobile phone company Nokia's handset and services business for $7.2 billion (Staff 2018). As well as in the $180 billion merger of Vodafone and Mannesmann in 2000 (Campbell 2017). Taking the high stakes into account, minimizing the challenges in international business affairs needs to be the focus of success-driven firms.

The progress of business negotiation in international settings relies on the ability of managers to effectively communicate their message in different cultural settings (Khakhar 2017: 27). Therefore, negotiators must be aware of the contextual factors influencing the negotiation process and should have the ability to alter their style and strategies to suit their needs. Culture is one significant contextual element that shapes the whole negotiation process and needs particular attention during the selection of business partners or the preparation of face-to-face negotiations. Although the pre-negotiation preparations are considered highly important, they are not uncommonly skipped or not emphasized enough which may result in an unsuccessful negotiation process. Failed negotiations can have severe consequences for companies. Not only higher transaction costs, but also shattered relationships with business partners can result from unsuccessful negotiations and determine a company's future.

One of the most popular frameworks for cross-cultural studies is the cultural-dimensions theory by Geert Hofstede. His seminal theory has been widely used in several fields as a paradigm for research and is frequently consulted in preparation processes of international business negotiations (Khakhar 2012: 580). Albeit the enduring popularity of the framework, the data for the development of the country specific scores was gathered four decades ago. Especially in an environment characterized by ongoing transformations, innovations and increasing competition, it is critical to understand the impact of changes in cultural differences on negotiation behavior since it can determine the success or failure of business cooperation that may be essential for survival.

As mentioned above, the negotiating managers of a firm play a crucial role in the negotiation process (Edge 2017: 864). Members of the firm in negotiator positions are widely experienced company representatives often belonging to older generations. More recent research (Edmunds &Turner 2005; Stark et al. 2005; McCrindle & Wolfinger 2009) has pointed out, that differences between cultures have been impacted by generational factors. Current managers will retire in the near future and will be replaced by members of younger generations (Vieregge & Quick 2011: 324). “Understanding the generational change is particularly important in the light of the mass retirement of Baby Boomers, and their replacement by Millennials” (Twenge 2010). This generation shift may entail different behavior and approaches when it comes to business negotiation. Therefore, investigating the impact of generational factors on culture and negotiation tendencies becomes inevitable.

1.2. Research gap

The connection of both topics has been in focus since the globalization has forced business negotiations to expand across borders causing the clash of different nationalities and cultures. Up until now, culture conceptualizations have gained popularity being utilized in preparations and analysis of cross-border activities. Present research concerning international business negotiations is always connected to culture and case studies dealing

with problematic cross-cultural negotiations are analyzed by using social exchange theory and focusing on cross-cultural misunderstandings as reasons for failures.

Nevertheless, a vast majority of the studies combining the two topics (e.g. Salacuse 1998) lack the actual conceptualization of culture and use nationality as a proxy for culture (Kittler, Rygl & Mackinnon 2011: 76; Gunkel, Schleagel & Taras 2016: 569). Cultural traits are assumed to be true and not further investigated during the research process. In the end, nonetheless, elicit negotiation traits are linked to culture-specific behavior. This research gap needs to be addressed by thoroughly investigating both, culture-specific behavior and negotiation tendencies combined in one study.

The classification of age cohorts is not a new phenomenon but has gained increasing popularity over the last years. The present research has drawn the attention of generation studies towards the impact generation shifts may have for the near and medium-term future. Nonetheless, the current body of knowledge lacks the combination of generational shifts and its impact on a society's culture as well as on negotiation tendencies adopted in business affairs.

Taking the above mentioned into consideration, it is highly relevant to investigate whether the mindsets of the younger generations are significantly different compared to the elder generations and whether this change leads to a considerable diversity within a nations' culture. Furthermore, it is crucial to examine whether these possible changes have an impact on the negotiation tendencies. If so, negotiators must prepare for different negotiation behaviors depending on upon the age cohort of the negotiating partner and the preparations of business negotiations may need to be revisited.

The importance of this study can be seen in two main aspects. First of all, the globalization processes are ongoing, and recessions are not in sight. This results in firms increasingly orienting towards international business activities entailing a rising number of international business negotiations. Secondly and regarding international business activities, the generation shift that will take place in leading positions is increasing the consequences of

deficient actions. In order to achieve long-term success, negative influences on international business relationships have to be minimized.

The study to be conducted seeks to go beyond the present state of research and, therefore, may extend the current body of knowledge. Furthermore, the thesis will help managers to understand how negotiation styles vary in Finland, Germany, and Pakistan and how Generations X and Y impact the negotiation styles and culture in the investigated countries. The Findings may help managers to better prepare for future negotiations and increase the likelihood of bridging cultural distances occurring in international business negotiations. Additionally, the research results may add the current negotiation literature by providing valuable insights into the general factors on culture and the associated impacts on business negotiations. As far as is known this connection has not been under research earlier and thus is an original field of study that can contribute fresh insights to the current body of knowledge.

1.3. Research question and objectives

The preceding discussion about the research gaps steers the course of the present thesis. The basic objective of this thesis is to investigate the cultural and negotiation differences between generation X and Y in Finland, Germany and Pakistan. Accordingly, the main research question is:

"What is the impact of Generation X and Generation Y on negotiation tendencies and culture in Finland, Germany, and Pakistan?"

The main research question is approached and addressed by the following six sub-objectives:

1. *To study the conceptualization and the separate elements of negotiations.*

2. *To study the conceptualization and dimensions of culture.*

3. *To increase understanding about the conceptualization and characteristics of Generation X and Generation Y.*

4. *To increase the understanding of the impact of culture on negotiation tendencies.*

5. *To research the impact of Generation X and Generation Y on the negotiation tendencies and cultural dimensions.*

6. *To empirically investigate the impact of Generation X and Generation Y on the negotiation tendencies and culture in Finland, Germany, and Pakistan.*

1.4. Delimitations of the study

In the following, the delimitations of the study will be introduced with the purpose of clarifying the scope of the study for the reader. Six main delimitation that are in connection with the main topics and the methodology of the research were made and will be presented below.

First of all, and in order to keep the analysis in-depth, Finland, Germany, and Pakistan are the only chosen economies in this study. No other countries were included in the study to keep the scope of the thesis feasible.

Secondly, albeit there are various frameworks on international business negotiations and particular elements within the negotiations that guide the whole process, this study focuses on the framework introduced by Salacuse (1998) which includes ten factors that impact the negotiation process. By aiming the main attention on this particular framework, the negotiation process is both, described in a comprehensive way and still manageable to operationalize for empirical testing.

The third delimitation is connected to the sole focus on culture as a factor influencing international business negotiations. Although there are a number of other factors (e.g. strategic factors, background factors, atmosphere) that influence cross-border business negotiations (Hurn 2007: 354). Culture affects cross-border negotiations in significant ways (Manrai 2010: 81) and, therefore, was highlighted within the scope of this research.

Connected to the third delimitation, the fourth delimitation narrows down the cultural construct. Hofstede's cultural framework was chosen for conceptualizing the complex topic of culture within this study. The decision was made due to the work's seminal nature in this field and the high number of citations. Furthermore, compared to other cultural frameworks the four-dimensional framework by Hofstede is accessible and operationalizable for empirical testing.

The fifth delimitation is related to the investigated generations. Generation X and Generation Y are the two age cohorts focused on. Other generations were not targeted and excluded during the data analysis. The two generations focused on are the main age cohorts that represent the current workforce and also the workforce in the near future. Therefore, they were considered most essential.

The final delimitation concerns the data-collection method. A web-based questionnaire survey was chosen to gather the data. Despite the fact, that interviews can gain in-depth information about the respondents (Saunders, Lewis & Thornhill 2009: 320), the concepts to be studied within this thesis, are concerning whole societies and age cohorts. Changes within these concepts cannot be examined by studying a small sample size. Adopting survey as the data-collection method made it feasible to collect a significant amount of data from a substantial population (Saunders et al. 2009: 144).

1.5. Definition of key terms

The following table depicts a summary of the key terms' definitions utilized within this thesis. The study's conceptual framework is constructed upon those definitions.

Table 1. Definitions of key terms.

Key concept	**Definition**	**Source**
International business negotiations	A voluntary process whereby two or more business parties strive to reach an agreement on issues containing some degree of difference in interest.	Ghauri & Usunier (2003: 3)
	A problem-solving process that includes several stages, accomplished jointly by two or more business parties from different countries.	Luo (1999: 141)
Culture	Collective programming of the mind which distinguishes the members of one category of people from another.	Hofstede (1982: 13)
	A series of situational models for behavior and thought	Hall (1976: 13)
Generations	Members of a generation are held together by the experience of historical events from the same or similar vantage-point.	Mannheim (1997)
	A group of people who share a time and space in history that lends them a collective persona.	Strauss & Howe (2000)
	A cohort united by age and life stage, conditions and technology, events and experiences.	McCrindle (2009)
Generation X	Born between 1965 and 1979	
Generation Y	Born between 1980 and 1994	

1.6. Previous research

The following table is a summary of the seminal works on the key issues covered in this thesis. The table includes the authors of the works, the theoretical roots applied, the chosen methodology, the focus of the study and in the final column the outcome of the work.

All the works illustrated within this table had a significant influence on the literature review and the development of the theoretical framework.

1.7. Structure of the study

The first chapter of the master's thesis was the introduction. In this section the relevance of the topic were depicted, the broad foundation for the research problem was laid, and key studies that have touched upon the topic were reviewed briefly. Further-more, the delimitations of the study were presented in order to clarify the scope of the conducted study.

The second chapter will illustrate the literature review. In order to endow the reader with the necessary knowledge and the current state of research, the three theoretical parts of international business negotiations, culture and generations will be described independently followed by an analysis of the present literature regarding the combination of the theoretical parts. This chapter will result in a theoretical framework combining all three parts and deriving the hypotheses to be tested.

The third chapter is a display of the methodology of the thesis. Research method, data collection strategy, sample size and sample composition, and measures will be presented in this part of the thesis. Furthermore, the methods of data analysis will be presented, and the credibility of the research will be ensured through declaring the compliance with the research's validity and reliability.

Table 2. Previous research on key topics.

Author (Year)	Theoretical roots	Methodology and method	Focus of the study	Outcomes
International business negotiations				
Ghauri (1996)	Hofstede's dimensions	Systematic literature review	Develop a model of international business negotiations that include all relevant elements that influence the process	A conceptual model of international business negotiations including the three major constructs: (1) Background factors (2) Atmosphere (3) Process
Reynolds, Siminitras & Vlachou (2003)	Hofstede's dimensions; Hall's context of communication	Systematic literature review of 111 journal articles	(1) Provide an overview of trends and topics of the research in international business negotiations from 1990-2000 (2) Uncover the boundaries of international business negotiations research to date (3) Identify gaps in the study of international business negotiations	Addressed issues: (1) Conditions of the negotiation (external/internal factors) (2) Culture (3) Negotiator's' characteristics (4) Negotiation-related factors (5) Negotiation outcomes
Culture				
Hofstede (1982)	Social science theories and constructs were used to validate the four dimensions	Quantitative; survey questionnaire; n=116000 IBM employees	To study work-related values of employees	A factor-analysis validated four dimensions on which various countries/cultures differ. (1) Power distance (PDI) (2) Individualism (IDV) (3) Masculinity (MAS) (4) Uncertainty avoidance (UAI)

Hall (1960)	The Eisberg-model of culture including a visual and an invisible part of culture	Systematic literature review	To study the "invisible" nature of culture	Identification of five areas that are impacted by an insufficient understanding of the "silent language" (1) language of time (2) language of space (3) language of things (4) language of friendship (5) language of agreement The classification of low-context/high-context cultures And the identification of monochronic and polychronic time
Generations				
Pew Research Center (2015)	Generations as a measurement of age cohorts	Systematic literature review of prior studies	To measure public attitudes on key issues and document differences in attitudes between demographic groups	Fundamental differences across generation were detected in social, political, and ideological orientations.
Culture and international business negotiations				
Salacuse (1998)	culture, cross-cultural and comparative approach to cultural negotiation styles	Quantitative research; survey questionnaire; n=310	To identify important areas within the negotiation process that are impacted by cultural differences. Determine how specific elements of the negotiation process are reflected in various cultures.	Identification of ten factors that seem to be influenced by a person's culture: (1) Negotiating goals (2) Attitudes to the process (3) Personal styles (4) Communication style (5) Time sensitivity (6) Emotionalism (7) Agreement form (8) Agreement building (9) Team organization (10) Risk taking → Culture can impact the way in which negotiators perceive and approach key elements in the negotiation process.

Brett (2000)	Western mental model of negotiation Cultural concepts: individualism vs collectivism; egalitarianism vs hierarchy; direct vs indirect communication	Systematic literature review	To examine inter-cultural negotiations. To develop a model of how culture affects negotiation processes and outcomes.	A model of negotiation that captures the extent to which negotiation parties can exhaust the outcome potential while including cultural values that impact the priorities, negotiation processes and strategies and, therefore, affect the overall outcome of the negotiation.
Manrai&Manrai (2010)	Cultural frameworks and theories of Edward Hall and Geert Hofstede	Systematic literature review	To tackle the limitations in previous frameworks and to develop a universal model that includes critical elements of previous seminal works.	New conceptual framework includes six constructs capturing the effects of culture on IBN - three negotiator characteristics and three negotiation behaviors
Bird & Metcalf (2004)	Hofstede's cultural dimensions; 12-dimension framework based on Weiss and Stripp (1985)	Systematic literature review	The hypothesized relations between Hofstede's cultural values dimensions and negotiation behavior. Each of the twelve dimensions was related to one of Hofstede's cultural dimensions.	The analysis found support for ten of the twelve hypothesized relations: Goal → IDV Team Organization → UAI Time sensitivity → UAI Risk taking → UAI Agreement form → UAI Personal style → UAI Communications → IDV Emotionalism → UAI Basis of trust → UAI Individual aspiration → UAI
Generations and culture				
Edmunds & Turner (2005)	Global generations	Systematic literature review	The aim is to provoke discussion and establish a new research agenda for future work on generations	The authors suggest that the study of generations needs to embrace the thinking about globalism since the globally experienced traumatic events may facilitate the development of global generations.

Smola & Sutton (2002)	Baby Boomers and Generation X; Definition of work values and structural framework by Dose (1997)	Quantitative research; questionnaire based on a survey conducted in 1974 by Cherrington; n=335.	To explore possible differences among the generations by investigating work values and believes. RQs: (1) Are there generational differences in work values among today's employees? (2) Are the work values of today's workers different from those in 1974? (3) Do work values remain constant or change as workers grow older?	The work values of Generation X are significantly different from those of the Baby Boomers. The findings strongly suggest that work values are more influenced by generational experiences than by age and maturation.
Generations and business negotiations				
Vieregge & Quick (2011)	Hofstede's culture dimensions; the psychological approach to negotiations (focusing on the personality, expectations, and perceptions of the negotiator); the five-step negotiation model by Blackman (1997)	Qualitative research; survey questionnaire; explorative study n= 224 (n=29 Baby Boomers, n=69 GenX, n=126 GenX)	Hypothesis: H1: Generations from Asian cultures born between the years 1965-1979 (GenX) and the period of 1980-2000 (GenY) do not differ from their elders across Hofstede's five dimensions of national culture. H2: Generations born between 1965-1979 (Xers) and 1980-2000 (Yers) do not differ from their elders in time spent on different phases of negotiation. H3: Generations born between 1965-1979 (Xers) and 1980-2000 (Yers) do not differ in time spent in the negotiation phases from previous reports about their elders.	Findings: H1: supported → generations do not differ significantly across the cultural dimensions. Slight changes support that changes take place, albeit small in nature. H2: not supported → Xers and Yers differ significantly from the Baby Boomer in time spent on different negotiation phases H3: not supported → negotiation behaviors seem to have changed for the younger generations.

By illustrating the findings, the fourth chapter is the heart of the thesis. In particular, this section will contain the empirical examination, followed by the description, analysis, and evaluation of the findings. In the end, the developed theoretical framework will be connected to the findings and the derived hypotheses be tested.

The final part of the thesis will conclude with a summary of the essential findings which will deduce theoretical contributions and practical implications. Furthermore, the limitations will be presented, and further research opportunities in order to develop this field of inquiry will be introduced.

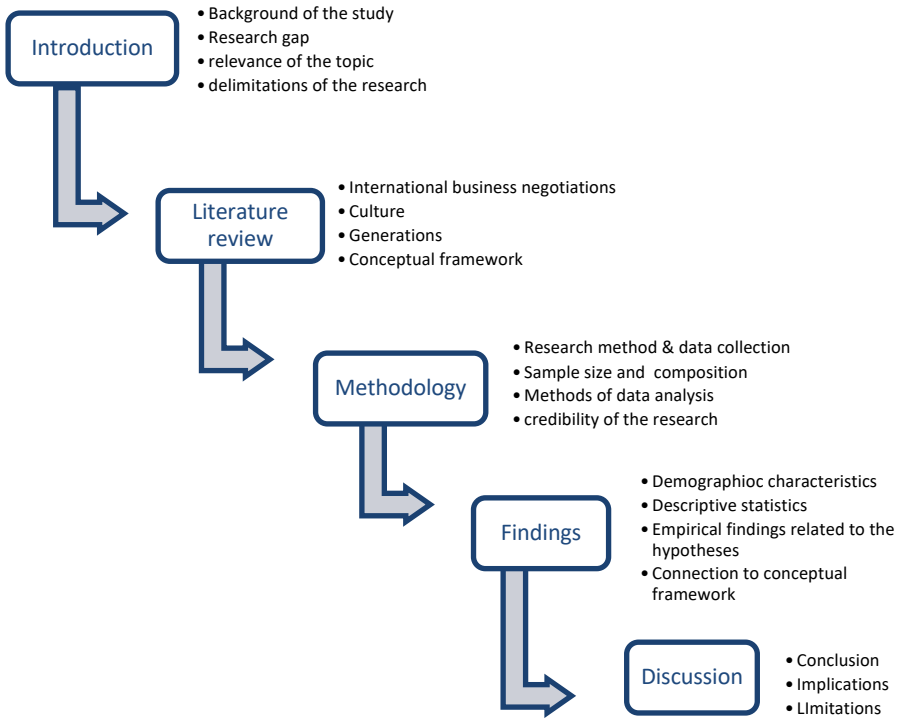

Figure 1. Structure of the study.

2. LITERATURE REVIEW

This chapter will include a literature review of the three main topics - international business negotiations, culture and generations. Besides a thorough presentation of each topic, links between the three major constructs will be drawn and hypothesis will be proposed. The chapter concludes with the conceptual framework of the study.

2.1. International business negotiations

In general, negotiations can be considered as basic human activities that occur on a daily basis in order to manage relationships. While negotiations in informal day-to-day interactions can be of unpleasant nature, the stakes in these involvements are relatively low. Negotiations which are taking place on formal levels and involve business actions, on the contrary, are characterized by high stakes and, therefore, need particular planning. (Reynolds et al. 2003: 236). In business relationships, parties enter the negotiation process, because they think they can reach a better outcome. In order to do so, they have to be clear about the desired outcome and precisely plan how to attain their goals.

Negotiations that take place in international business settings require special attention since they demand an understanding and flexibility due to the involvement of facts and factors that go beyond the negotiation process and have significant impacts on the outcome (Ghauri & Usunier 2003: 3). During the last two decades and due to the ongoing globalization processes, cross-border business relationships have been expanding substantially resulting in a world where there is no country which is not involved in international business activities (Ghauri 1986: 72). Therefore, this thesis will focus on negotiations taking place in international settings.

In the history of negotiation research, different theoretical viewpoints and paradigms were applied to study the subject. Two main perspectives used within the negotiation literature are the game theory and the social exchange theory. By applying game theory, the negotiation process is basically considered as a game with a winner and a loser. This approach

is “bounded by assumptions of rationality, taking logical solutions to dilemmas at every stage, viewing the relationship between parties as competitive in nature, and ultimately having a zero-sum gain” (Duvalett, Garapin, Llerena & Robin 2004). The social exchange theory is situated at the opposite spectrum and treats negotiations as a social exchange process which can be influenced by human interaction and result in a win-win outcome. In the following section, the concept of international business negotiations will be defined, and Ghauri’s framework (2003) with its three different groups of variables will be presented.

2.1.1. Definitions of international business negotiations

The concept of international business negotiation is widely spread and defined by various scholars in different ways. Ghauri (2003: 3) defines international business negotiations as a voluntary process whereby two or more business parties strive to reach an agreement on issues containing some degree of difference in interest. Luo (1999: 141) defines international business negotiations as a problem-solving process that includes several stages, accomplished jointly by two or more business parties from different countries. In business relationships, parties negotiate because they are aiming to influence the process to get a better deal. Especially when the stakes are high, as can be observed in business relationships, the negotiation process has to be carefully prepared, planned and conducted (Ghauri & Usunier 2003: 3). This study uses Ghauri’s framework for international business negotiations for giving an overview of the overall negotiation process. The framework considers the effects of cultural and other contextual factors on the international negotiation process and makes links between various factors that will be discussed below.

2.1.2. A framework of international business negotiations

Ghauri (1996) developed the negotiation framework based on earlier work (Ghauri 1986; Cavusgil & Ghauri 1990). His conceptual model of international business negotiations includes three major constructs: background factors, atmosphere, and process. Within the model, Ghauri conceptualized the relationships of background factors on atmosphere and further included effects of the two constructs on the process. (Ghauri & Usunier 2003: 3;

Richardson and Rammal 2016: 405). The framework is illustrated in figure 2 and will be described explicitly in the following subheadings.

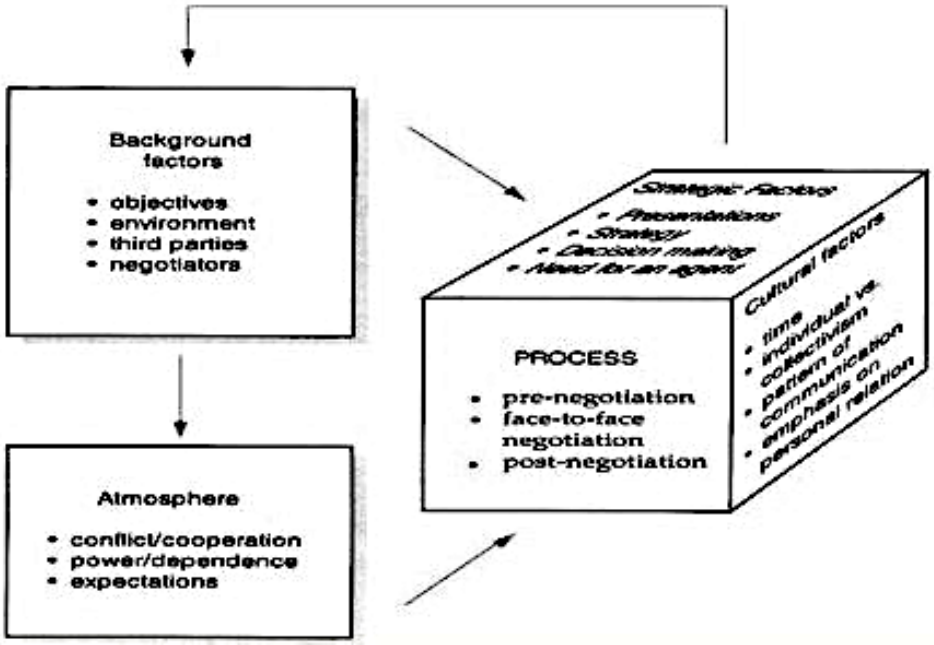

Figure 2. A framework for international business negotiations (Ghauri & Usunier 2003:9).

2.1.2.1. Background factors

The background construct in Ghauri's framework includes four variables: objectives, the environment, third parties, and negotiators. These factors can have positive or negative impacts on the atmosphere and the process and its different stages. Whereby positive influences will lead to a time-saving and smooth process and negative impacts will end in delays and drawbacks. While one variable may have a positive effect on one stage of the process, another variable may impact the same stage in a negative way. (Ghauri & Usunier 2003: 4.)

Objectives refer to the final stage each party desires to achieve in the end of the negotiation process. They can be classified as common, conflicting or complementary. Common as well as complementary objectives are known to have direct and positive effects on the negotiation process. Conflicting objectives, on the other hand, tend to have negative effects on the whole process and decrease the likelihood of a successful outcome. (Ghauri & Usunier 2003: 5-6; Khakhar and Ahmed 2017: 27.)

The environment variable includes political, social, and structural factors that may have an impact on all the involved parties. Political and social aspects of the environment in which the negotiation is taking place have direct impacts on the negotiation process since they impact cultural and strategic factors. The market structure and the party's position within this structure affects the atmosphere construct. It determines the number of competitors on the market and with it the likelihood of equal alternatives available to each party which, in turn, can in- or decrease the pressure. (Ghauri & Usunier 2003: 6.)

Most international negotiation are of complex nature and involve more than the only two parties. The third party can consist of the government that has a say in a countries business action. A third party may also be a consultant or an agent aiming to increase the likelihood of positive results. Independent of the third party's appearance, it may have direct effects on the negotiation process since they pursue distinct objectives. (Reynolds et al 2003: 243.)

The final variable included in the background factors construct are the negotiators themselves. Since negotiations always require human beings to make contact and communicate with each other, the negotiators have a significant impact on the success of a negotiation. Negotiators of both parties operate within two restrictions: First of all, they are aiming to increase the overall success all the involved parties by expanding willingness to cooperate. At the same time, their goal is to maximize the own objectives and interests and ensure agreements that are not harmful to the own position. The negotiation process can also be impacted by the personality and the experiences of a negotiator. Especially in

stressful situations, these elements can determine how successful the results will be. (Ghauri & Usunier 2003: 6; Cox and Dibling 2012: 486.)

2.1.2.2. Atmosphere

The atmosphere is made up of the three characteristics conflict/cooperation, power/dependence and expectations. The elements of this construct have an impact on relationship building and, therefore, are of fundamental importance to the negotiation process as a whole. Ghauri further describes atmosphere "as the perceived milieu around the interaction, how the parties regard each other's behavior, and the properties of the process" (Ghauri & Usunier 2003: 7). The atmosphere and the different process stages affect each other through continuous interactions. While some elements of the atmosphere construct are more dominant at one stage, other elements have stronger impacts on other stages of the process (Ghauri 1986: 73).

The conflict/cooperation spectrum is a dynamic construct that is balanced throughout the whole process. The magnitude of conflict or cooperation mainly depends on the objectives of the negation parties and on the negotiation stage of the process. The degree of conflict or cooperation during the different stages is often a function of the issues being dealt with. The pre-negotiation stage for example is rather dominated by cooperation than conflict since the negotiation parties are aiming for mutual solutions. By progressing the negotiation process, conflicts may occur due to divergent objectives (Rammal 2005: 130; Ghauri 1999: 6). Since the atmosphere is the "perceived milieu" of the negotiation process, conflict can be perceived without the real existence of it. Misunderstandings of the other party's behavior or intention may lead to such perceived conflicts (Ghauri & Usunier 2003: 7).

Another basic element of the atmosphere is the power/dependence relation. This element is significantly influenced by background factors since it is closely related to the actual position of power each partly holds and the availability of alternatives. The power scale can only be balanced when both parties perceive equal power and no party depends on the other party (Ghauri 1986: 73).

The final characteristic concerns the expectations and can be divided into two types (Rammal 2005: 130). The primary objectives have an impact on which expectation type will dominate. The first type are the long-term expectations that are focusing on possibilities and values of the business relationship in the future. When the negotiation parties hold high long-term expectations, the likelihood of a successful outcome of the present deal increases. Short-term expectations, on the other hand, are concerned with the benefits of the present deal. When this type of expectation dominates, the party only enters or proceeds the negotiation when participating is connected to better results. Expectations are not a static construct. They change and develop in different stages and, therefore, have an impact on the process itself (Ghauri & Usunier 2003: 7-8).

2.1.2.3.Process

The process construct is three-dimensional. Next to the stages of the negotiation, the process holds a cultural and a strategic dimension. The cultural and strategic dimensions have impacts on each of the three stages and, therefore, cannot be considered separately from each other (Manrai & Manrai 2010: 80).

In his work from 1986, Ghauri defines five stages of the negotiation process which he (e.g. Ghauri & Usunier 2003) combined into three main stages later on. All stages are influenced by the previously described two groups of variables background factors and atmosphere (Ghauri 1986: 73). During the process, the next stage should only be entered, if the former stage is completed successfully. If no solution can be found at one point, reentering a former stage is possible and a valid option compared to cancelling the negotiation process entirely or advance unsatisfied.

The **first stage** is the pre-negotiation stage. This stage combines tentative offers, informal meetings and strategy formulation. Tentative offers and informal meetings imply the first contact between the two parties and can be of significant value for the further negotiation process. In international business relationships, informal meetings can be more important than the formal negotiations since the relationship development starts with the first contact. When the parties manage to gain trust and confidence from these informal meetings,

the chances of success will increase. This phase of the process is crucial in order to understand the other side and gain insight into the other party's strengths, weaknesses and their respective competitors as alternatives can impact the negotiation position (Ghauri 1986: 79). Furthermore, the own relative position of power can be influenced by gathering all significant information about the operating environment, including third parties involved. Spending time and thoughts on the other party can help to decrease the distance between the opposing parties which, in turn, will increase the probability of future agreements (Ghauri 1986: 73-74).

A final element of the first stage is the strategy formulation which should be exercised with absolute caution. This includes a thorough plan consisting of possible problems, available solutions, preferred choices and acceptable alternatives. At this point it is crucial to include the objectives of the opposing party in order to anticipate their tactics in the face-to-face negotiations. By trying to foresee the opponent's strategy and carefully deciding on possible concessions and their extent, the relative power can be increased. (Ghauri 1986: 76; Ghauri & Usunier 2003: 14-15; Khakhar and Ahmed 2017).

As the social exchange theory, which was adopted to formulate this framework, regards the negotiation process to be of problem-solving nature, the main point in this stage is to jointly define the problem to be solved. After successfully agreeing on this issue, the next step can be approached (Ghauri 1986: 73).

The **second stage** is called the face-to-face negotiation and is heavily influenced by the former stage. By this time, both parties are aware of the significant topics that need to be discussed and know how fierce they want to negotiate them. The main issue at this stage involves the confidence of both parties that they can work together to find a solution for the previously jointly defined problem (Ghauri 1986: 76-77).

Alternative strategies can be used during the negotiations. A tough strategy is accessed when one's party initial offer is high, and concessions are avoided. A softer strategy, on the other hand, implies granting concessions and gives room for facilitating negotiations. The choice for a certain strategy depends upon the opponent's choice. Therefore, it is

essential to understand the other party's strategy as soon as possible in order to align the own choice (Ghauri & Usunier 2003: 15). When the strategies are aligned and overlaps in the parties' positions are detected, settlements can be reached. Nonetheless, a party should not agree on settlements too early since the results are perceived more positively when both parties think they fought hard to get to the agreement. After testing the other party's level of commitment and willingness to make concessions, both parties need to be flexible, balancing between firmness and credibility, and send clear signals whether it is time to move on (Ghauri 1986: 77).

While negotiating face to face, both parties should be aware of cultural or traditional differences to better comprehend and adjust the opposing party. Although it is very difficult to comprehend or to adjust to another culture, traditions, habits, and behaviors, solely being aware of possible differences may help to avoid misunderstandings and deadlocks in the negotiation process (Ghauri & Usunier 2003: 10).

The **final stage** is regarding the implementation of the agreed upon negotiation outcomes. Both parties should use language that is easily understandable and value-free. To avoid conflicts and delay, the parties should summarize the negotiations and keep detailed minutes of the negotiation stages and topics. This stage preferably ends with a signed contract that includes all the essential information needed to proceed the deal. When issues arise that are unclear to one or both of the parties, further face-to-face negotiations may be needed. It is essential that both parties know how to proceed after the negotiation process is determined. Therefore, the final stage should focus particularly on the details of the agreed upon issues (Ghauri & Usunier 2003: 11; Ghauri 1986: 78).

The second dimension of the process construct is **cultural factors**. Ghauri (2003: 13) regards time, individual vs. collective behavior, patterns of communication, and emphasis on personal relations as the most relevant factors impacting the negotiation process.

Time is perceived differently all over the world. While in some cultures little value is attached to the meaning of time, other cultures place high importance on punctuality and the pace of the negotiation process. Gathering advanced information on the other party's

attitude towards time is essential to avoid misunderstandings and irritations during the process. (Ghauri & Usunier 2003: 13.)

Individual vs. collective behavior as a cultural attribute is determining whether a party is aiming for collective solutions or individual benefits. Knowing the other sides behavioral aspects, can be of importance when it comes to developing an effective strategy. (Ghauri & Usunier 2003: 13.)

Communication patterns differ in distinct nations. Some cultures emphasize direct and explicit communication while other cultures prefer to communicate in an indirect and implicit way. The communication style is closely linked to the contextual background of a nation's language and cultural aspects. Being aware of the other party's communication pattern can help to read between the lines and avoid misunderstandings. The communication patterns also include non-verbal communication like handshakes, greeting habits, personal space, or communication between genders that can be essential for cross-cultural negotiations. Carefully observing non-verbal communication may improve the process and increase the likelihood of successful outcomes. (Ghauri & Usunier 2003: 13-14.)

The final cultural aspect included in Ghauri's framework deals with **the emphasis on personal relations**. The importance placed on relationship building varies in different cultures. Some cultures do not place high value on the negotiators but are rather concerned with the future relationship of the organization. In other cultures, the individual negotiator matters more than the organization which he or she is representing. (Ghauri & Usunier 2003: 14.)

The third dimension of the process is concerned with four **strategic factors** namely: presentations, strategies, decision making, and the need for an agent. **Presentations** can be conducted in either a formal or informal manner. Additionally, issues can be handled individually or in groups. The style can further be divided into argumentative or informative presentations. The presentation style varies in many countries. In order to avoid significant damage at an early stage, it is important to find out the preferred presentation style. (Ghauri 1986: 78; Ghauri & Usunier 2003: 14.)

The different **strategy** styles were already discussed above. Besides deciding on whether the own strategy is preferably tough, soft, or intermediate when entering face-to-face negotiations, it is critical to gather information about the other party's strategy. This will enable to align the own strategy by preparing counter-offers and, therefore, will lead to a more flexible and powerful negotiation position. (Ghauri & Usunier 2003: 15; Khakhar and Ahmed 2017.)

Knowing about the other party's **decision-making** pattern may help to save time and money and to smoothen the overall negotiation process. With regard to the decision-making style it is especially important to know which member of the negotiation team has the power to make final decisions and whether they decide in a rational or an impulsive manner. (Ghauri & Usunier 2003: 15; Khakhar and Ahmed 2017.)

In some international settings consulting an **agent** will raise the likelihood of a successful outcome. The need for an agent increases when the market or the negotiation opponent is unfamiliar or particularly complicated. The advancement of an agent is situation-depended and needs a thorough cost-benefit analysis. (Ghauri & Usunier 2003: 15.)

Although Ghauri's framework gives an all-encompassing and comprehensive overview of business negotiations and includes the major constructs that have an impact on the overall process, it lacks to focus on the culture component by only including a few culture elements (time, individualism vs collectivism, patterns of communication, emphasis on personal relations). Furthermore, the face-to-face phase in the model developed by Ghauri is not fragmented into smaller elements. This makes an operationalization of the face-to-face negotiations impractical and in that regard hampers an empirical testing. Other frameworks presented in the section 2.3 are focusing on the culture component within business negotiations and although they are lacking Ghauri's comprehensiveness they may be more appropriate for the purpose of the research at hand.

2.2. Culture and major cultural frameworks

In the following part of the literature review, the conceptualization of culture will be illustrated and the three major cultural frameworks by Hall, Schwartz and Hofstede will be presented. Each of the displayed frameworks is considered seminal in cross-cultural studies and contributed significantly to the understanding of national cultures (de Mooji 2004: 42). Nevertheless, it may be that there are specific contexts in which cultural distance models based on Hall or Schwartz are appropriate and other contexts in which cultural distance scores based on Hofstede's dimensions may be more suitable (Ng, Lee & Soutar 2006: 166). Due to the fact that there is no single best way of "partitioning the cross-cultural spectrum" (Minkov & Hofstede 2011: 17), the following part will additionally present reasons for the choice of Hofstede's framework.

2.2.1. Conceptualizations of culture

Culture is a complex construct that has been defined and classified in countless ways. Its all-encompassing nature hampers a comprehensive understanding of the extensiveness, intensity, and dynamics of cultural factors and their influence on human behavior. The impalpable nature of the culture construct complicates its definition (Wilken 2013: 738). Kroeber and Kluckhohn (1952) identified 164 definitions over 60 years ago, and Taras, Rowney, and Steel (2009) highlight a multitude of conceptualizations with different foci. As for the variety of definitions, there is a diverse assortment of authors who addressed the concept of culture. Nonetheless, most of the research conducted by these authors is grounded in cultural frameworks and theories such as the works of Edward Hall and Geert Hofstede which according to Manrai and Manrai (2010: 69, 71) can be considered the two major contributions to the development of the culture theory. Important culture aspects are recurring in diverse frameworks known under different names. For example, Hofstede's collectivism and individualism construct is also known as universalism versus particularism (Trompenaars and Hampden-Turner 1997), low-context versus high-context cultures (Hall 1959), or Minkov's (2007) universalism versus exclusionism dimension (Ulijin et al. 2010: 39).

2.2.2. Hall's culture model

Hall (1959, 1966, 1976) is known for his concept of cross-cultural communication including interpersonal communication, communication between different groups and within the same culture, transnational communication, and trans-regional communication (Zhang & Shi 2017: 586). Hall thinks of culture as "a series of situational models for behavior and thought" (Hall 1976: 13) and further states that culture "is not innate, but learned" (Hall 1976: 16). Furthermore, Hall (1976: 16-17) defines that "the various facets of culture are interrelated" and that "there is not one aspect of human life that is not touched and altered by culture. This means personality, how people express themselves [...], the way they think, how they move, (and) how problems are solved".

In his primary work, Hall (1976) created the contexting model within he defined high-context and low-context communication and made a number of distinctions between high-context and low-context cultures. Individuals belonging to low-context cultures for example are more task focused and prefer to communicate their messages explicitly. People from a high-context culture, on the other hand, focus on the establishment of relationships and communicate somewhat implicitly (Hall 1966; Khakhar 2012: 580.) He then classified cultures as being either primarily high-context or low-context (Khakhar 2012: 580) while also explaining that cultures can be arranged on a continuum with the two opposing poles extremely low-context to extremely high-context. Hall (1976) continued his work by classifying the following cultures on this continuum: Swiss-Germans, Germans, Scandinavians, Northern Americans, French, English, Italians, Latin Americans, Arabs, Chinese (added in Hall & Hall 1987, 1990), and Japanese (Cardon 2008). The data for Hall's classifications was mainly gathered through qualitative interviews and observations. In 1987, Hall and Hall conducted 165 open-ended interviews with professionals from America and Japan for describing the Japanese business culture. In 1990, Hall and Hall gathered data from 180 interviews conducted in Germany, France, and the United States.

Although Hall's model of high-context and low-context cultures is one of the dominant theoretical models in intercultural communication, and, according to Cardon (2008: 400)

has been identified as the most commonly used cultural framework in intercultural communication courses, it entails some critical limitations. First of all, Hall's work has not been published in refereed journals and, therefore has escaped close and critical scrutiny by other researchers (Cardon 2008: 400). This leads to a void of empirical evidence that is able to support or revise the existing classifications that are attached to Hall's concept (Kittler et al. 2011:67). Furthermore, Hall has lacked to illustrate the used methodology for developing the model and how he conceptualized or measured the low-context and high-context rankings. Although Hall and Hall (1987, 1990) conducted interviews for further examinations of contexting in cross-cultural business settings, solely the number of conducted interviews was presented, no information about the applied methodology or analysis (Cardon 2008: 403; Kittler et al. 2011: 76). Hall's framework lacks a solid empirical foundation (Cardon 2008, Kittler et al. 2011). Thirdly, Hall only looks at culture from one angle by solely focusing on communication and, therefore, misses other elements of culture that play a critical role (Cardon 2008: 406). Therefore, Hall lacks to present a comprehensive cultural framework. Lastly, Hall classified cultural clusters like Arabic cultures or Scandinavian cultures rather than national cultures and, therefore overlooks key cultures (Cardon 2008) on the one hand and overgeneralizes (Kittler et al. 2011:67) on the other hand. Due to the presented limitations, Hall's framework was considered inappropriate for this thesis and therefore, was not adopted for the research at hand.

2.2.3. Schwartz's culture model

The Israeli sociologist Shalom Schwartz developed a theory of cultural value orientation in 1992. He defines culture as "the rich complex of meanings, beliefs, practices, symbols, norms, and values prevalent among people in a society" and goes on by stating that "the prevailing value emphases in a society may be the most central feature of culture" since "they express shared conceptions of what is good and desirable in the culture, the cultural ideals" (Schwartz 2006: 138-139). Furthermore, Schwartz defined human values as "desirable goals, varying in importance, that serve as guiding principles in people's lives" (Schwartz 1994: 88). According to Schwartz, all values are based on the needs derived

from individuals' requirements as biological organisms, society's requirements for coordinated social interaction, and groups' requirements for survival and support (Schwartz 1992).

Mainly based on theoretical research, Schwartz (1992) identified a set of 56 individual values that were recognized across cultures. After examining which of these 56 values had an equivalent meaning across countries, Schwartz reduced the number of the individual values to 45. He subsequently averaged the scores on each of the 45 value items for each country and used smallest-space analysis to identify a number of meaningful and interpretable dimensions along which national cultures differ. This procedure resulted in seven dimensions namely: conservatism, intellectual autonomy, affective autonomy, hierarchy, mastery, egalitarian commitment, and harmony (Schwartz 1994, 1999). In order to test the generalizability of the cultural framework Schwartz used 122 teacher and college student samples resulted in a total of 35,000 respondents from 49 nations to calculate and validate national value scores for the seven cultural value types. Schwartz' tests displayed a consistent structure for the seven culture level value types (Ng et al. 2006:170; Schwartz 2006:145).

Conservatism represents a culture's emphasis on maintaining security, conformity and tradition as the status quo and restraining actions that may disrupt the solidarity of the group or alter the traditional established order. Intellectual and affective autonomy refer to the extent to which people are free to independently pursue their own goals and intellectual interests, and respectively, positive affective activities and desires. Hierarchy relates to the extent to which the legitimacy of the hierarchical ascription of roles like the distribution of power, is emphasized, while egalitarian commitment denotes how likely individuals are inclined to voluntarily put aside own, selfish interests to promote the well-being of others. Mastery expresses the importance of self-affirmation by dominating the surroundings, while harmony emphasized the importance of fitting harmoniously into the nature and the environment (Schwartz 1999; Drogendijk & Slagen 2006: 364; Gouveoa & Ros 2000: 26-27).

Albeit Schwartz's value dimensions offer a genuine way to compute cultural distance, some limitations need to be acknowledged. First of all, and according to Drogendijka and Slangen (2006: 364), the framework has not sufficiently been tested through empirical applications. Schwartz's dimensions lack the popularity of Hofstede's cultural dimensions and, therefore, are not as frequently utilized by other researchers as Hofstede's framework. This may be due to the fact that Schwartz's dimensions are not as simple as Hofstede's dimensions and may appear as formulated at a high level of abstraction. Furthermore, Schwartz's model has not yet been amply related to geographic and macroeconomic variables (Gouveia & Ros 2000: 27). Another limitation regarding the suitability as the theoretical framework for this thesis, are the samples Schwartz's research focused on (Ng et al. 2006: 167). By studying students and teachers, two different age cohorts were considered by Schwartz which hampers a statement about the evolvement of culture values across age cohorts. Due to the presented limitations, Schwartz's framework was considered inappropriate for this thesis and therefore, was not adopted for the research at hand.

2.2.4. Hofstede's framework of national culture

Hofstede uses culture in a sense of "collective programming of the mind which distinguishes the members of one category of people from another" (Hofstede 1982: 13). According to Jan Gert Hofstede (2015: 549) this metaphor is appropriate since it implies that it is impossible for human beings not to have a culture. Further, Hofstede sees culture as "that component of our mental programming which we share with more of our compatriots as opposed to most other world citizens" (Hofstede 1982: 14).

The Hofstede research collected a data bank between 1967 and 1973 containing a total of 116,000 questionnaires of employees of the multinational business IBM. The survey was conducted in 72 counties and covered 53 cultures. The research revealed that the 53 cultures differed mainly along four dimensions: Power Distance (PDI), Individualism (IDV), Masculinity (MAS), and Uncertainty Avoidance (UAI) (Ghauri & Usunier 2003: 137.) Therefore, Hofstede's paradigm constructed "dimensions of national culture from variables that correlate across nations" (Minkov & Hofstede 2011:14). Hofstede (2006:894)

states that dimensions in his understanding *"*do not exist in a tangible sense. They are constructs, not directly accessible to observation but inferable from verbal statements and other behaviors and useful in predicting […] other observable and measurable verbal and nonverbal behavior*"*. The four dimensions describe basic configuration issues of societies. They are instilled from birth and filter all social activities. "Each of the four issues spans up a dimension, that is, a continuum with two extremes, on which a society has a relatively fixed place" (Ulijn et al. 2010: 39). Although this place does not say anything about individual behavior, it shows a tendency among people who were socialized in that cultural environment to behave in a certain way. The four dimensions are related to identity, hierarchy, gender and aggression, and truth and fear (Ulijn et al. 2010: 39). They are introduced in the following while highlighting the two extremes of each dimension and focusing on the impacts on work related surroundings.

For the scope of this study, Hofstede's cultural dimensions framework will be adopted due to the wide acceptance of its importance in the field of cross-cultural communication studies (Baskerville 2003; Chapman 1997:18-19; Minkov & Hofstede 2011:10). Geert Hofstede's accessible, widely cited and applied work is universally acknowledged to analyze cultural traits which influence behavior in different societies (Javidan, House, Dorfman, Hanges & de Luque 2006: 910). It is further seen as a Kuhnian paradigm shift that has changed the view on culture and revolutionized the field of cross-cultural studies (Hofstede 2015: 561; Minkov et al. 2011:11).

Compared to Hall's model, Hofstede's works have been published in refereed journals and since then, have been extensively replicated, tested, refined, and critiqued (Cardon 2008: 400) which contributes to a frequent development of Hofstede's framework. Since the initial studies by Hofstede, there have been six major replications of the study which support Hofstede's findings and suggest that his findings are still relevant today (Rinne et al. 2012: 97).

Furthermore, Hofstede's research included a high number of countries – a larger sample of countries than any other cultural value survey (Scott 1995: 56). This is crucial when it comes to identifying etic dimensions of cultural variability. According to Hofstede

(2001), at least ten to fifteen societies need to be investigated to avoid the risk of treating cultures as individuals, and not as wholes. Additionally, Schwartz himself claims that Hofstede's cultural dimensions are included in his framework (Schwartz 1994; Minkov & Hofstede 2011: 13) which shows that Hofstede's massive and pioneering work has significantly impacted future research on cultural values and the understanding of national cultures within more recently developed frameworks like the Schwartz model (Drogendijk et al. 2006: 363; Javidan et al. 2006: 910). Therefore, other large-scale empirical contributions may have little marginal value for the overall body of knowledge (Early 2006: 927).

In addition, many other models that aim to measure national culture by developing dimensions, present a high number of dimensions to grasp the highly complex culture construct. According to Hofstede (2006: 895) human "minds have a limited capacity for processing information, and therefore, dimensional models that are too complex will not be experienced as useful". The dimensions Hofstede developed in the course of the IBM study are coherent and they can predict and explain important and interesting phenomena (Minkov & Hofstede 2011: 17; Scott 1995: 56). Hofstede's dimensions claim to "describe basic dilemmas that every human society faces" and although Hofstede (Hofstede 2006: 859) himself says that his initial four dimensions indeed are basic, "they make a fair chance of being identified in any thorough and professionally executed study of culture across societies".

Another unique factor about Hofstede's framework is that it was derived empirically (Rinne, Steel & Fairweather 2012: 95) compared to the theory-based models by Hall and Schwartz. Therefore, any bias in the survey questionnaire design was minimized. In addition, Hofstede's dimensions are clearly defined, and his methodological approach is easily comprehensible due to the accurate explanations in his works from 1980, 1984 and 2001. Furthermore, a total of more than 400 significant and independent correlations have been found by Hofstede and other academics which contributes to the overall validation of Hofstede's framework (Hofstede 2002: 1358; Rinne et al 2012: 97; Scott 1995: 56).

Last but not least, according to Vieregge and Quick (2010: 316) Hofstede's sample was mainly from one age cohort, the Silent Generation (born between 1925 – 1945). Therefore, for the scope of this thesis, Hofstede's findings can be treated as the values of the "old" generation (The Silent Generation) and subsequently be compared to the findings from this research which aims to show the values of the "new generations" (Generation X and Y). The presented reasons make Hofstede's dimensions a suitable theoretical framework for this thesis and therefore, justify the adoption of the model.

Since its release in 1980, Hofstede's work invited criticism and controversies on many levels (Hofstede 2002: 1360) which seems natural due to the paradigm shift Hofstede's framework entailed (Minkov & Hofstede 2011: 11). The criticisms most widely read relate to the following issues: Nations are not the best units for studying culture; the IBM data are old and obsolete; nation states cannot be equated with national culture (Hofstede 2002: 1356; Hofstede 2003: 812; McSweeney 2002; Baskerville 2003). This study addresses some of the criticism of Hofstede's concept by collecting original primary data and in this way do not rely on Hofstede's (1980, 2001) scores and allow for within country variation of cultural value dimensions.

Although Hofstede extended his dimension framework by two dimensions (Long-Term Orientation and Indulgence), solely the original four dimensions will be applied for this research since the data serving as the groundwork for the initial four dimensions was gathered during the same time period and, therefore, delivers a foundation for comparing the results. The fifth dimension was introduced in 1991 and resulted from Hofstede's collaboration with Michael Bond who found a dimension dealing with a culture's orientation towards the past or the future as a result of the Chinese Value Survey (CVS). The sixth dimension was added to Hofstede's framework in the third edition of his book *Cultures and Organizations: Software of the Mind* (2010) and was initially discovered by Minkov in 2007 through an investigation of Ingelhard's (Ingelhard and Barker 2000) dimensions which were derived from databases like the World Value Survey (WVS) (Minkov & Hofstede 2011: 13-15.)

2.2.4.1. Power distance

The first dimension in Hofstede's framework is called power distance and describes the extent to which less powerful members of a society or institutions accept and expect that power is distributed unequally. The fundamental issue of this dimension is how a society handles inequalities among people (Hofstede 1982: 65; Hofstede 2006: 883) and furthermore, informs about the dependence relationships in a country (Hofstede 2010: 61). The issue of hierarchy displayed in this dimension surfaces in each social situation in which equality is implied (Ulijn et al. 2010: 40).

In the working place, the PDI index mainly considers the question whether superiors and subordinates think about each other as equal or unequal. The extent of a system's hierarchy level can give a hint at the boss-subordinate relationship in a company. When a country scores high on the power distance scale, attendants and supervisors consider each other as existentially unequal. Workplaces in these countries often prefer to centralize power. Supervisors are implemented in all hierarchy levels and report to the subordinates of the higher level. Subordinates expect to be told what to do report to their managers when the work is conducted. The workforce on low hierarchy levels is often relatively uneducated and the activities performed is seen as low status work which is reflected in the salary. Large-power-distance cultures behave well on tasks that demand a high level of discipline and accurate performance. (Hofstede 2010: 73-75; Hofstede 1982: 106-108.)

Countries situated on the opposite side of the PDI scale, show different boss-attendant relationships and distinct behavior compared to high-power-distance countries. Superiors and subordinates consider each other as equal which is displayed in a flat hierarchy. Status roles are dynamic and can be adapted to special needs or tasks. Companies operation in low PDI countries are decentralized and stuffed only with a low number of supervisory personnel. Subordinates work independently and expect to be included in the decision-making processes. The salary gap between the different hierarchy levels are relatively small. Small-power-distance cultures perform well on tasks that are demanding subordinate initiative and creative thinking. (Hofstede 2010: 73-75; Hofstede 1982: 106-108.)

2.2.4.2. Individualism

For identity, the second issue addressed by Hofstede, the dimension poles are individualism versus collectivism. This dimension is related to the problem of interpersonal ties (Hofstede 2006: 883). It measures whether people prefer a widely unconstrained social framework in which individuals are expected to take care of only themselves (Rinne et al. 2012:96) or a "tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty." (Hofstede insights 2018a.)

A culture's score on the individualism dimension has significant impacts on aspects related to the workplace. Employers in individualistic cultures are expected to follow their own interests and organize work and the employer's interests around them. The relationship between the supervisor and the subordinate is rather calculative and can be conceived as a business transaction. Therefore, legitimate and socially accepted reasons for terminating a work relationship are common in individualistic societies. When bonuses or other incentives are provided in individualistic cultures, they are linked to an individual's performance. Employees in an individualistic surrounding appreciate personal feedback in form of periodic discussions or appraisal interviews and are able to take responsibility for their own actions. (Hofstede 2010: 119-123; Hofstede 1982: 152-154.)

Collective societies, on the other hand, emphasize different behavior which already starts with the hiring process. An employer in a collectivistic society never just hires an individual, but rather a future employee that belongs to the in-group and therefore will act according to the interests of this in-group even if it means that the own interests have to be deferred. The employer-employee relationship resembles a family relationship including "mutual obligation of protection in exchange for loyalty" (Hofstede 2010: 120) and therefore is of moral character. In cultures that score low on the individualism scale, it is rather hard to find legitimate and socially accepted reasons to determine a work relationship. Managers in collectivistic societies need to be able to manage a group. Therefore, in-group differences need to be detected and decreased through emotional integration of "outsiders" into the work group. Incentives are usually given to the whole group and not on an individual basis. The in-group and out-group distinction in collectivistic cultures

can have significant impacts on business relationships. The establishment of trust is a key aspect of collectivistic work behavior since it can transform an out-group member into an in-group member. Naive individualistic behavior that tries to force quick business decisions in a collectivistic society can have serious consequences for the success of the transaction and future business transactions. (Hofstede 2010: 119-123; Hofstede 1982: 152-154.)

2.2.4.3. Masculinity

The masculinity dimension measures the distribution of roles between the sexes and therefore, is related to the issue of emotional gender roles (Hofstede 2006: 883). The dimension is about "voluntary status-accord to others based on their performance in competitive settings" (Hofstede 2015: 553). When it comes to interactions, human beings either tend to seek status by winning competitive situations or align with other "winners" or by refraining to use or show power to handle interactions (Hofstede 2015: 553). Masculine societies at large are more competitive. They see competition "as a good way to clear the air" (Ulijn et al. 2010: 41). Feminine societies at large are more consensus-oriented. Conflicts are preferably played down and not settled in open conflict. The terms masculinity and femininity cannot be mistaken for the distribution of employment over men and women since an "immediate relationship between a country's position on this dimension and the roles of men and women exists only within the home" (Hofstede 2010: 168).

In the workplace the masculinity-femininity dimension mainly affects the ways conflicts are handled. Masculine societies assume that a good fight is an appropriate way to resolve a conflict. This approach may entail verbal insults between the parties. Furthermore, companies in masculine cultures emphasize results and outcome and usually reward achievement to everyone that delivers a desirable performance – that is on the basis of equity. Masculine cultures tend to socialize boys towards assertiveness, ambition, and competition while the girls are "polarized between some who want a career and most who don't" (Hofstede 2010: 168). Masculine cultures have competitive advantages when it comes to

manufacturing in large volume since it requires effective, accurate and fast work. Furthermore, they are good at producing big and heavy equipment and bulk chemistry. (Hofstede 2010: 164-170; Hofstede 1982: 182-183, 186-188, 196-197.)

Feminine societies on the other hand, encourage different behavior at the workplace. Compromises and negotiations are seen as appropriate tools to solve conflicts. Rewards in feminine cultures are not necessarily linked to performance but are rather given on the basis of equality, which means according to need. Furthermore, feminine societies emphasize leisure time over more money and the people work in order to live. Not the other way around. Both, boys and girls are socialized towards modesty and solidarity, and are both equally encouraged to be ambitious and have a career. Competitive advantages of feminine cultures can be seen in service industries (e.g. consulting and transportation) and manufacturing according to specific customer needs as well as handling live matter (e.g. high-yield agriculture and biochemistry). (Hofstede 2010: 164-170; Hofstede 1982: 182-183, 186-188, 196-197.)

2.2.4.4. Uncertainty avoidance

The fourth and final dimension addressed for the scope of this thesis, the uncertainty avoidance, expresses the degree to which the members of a society feel uncomfortable in unstructured situations (Rinne et al 2012: 96) and therefore, is related to the problem of dealing with the unknown and unfamiliar (Hofstede 2006: 883). This dimension is, among other things, about rule orientation. It does not show an average degree of personal rule orientation in a society but predicts the existence of rules that people want others in their society to follow (Minkov & Hofstede 2011: 15). It therefore mirrors the "rigidity with which […] rules are mandated to be followed" (Hofstede 2015: 553). Countries with high scores on uncertainty avoidance try to avoid unstable situations by implementing laws, rules, and security. Furthermore, they tend to avoid changes and are intolerant of unorthodox behavior. (Ghauri & Usunier 2003: 139-141).

The workplace of an uncertainty-avoiding society is characterized by formal laws and informal rules that are implemented to control the rights and duties of employers and

employees. In addition, internal regulations are emphasized in order to control work processes. Due to the fact that the society has been programmed to only feel comfortable in structured surroundings, an urgent need for rules and regulations was developed. Nonetheless, this emotional need for formal structure can also result in ineffective and dysfunctional rules. Employees in societies with high scores on the UAI dimension like to work hard or at least appear busy and hard-working which may have negative impacts on their work-life balance. Furthermore, they aspire after long-term jobs and avoid job-hopping. Uncertainty avoiding societies are better at implementing new processes since it needs a considerable sense of detail and time accuracy. (Hofstede 2010: 208-213; Hofstede 1982: 112-118.)

Employers in societies with a weak uncertainty avoidance, on the other hand, only implement strictly necessary rules and regulation and avoid any redundant control mechanisms. Furthermore, they tolerate ambiguity and chaos as task-solving approaches. Employees in uncertainty accepting cultures work hard when its necessary and take a break when no urgent work needs to be done. They do not feel the need for lifelong employment and exert job-hopping when the new position comes with new challenges and incentives. Uncertainty accepting societies are better at invention since the intrapreneurs are relatively free from rules which leaves more room for creative out-of-the-box-thinking. (Hofstede 2010: 208-213; Hofstede 1982: 112-118.)

2.2.4.5. A culture comparison of Finland, Germany, and Pakistan

In this section, the three chosen countries Finland, Germany, and Pakistan will be described by adopting Hofstede's four dimensions. This will give an overview of the prevalent values of each society and additionally show the main similarities and differences between the three national cultures. The country scores for each dimension and nation are illustrated in figure 3.

As Germany, **Finland** is among the low power-distance countries (33). A Finish work environment is characterized by independent work tasks, low hierarchy levels, equal rights, few control mechanisms, superior accessibility, and empowerment by managers.

Supervisors consult their subordinates during decision or problem-solving processes. The low power-distance is also visual in education facilities, where teachers and professors often are on a first-name basis with their students.

On the second dimension, the individualism vs collectivism scale, Finland scores high (63) and, therefore, is considered an individualistic society. Personal preference guides the majority of the society's decisions and people are pursuing individual fulfillment. The employer-employee relationship is a contract and based on mutual advantages. Promotions and hiring are linked to performance and qualification.

With a score of 26 on the masculinity dimension, Finland is regarded a feminine society. A feminine culture values equality, solidarity, and high quality in their working lives. Compromises and negotiations are seen as appropriate ways to solve conflicts and employees are involved when it comes to conflict or problem-solving decisions. People in Finland are working in order to live and, therefore, emphasize leisure time and flexible working conditions. The management style is supportive and focuses on the empowerment of subordinates.

Finland scores high on the uncertainty avoidance scale and therefore is among the uncertainty-avoiding cultures. Fins have an emotional need for rules and regulations to feel comfortable. In the working environment the Finish workforce prefers to maintain established rules and regulations and are biased when it comes to unorthodox behavior and ideas. Finish people work hard, precise and give high priority to punctuality.

Germany belongs to the lower power-distance countries (35). The country is characterized by decentralized systems and a strong middle class. In supervisor-subordinate relationships, co-determination rights are stressed and considered by the superiors. In addition, Germans practice a direct and participative communication style which enables subordinates to engage in discussions with their superiors.

On the individualism dimension, Germany scores high (67) and, therefore, can be considered an individualistic society. Germans emphasize the need for self-actualization and deduce most of their opinions and attitudes from their personal preferences and needs. Scoring high on the masculinity dimension (66), Germany is regarded as a masculine society. Germans give high priority to performance starting at an early age which can be seen in the school system. After only four to six years[1], pupils are sorted into different types of schools according to their performance. People from Germany tend to live for their work and enjoy showing their career achievements by showing their status in form of luxury goods (like cars, houses or expensive watches and other jewelry). Superiors are expected to show decisive and assertive character traits and show determined leadership styles.

With a score of 65, Germany is among the uncertainty avoiding cultures. The preference for uncertainty avoidance is mirrored in Germany's law system which stresses the need for details. In addition, Germany is often described as highly bureaucratic which indicates a high number of internal regulations and a rule-oriented behavior.

Compared to the mainly reassembling characteristics of Germany and Finland, **Pakistan** shows significantly different scores for the four dimensions. With a score of 55 on the power distance dimension it is hard to determine whether the Pakistani society is among the high or low power distance countries.

The score on the second dimension, the individualism, on the other hand shows a clear preference. With a score of only 14, Pakistan belongs to the collectivistic cultures. This implies a strong commitment to in-group members. The most paramount aspect of the collectivistic society is loyalty. The urge to be loyal is so powerful that other social rules or regulations may be over-ruled by that desire. Strong relationships and responsibilities for in-group members are fostered. Open disputes and offences are avoided since it may entail loss of face. The employer-employee relationship resembles a family relationship. Mutual obligation of protection is traded for infinite loyalty.

[1] This may differ in some federate states.

Pakistan shows a score of 50 on the masculinity dimension which is the exact intermediate score. Therefore, as for the first dimension, it is impossible to determine a preference for masculinity or femininity.

When it comes to the fourth dimension, the uncertainty avoidance, Pakistan is situated on the same pole as Germany and Finland. Nonetheless, with a score of 70, Pakistan is considered the strongest uncertainty-avoiding culture compared to the other two cultures. As for Germans and Fins, Pakistanis emphasize rules and regulations and have an emotional desire to follow the rules. They are intolerant of unorthodox solution approaches which may entail resistance of innovation. They work hard and with high precession and only feel comfortable when they appear busy. Security makes up a crucial element of individual well-being and motivation.

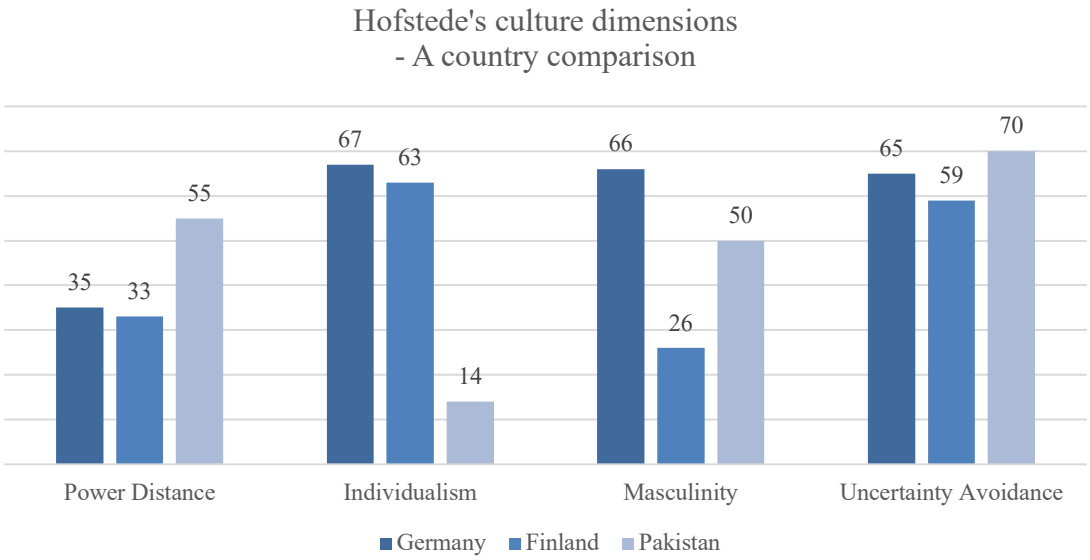

Figure 3. A country comparison (Hofstede insight 2018b).

Albeit the comparison shows some similarities between Finland, Germany, and Pakistan, significant differences are illustrated. The values and behaviors of a culture are influenced by all of the dimensions. Therefore, a difference on only one of the dimensions is enough

to result in different culture specific behavior which will have impacts on both, day-to day interactions and business relationships.

2.3. The role of culture in international business negotiations

The subsequent part of the thesis will combine the previous two elements of the literature review - international business negotiations and culture. As already mentioned in Ghauri's framework, culture is a critical factor that influences the negotiation process. In the following, three studies (Brett 2000; Manrai & Manrai 2010; Salacuse 1998) that particularly focused the cultural factor in business negotiations will be highlighted. Additionally, each model's applicability for the purpose of this thesis will be analyzed.

2.3.1. Brett's model of international business negotiations

Jeanne Brett developed a conceptual model to explain how culture affects cross-cultural negotiations. By consulting previous research on culture and negotiation, Brett aimed to develop an understanding of how culture impacts the overall negotiation process and its outcome. According to Brett (2000: 99), culture has impacts on social interactions such as negotiations and leads the negotiator's attention toward which issue is more and less important. The key concepts used in Brett's model are the negotiators preferences, interests and priorities and the applied strategies in order to achieve the preferred outcome. Both of the main concepts are impacted by cultural factors and therefore, of unique character for each culture and negotiation setting.

Negotiation strategies can be seen as the goal-directed behaviors that are used to reach an agreement. They can either be of distributive or integrative nature. Distributive agreements usually take the fixed set of resources that is at issue and divide it either equally or unequally among the parties. When this strategy is applied the negotiator tries to claim as much value as possible for the own party. Integrative agreements, on the other hand, seek to create value by distributing an enhanced set of resources. The level of success regarding the interactional patterns depends on the choice of strategies.

Preferences, interests, and priorities of a negotiator is also affected by his or her culture. The level of integration depends on how far the two parties are apart. The integrative or outcome potential combined with interactional patterns have a direct impact on the overall outcome of the negotiation process as illustrated in figure 4.

The cultural values Brett indicated as relevant for the scope of her research are individualism vs. collectivism, egalitarianism vs. hierarchy, and direct vs. indirect communication. The first two values draw on Schwartz (1994); the third value draws on Hall (1976).

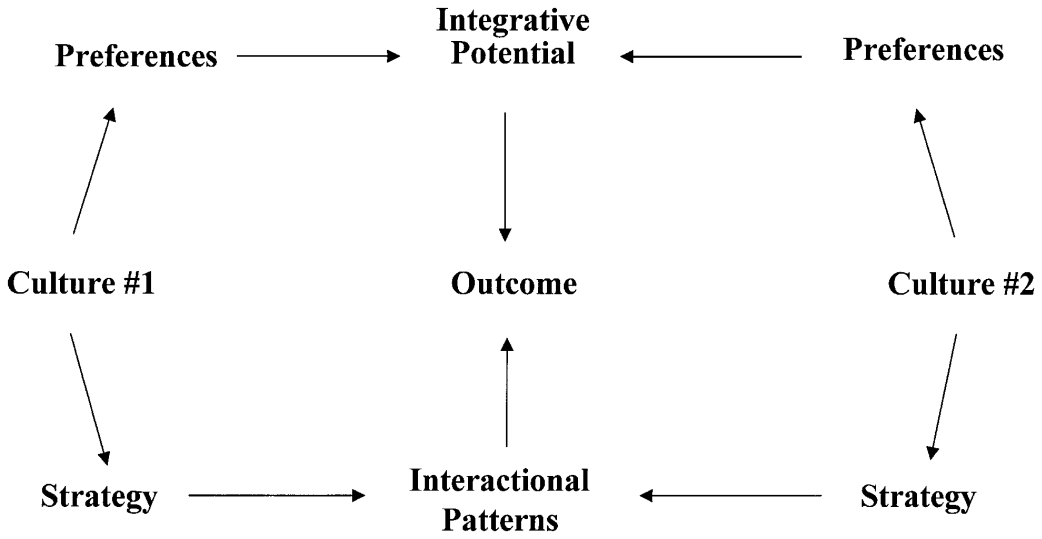

Figure 4. A model of inter-cultural negotiation (Brett 2000: 102).

Although Brett (2000) focused on culture in her negotiation model, the framework is not suitable for the thesis at hand due to the following reasons: First of all, the constructs included in Brett's model were not operationalized which humpers an empirical testing. It may be due to the lack of operationalization that the model shows no empirical investigation of its validity (Bird & Metcalf 2004: 803) which is the second reason for not utilizing Brett's model. According to Weiss and Stripp (1998: 110) "differences need to be studied empirically and evaluated for their significance if we are to go farther down

the road toward understanding and ameliorating the negotiation experiences of […] business people abroad". Thirdly, the model is lacking further specifications of negotiation preferences and strategies which complicates the application of the model and a comparison between cultures. While Brett sheds light on cultural differences in negotiation behaviors, the framework is limited in its focus on negotiation tendencies or styles (Metcalf et al. 2007: 148). A final limitation of the model is the lack of clear implications on how to conduct cross-cultural negotiations effectively (Weiss & Stripp 1998: 53).

2.3.2. Model of international business negotiations by Manrai & Manrai

With their conceptual framework, Manrai & Manrai (2010) aimed to capture culture's influence in international business negotiations. By analyzing the substantial body of research that exists about culture and its impact on IBNs, the authors detected three main limitations and addressed them through the development of their own framework. According to Manrai and Manrai the previous models on IBNs lack to include all constructs related to the effects of culture on IBNs or cover the constructs in an insufficient way. Secondly, the majority of the models are descriptive in nature and do not include substantial interrelationships among the key constructs. Thirdly, Manrai and Manari (2010: 70) state that a large proportion of the current models lack to ground their constructs and possible interrelationships in specific theories and frameworks of culture.

In order to address the detected limitations, the authors developed a framework that includes six main constructs, namely, negotiator's goals, negotiator's inclinations, negotiator's qualifications which are categorized as negotiator's characteristics, and nontask activities, negotiation process, and negotiation outcome which are categorized as negotiator's behavior. Furthermore, the framework focuses on twelve relationships among these major constructs. Both, the six constructs and their relationships towards each other are grounded in "cultural frameworks and theories, such as the works of Edward Hall and Geert Hofstede." (Manrai & Manrai 2010: 69).

As illustrated in figure 5, culture as the outer layer has an impact on both, the negotiators' characteristics and the negotiators' behavior. It influences the negotiator's expectations

on what to achieve and how to achieve it (negotiator's goals). Furthermore, culture impacts the attitudes, values and predispositions of a negotiator (negotiator's inclinations) and affects the criteria to select or prefer negotiators (negotiator's qualification). Culture is additionally closely linked to a party's need for relationship development (nontask activities) and the way how the negotiation process is executed (negotiation process). It influences, strategic factors like including an agent, as well as negotiation tactics and information processing. Last but not least, cultural factors affect decision making patterns and the willingness for agreements (negotiation outcome).

In addition to the cultural impact on each of the six major constructs, the framework conceptualizes relationships among the key constructs. Each of the negotiator characteristics (negotiator's goals, negotiator's inclinations, negotiator's qualifications) affects each of the three negotiation behaviors (nontask activities, negotiation process, negotiation outcome) as illustrated by the arrows (1) to (10) excluding arrow number (2). Negotiation outcomes are further affected by nontask activities (12) and negotiation processes (2) and nontask activities are conceptualized to impact negotiation processes (11).

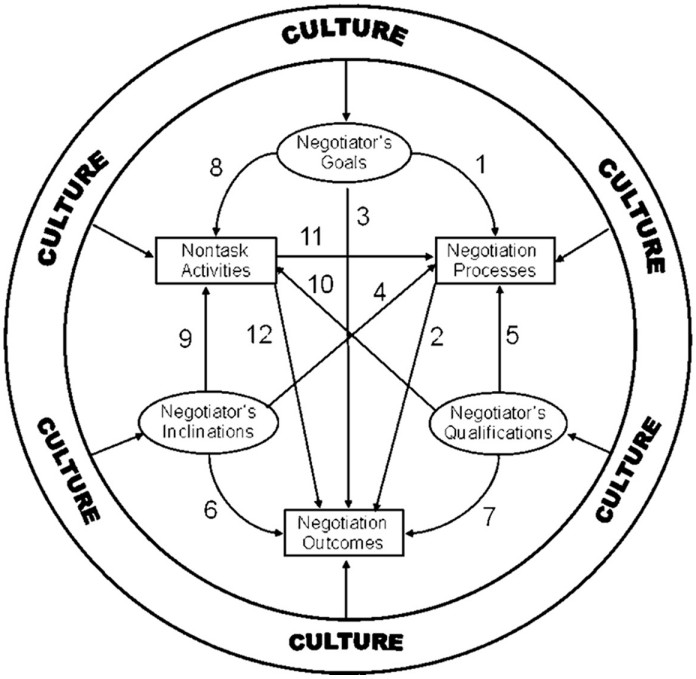

Figure 5. A new conceptual framework of culture's influence in international business negotiations (Manrai &Manrai 2010: 82).

Although Manrai and Manrai (2010) developed a comprehensive model on cross-cultural business negotiations, it is not suitable for the thesis at hand due to the following reasons: First of all, as for Brett's model, the framework does not show an empirical investigation of its validity (Bird & Metcalf 2004: 803). This may be due to the missing operationalizations of the constructs within the theoretical framework. Although Manrai and Manrai offer a wide range of elements that impact the overall negotiation process, they lack to offer a continuum or scale to operationalize each of the elements. The all-encompassing literature review of the two authors yielded in twelve relationships among the six key constructs. An operationalization is undesirable and impractical due to the high complexity and confusing nature of the model.

2.3.3. Salacuse's factors of international business negotiations

A seminal work in the area of negotiations which deals with the effects of culture on negotiations and cross-cultural communications (Rammal 2005: 132) is the survey of Salacuse from 1991. His framework was inspired by the negotiator's framework for cultural comparisons initially formulated by Weiss and Stripp (1985/1998). The two authors identified a micro-behavioral paradigm with focus on the face-to-face interactions and further directed attention towards the orientations and behaviors of negotiators (Metcalf, Bird, Peterson, Shankarmahesh & Lituchy 2007: 148). Through a systematic literature review on international business negotiations twelve variables each representing a focal point of culture were detected and composed in the framework (Weiss & Stripp 1998: 58). Bird and Metcalf (2007) modified the original framework by operationalizing the twelve dimensions and subsequently conducted empirical testing (e.g. Metcalf, Bird, Shankarmahesh, Aycan, Larimo & Valdelamar 2006). Salacuse further simplified the framework by excluding overlapping dimensions, removing conceptual ambiguity, and relabeling some of the initial twelve aspects.

After conducting interviews with practitioners, Salacuse identified a set of ten factors that impact the negotiation process and are influenced by a person's cultural background (Manrai & Manrai 2010: 78). The ten factors are: Negotiating goals, negotiating attitude, personal style, communication, sensitivity to time, emotionalism, forms of agreement, building an agreement, team organization, and risk-taking (Salacuse 1998: 223). Subsequently he empirically examined the modified framework by surveying 310 persons of different nationalities and occupations. The sample included respondents from for twelve countries namely Argentina, Brazil, China, France, Germany, India, Japan, Mexico, Nigeria, Spain, United Kingdom and the United States For each of the ten negotiation factors, the respondents were asked to choose from a range of two possible extremes. By empirically showing that negotiation styles vary on the identified ten factors across cultures, he achieved his initial aim to "identify specific negotiation factors affected by culture and to show the possible variations that each factor may take" (Salacuse 1998: 224). The framework can be found in figure 6. The Salacuse framework intends to show differences in negotiation behavior between distinct cultures along the ten elements presented previously. A culture is not either situated on one extreme of the bipolar constructs or the other. Furthermore, being oriented towards one pole of a continuum does not exclude the pole on the opposite side.

The first negotiation factor, the negotiation goal, mirrors the very purpose a negotiator pursues in a business negotiation. The two extremes on the continuum are contractual agreements (focus on clear understandings about specific operational details summarized in a contract) and relationship establishment (focus on building trust and friendship between the members). (Salacuse 1998: 225; Bird & Metcalf 2004: 804.)

Based on the findings of Bird and Metcalf (2004), the first negotiation factor named by Salacuse is linked to Hofstede's individualism dimension. According to the authors cultures high in individualism will place greater emphasis on negotiating a contract at the end of the negotiation process compared to collectivistic cultures, which focus on establishing relationships during the negotiation process (Bird & Metcalf 2004: 804, 811).

The negotiation **attitude** is related to the basic attitudes each party adapts during the negotiations. The two poles are win/win outcomes (negotiators believe that mutual benefits are possible and therefore follow an integrative approach during the negotiation process) or win/lose outcomes (negotiators see the process as a struggle in which only one party can win. Respectively, they follow a distributive approach). (Salacuse 1998: 227; Bird & Metcalf 2004: 803.)

In accordance with the findings of Bird and Metcalf (2004: 803, 811), the attitude adopted within the negotiation process corresponds to behaviors observed along Hofstede's masculinity/femininity dimension. The study shows that countries with high scores on the masculinity dimension are more likely to adopt a distributive negotiation concept and aim for win/lose outcomes.

The third factor identified by Weiss and Stripp and modified by Salacuse, is concerned with the **personal style** used for interactions during the negotiation process. The two extremes on the continuum are a formal style (negotiators use the appropriate titles, follow dress codes and seating arrangements) and an informal style (negotiators use multiple ways to respond to particular situations, start the discussions on a first-name basis, follow no strict dress codes). (Salacuse 1998: 228; Bird & Metcalf 2004: 808.)

The results found by Metcalf and Bird (2004: 808, 811) link the personal style that is used for interactions within the negotiations to Hofstede's uncertainty avoidance dimension. The authors claim that cultures with high scores on the UAI dimension are more likely to adapt formal behavior within the negotiation process.

Fourthly, Salacuse named the **communication** style as another factor that is affected by the culture of the negotiation party. This dimension refers to the degree to which the negotiator relies on indirect methods of communication (negotiators are more sensitive to nonverbal cues like gestures, facial expressions and other forms of body language. They furthermore prefer to use indirect language like vague allusions and oblique references) or a direct communication style (negotiators prefer definite, precise, and clear language.

Furthermore, they are less likely to use and notice nonverbal communication traits). (Salacuse 1998: 230; Bird & Metcalf 2004: 809.)

In accordance with Bird's and Metcalf's findings from 2004, the communication style used during the negotiations is connected to Hofstede's individualism dimension. The authors claim that negotiators from individualist cultures are more likely to employ direct methods of communication. (Bird & Metcalf 2004: 809,811.)

The fifth factor Salacuse identified is related to a negotiators attitude towards **time** during the negotiation process. The two poles on the continuum are high time sensitivity (negotiators believe that time is money. They prefer strict agendas, are always punctual and try to negotiate a deal as quick as possible) and low time sensitivity (negotiators take their time when needed and think time is never wasted. They are not particularly punctual and do not feel the urge to negotiate a deal in a certain time frame). (Salacuse 1998: 231; Bird & Metcalf 2004: 806.)

Bird and Metcalf (2004: 806, 811) show that the time element during the negotiation process is connected to Hofstede's uncertainty avoidance dimension. They state that cultures with high scores on the UAI index are more likely to portray a high time sensitivity compared to cultures with low UAI scores.

Emotionalism is the sixth factor and is concerned with the extent to which a party includes **emotions** to develop persuasive arguments. The two extremes on the emotionalism continuum are high emotionalism (negotiators show their emotions freely, they use abstract stories and appeals to sympathy to form their arguments. At the same time, they react to emotions displayed by the opposite party) and low emotionalism (negotiators prefer to hide emotions during the negotiation process since it is considered as inappropriate. They rely on facts, evidence and expert opinions when arguments are developed). (Salacuse 1998: 231-232; Bird & Metcalf 2004: 809.)

In accordance with the findings of Bird and Metcalf (2004: 809, 811), the emotionalism element named by Salacuse can be linked to Hofstede's uncertainty avoidance dimension.

The authors found that negotiators from countries scoring high on the UAI dimension are more likely to use abstract theories, appeals to sympathy and emotionalism during the negotiation process.

The seventh factor in Salacuse's framework is the **form of agreement** aimed for at the end of the negotiation process. The two poles on the continuum are general agreements (negotiators include general principles in the contracts and use vague or broad language within them. They see contracts as a rough guideline and emphasize the relationship between the negotiation parties) and specific agreements (negotiators prefer detailed written agreements that are legally binding. They aim for stability and minimalizing risks by trying to anticipate all possible circumstances). (Salacuse 1998: 232; Bird & Metcalf 2004: 810.)

Bird and Metcalf (20014: 810, 811) found a significant connection between the agreement form aimed for at the end of the negotiation process and Hofstede's uncertainty avoidance dimension. They showed that cultures scoring high on the UAI index are more likely to seek explicit and specific agreements.

The eighth factor is labeled "**building an agreement**" and is related to the approach negotiators adopt for forming an agreement. The two extremes on the continuum are bottom up (negotiators follow a deductive approach. They prefer to discuss specifics such as price, deadlines, qualities and quantities that together form the general principles of the agreement) and top down (negotiators start with the general principles that need to be met to guide the following process and determine the specifics of the agreement. They are following an inductive approach). (Salacuse 1998: 233-234.)

The element "agreement building" named by Salacuse, is the only factor that cannot be directly linked to one of the twelve dimensions developed by Bird and Metcalf (2004). Therefore, no connection to Hofstede's dimension framework was detected in their study that integrated their twelve dimensions and Hofstede's work-related values. Albeit no empirical tested connection can be presented, the agreement building process may be linked to Hofstede's uncertainty avoidance. Since negotiators from uncertainty-avoiding

cultures prefer highly-structured, ritualistic procedures during the negotiation process, they may be more likely to follow a top down approach in regard to the agreement building procedure.

Factor nine in Salacuse's framework is related to the **team organization** and decision-making within a negotiation party. The two extremes on the continuum are labeled "one leader" (a supreme leader or few influential individuals have the authority to decide. Decisions are made independently without including the other members in the decision process) and "group consensus" (the whole team has the power to decide on the discussed matters. The leader seeks the advice of his or her team members and includes the viewpoints and arguments of the entire team). (Salacuse 1998: 235; Bird & Metcalf 2004: 810.)

Bird's and Metcalf's study (2004: 805, 811) showed a significant connection between the internal decision making-process and Hofstede's uncertainty avoidance dimension. The findings of the study presented that cultures with a high uncertainty avoidance are more likely to adopt an internal team organization that requires the group consensus before decisions are made.

Risk taking is the final factor listed by Salacuse. It relates to the negotiator's degree of risk aversion. The willingness is spread on a continuum with the two extremes high willingness to take risks (negotiators are tolerant towards risks. They believe that an acceptable level of risks belongs to the negotiation process. They are open for new approaches and do not dismiss uncertain courses of action) and low willingness to take risks (negotiators avoid risks as good as they can. They refrain from divulging sensitive information and try to stick to established courses of action). (Salacuse 1998: 236; Bird & Metcalf 2004: 806-807.)

Bird and Metcalf found a significant connection between the risk-taking propensity and Hofstede's uncertainty avoidance dimension. Their results show that negotiators belonging to cultures that score high on the UAI dimension are more likely to embrace risk averse negotiation behavior. (Bird & Metcalf 2004: 806-807, 811.)

Slacuse's model was utilized for the scope of this thesis due to the following reasons: First of all, Salacuse grounded the developed framework in the relevant bodies of negotiation and cross-cultural research (Metcalf et al. 2007: 148). Second, he managed to identify mutually exclusive dimensions without overlaps and clear explanations on the issues each factor addresses (Bird & Metcalf 2004: 803). Third, Salacuse accomplished to operationalize the ten factors in his framework in bipolar continuums which enables empirical testing (Metcalf et al. 2007: 149). According to Metcalf et al. (2006: 384) Salacuse's framework is the only model that has been empirically investigated in full. Fourthly, the framework is very flexibly deployable since it "applies to compatriots and colleagues, and to individuals as well as representatives of groups". Meaning that the findings may result in personal reflection, a decreased self-awareness, or specified negotiation approaches (Weiss & Stripp 1998: 53). The final reason for Salacuse's framework is that it permits comparison between cultures and also between other background factors that may entail different types of subcultures (Salacuse 1998: 224) like the membership to a certain age cohort.

Albeit the framework was considered suitable for this research, the bipolar operationalization of the negotiation factors by Salacuse was considered not suitable and, therefore, not applied. Nonetheless, the initial idea, the ten negotiation elements and the opposing poles of each continuum were utilized for the conceptual framework of the study. The operationalization of each element will be illustrated in detail in chapter 3.3.3.

Negotiation Factors	Range of Cultural Responses	Relation to Hofstede's dimension
Goal	Contract ↔ Relationship	IDV
Attitudes	Win/Lose ↔ Win/Win	MAS
Personal Styles	Informal ↔ Formal	UAI
Communications	Direct ↔ Indirect	IDV
Time Sensitivity	High ↔ Low	UAI
Emotionalism	High ↔ Low	UAI
Agreement Form	Specific ↔ General	UAI
Agreement Building	Bottom up ↔ Top Down	(UAI)
Team Organization	One Leader ↔ Consensus	UAI
Risk Taking	High ↔ Low	UAI

Figure 6. The impact of culture on negotiations (based on Salacuse 1998: 223).

As indicated by Salacuse and other researchers, different cultures show different behaviors and vary along the ten elements of the negotiation process introduced by Salacuse. In table 3 conventional wisdom about the differences between the three investigated countries Finland, Germany, and Pakistan are illustrated. Based on empirical findings and theoretical contributions the following hypothesis was proposed:

Hypothesis 1: There are significant differences between negotiation tendencies of Finnish, German, and Pakistani negotiators.

2.4. Generations

2.4.1. Conceptualization of generations

The traditional definition of the term "generation" is "the average interval of time between the birth of parents and the birth of their offspring" (Henry 2006). Nevertheless, this biological definition is irrelevant in defining generations today. Due to the introduction of new technologies, open and easily changing career paths and shifting values, cohorts are changing too quickly to define them at around 25 years in span. Today's definitions of generations are rather sociological than biological. The Generational Cohort Theory as a

way to divide the population into segments (generational cohorts) was first introduced by Ingelhart in 1977.

Strauss and Howe (2000) define a generation as “a group of people who share a time and space in history that lends them a collective persona”. McCrindle (2009) characterizes a generation as “a cohort united by age and life stage, conditions and technology, events and experiences”. Furthermore, Mannheim (1997) sociologist and inspiring generation-scholar stretched the role of traumatic events in creating generational consciousness by saying that “members of a generation are held together by the experience of historical events from the same or similar vantage-point”. Gordon (2010) further states that the gap between generation is not a question of age. Generations are defined by the series of events their members experienced while growing up. This leads to a development of

Table 3. Negotiation tendencies in Finland, Germany, and Pakistan (based on Salacuse (1998); Rammal (2005); and Metcalf, Bird, Shankarmahesh, Aycan, Larimo, and Valdelamar (2006)).

Country / Neg. elements	Finland (Metcalf et al. 2006)	Germany (Salacuse 1998)	Pakistan (Rammal 2005)
Goal	• Stronger orientation towards relationship-building	• Neither highly contract oriented nor highly relationship orientated • A slight preference for contracts	• Emphasize on relationship building • Trust and confidence in the other party is important. • Successful previous business can help in future deals
Attitudes	• Preference for win/win results	• A slight preference for Win/Win outcomes	
Personal styles	• Prefer an informal personal style • First name basis	• Prefer an informal personal style	• Initially formal style • After relationship-building style can become more informal
Communication	• Prefer a direct form of communication	• Direct form of communication	• Indirect form of communication preferred
Time sensitivity	• Time-sensitive when it comes to punctuality • Modest time-sensitivity on other issues	• Highly time-sensitive regarding promptness • Low time-sensitivity regarding time spend on negotiation process	• Neither particularly high nor particularly low • Relatively quick decision-making
Emotionalism	• Use objective facts rather than subjective feelings • Serious and reserved • Prefer to hide feelings in negotiation	• Lack to display emotions • Prefer to hide emotions in the negotiation process	
Agreement form	• Preference for specific agreements	• Slight preference of detailed contracts that attempt to anticipate all possible circumstances	

Agreement building	• Strong preference for a top-down approach • Start from general principles and then proceed to specific items	• Slight preference for deductive processes • Prefer to agree on basic principles that function as a guideline for the further process	
Team orientation	• No strong preference for either orientation • Lean toward the one-leader approach • Individuals are responsible for decisions	• Slight preference for individual decision-making and a one-person leadership	• Centralized decision-making process. • Decisions made by people in power (134)
Risk taking	• Balanced position between risk-taking and risk-aversion	• Risk takers • Open to try new approaches and tolerant towards uncertainties in a proposed course of action	• Agreement of fixed rules and procedures • Rather risk-averse (137)

unique and distinctive understanding of the world. Conceptualizing generations as age-cohorts brings an advantage in terms of operationalizing the concept (Edmunds & Turner 2005: 560-561). Although the segmentation of generational cohorts is widely driven by criteria and value systems of the US American culture, it will be used for the scope of this study due to the lack of missing comparable categorizations for other cultures (Viereege & Quick 2011: 316).

2.4.2. Types of generations

Labeling generations is a comparably new practice. It started with the label Baby Boomers which was given to the post World War II generation since they showed unique and clear demographic traits shaped by the shared experiences of the post-war era. The Boomer label evoked the scholarly debate about generational nomenclature and provoked the emergence of terms for subsequent generation. (McCrindle 2009: 8.)

To date mainly six different generations can be distinguished: The Federation Generation (born 1901 – 1924), The Silent Generation (born 1925 – 1945), The Baby Boomers (born 1946 – 1964), Generation X (born 1965 – 1979), Generation Y (born 1980 – 1994) and Generation Z (born from 1995) (McCrindle 2009: 6-7). Despite the fact that researchers and historians have used different terms and dates to define the cohorts, the major events that connect the members of the particular generations are fundamentally agreed upon in the literature (Lissitsa & Kol 2016: 305).

It is inadequate to believe that generational identities are constant and unchanging. They are flexible constructs that are developing in their environments. Edmunds and Turner (2005: 564) claim that the approach on how to study generations needs to consider this development. In contrast to earlier studies which understood generations and generational change in national terms, they need to "embrace the thinking around globalism" today. The authors are talking about the globalization of culture and the development of a global generation (Edmunds & Turner 2005: 564, 567).

The following generations will be illustrated in the next sequence: The Silent Generation, the Baby Boomers, Generation X and Generation Y. Although according to McCrindle (2009: 125) the Silent Generation and the Baby Boomers will make up only a marginal share of the 2020-workforce, they are included in this section because the two generations were the main age cohorts studied in previous studies that are of relevance to the thesis. Therefore, their central characteristics will be introduced briefly in order to increase the reader's overall understanding of the study. Generations X and Y will be the cohorts of interest for the research project and therefore will be described in detail.

2.4.2.1.The Silent Generation

The Silent Generation often also referred to as the Builders, were born during the Depression and the war years. The political situation in America made it dangerous for people to speak freely about their beliefs and opinions. Most members of the Silent Generation have endured hardship having lived through the Great Depression and the Second World War (Lehto et al. 2008: 239). Therefore, it was commonly understood to keep quiet which led to an effective silencing of the people and the generations' name. The imprints of theses momentous events that shaped this generation are mirrored in the behaviors and attitudes of its members. At the same time this generation was responsible for building up the infrastructure, the economy, and the institutions as well as the organizations of their society which led to the other term used to label this generation: The Builders (McCrindle 2009: 55).

People belonging to the Silent Generation tend to be frugal, cautious, and risk-averse (Lehto et al. 2008: 239). They are further described as unimaginative, cautious and withdrawn. At the same time loyalty is one of the most dominant shared values of the Silent Generation. According to Mackay (1997) loyalty is the aspect that kept the families and marriages intact and characterized the relationships with other people. The Builders were the last generation to live out their lives in gender-specific roles that guided their work and life choices (McCrindle 2009: 57).

In regard to their work attitudes, this generation fundamentally cherished core values and strong work ethics. The members of the Silent Generation were considered hardworking and pursued conformity since it was seen as a critical success factor. Furthermore, respect for authority figures and high commitment to the job and the company were fundamental to people belonging to the Silent Generation (McCrindle 2009: 54-57).

2.4.2.2. Baby Boomers

The Boomers get their name from the baby boom followed the World War II. This generation benefited from a time of increasing prosperity and higher levels of income which resulted in a surge of consumerism. Living through and actively participating in political and social transformations such as the Civil Rights Movement, the Women's Liberation Movements and the Yuppie Economic periods, members of the Baby Boom generation shared monumental socio-cultural phenomena (Lehto et al. 2008: 239).

The societal changes provoked by the socio-cultural events that shaped this generation gave the Boomers the opportunity to become more free-spirited and broad-minded about established taboos. A key sociological marker of this generation was their collective questioning of tradition and authority. They developed differentiated positions on topics involving politics, culture, race and gender (Lehto et al. 2008: 239). The Baby Boomers are further described as self-absorbed and self-indulgent, valuing the individual over the group (Fishman 2016: 256; McCrindle 2009: 57). They are known for being better at spending than at saving (Fishman 2016: 256) and appreciate facts, features, benefits, and product specification when it comes to buying decisions (McCrindle 2009: 178).

The members of the Baby Boom generation introduced new attitudes towards work habits. The abandoned the nine-to-five jobs in order to establish a 50-plus-hour week which created the concepts of "workaholics" and "superwomen" (McCrindle 2009: 58). Especially the Boomer women stood out by juggling work life and family life at the same time. Baby Boomers were raised to work hard to deserve their achievements. Nevertheless, they worked not only to cover their financial needs, but also as a way of finding personal meaning (Trapero et al. 2017: 272; McCrindle 2009: 163). Employees belonging to the

Baby Boom generation are distinguished by a high loyalty and an obsession for their workplace (Trapero et al. 2017: 272). They are determined to work hard and long and enjoy being in control (Fishman 2016: 255-256; McCrindle 2009: 139)

2.4.2.3. Generation X

Generation X describes the baby-bust generation that followed the Boomers. Due to a rather chaotic youth that was characterized by the recession of the early 1980s and 1990s, high divorce-rates, easy availability of drugs, and AIDS coming to the fore, they grew up in economic and social uncertainty. Therefore, Xers seek for systems in place and prefer to handle disputes quickly (Fishman 2016: 254; Lissitsa & Kol 2016: 305).

Many members of the Generation X became independent and self-reliant at a young age due to dual-income families or divorced parents. For the same reason Xers are said to lack solid traditions and act socially insecure. Nonetheless, they are characterized by a relatively high level of education and recognized as more globally minded than the previous generation (Edge et al. 2017: 864). The social skills they are lacking are compensated by their strong technical abilities they acquired by being the first generation growing up with computers in their homes (McCrindle 2009: 60). At the same time, they are shaped by a certain lack of drive, superficiality and egoistic behavior.

Growing up without a large parent presents, this generation has tried hard to balance work life and family life. As opposed to work ethic the Xers believe in work-life balance (Fishman 2016: 254; McCrindle 2009: 61). As mentioned above, Xers appreciate companies with organized systems and routines. As being a generation of individuals, they do not appreciate to be lumped into groups and prefer to solve disputes internally and as quick as possible (Fishman 2016: 253-254). Generation X workers are a valuable part of a firm's workforce since they are playing a critical role in building organizations' sustainability to compete with competitors in the marketplace (Cheah et al. 2016: 168).

2.4.2.4.Generation Y

Generation Y or Generation whY got its name from questioning established traditions and for turning the working environment upside down. Individuals of the Generation Y cohort came of age during a period of economic growth, turning them into confident, optimistic fellers, casual and fun loving (Lissitsa 2016: 305). At the same time, the members of Generation Y witnessed various upheavals and crises causing a certain degree of uncertainty. Therefore, Generation Y is more flexible and able to adapt to different kinds of surroundings. This makes them the most international and multi-lingual cohort on the labor market.

Members of the generation Y are challenging rigid hierarchal constructs and act autonomously and flexible. Furthermore, Yers are considered to be receptive to ethical issues. They are known for their awareness on social, cultural, and environmental issues and their willingness to act upon them (Trapero et al. 2017: 273). Growing up in a world in which there are no losers made the Millennials optimistic and full of expectations. Nonetheless, they lack the ability to make long-term plans and therefore, tend to hold unrealistic expectations about their future (McCrindle 2009: 188; Trapero et al. 2017: 274). Digital technologies determine the lives of Generation Y members. Palfrey & Gasser (2013) describe them as digital natives who link daily activities like hobbies, social interactions, and friendships to their media devices.

Within the work environment Generation Y is described as the cohort that "wants it all" and "all" should be achieved rather sooner than later (Ng E. et al. 2010: 282). They are constantly looking for opportunities and professional development (Trapero et al. 2017: 272). They tend to seek unrealistic goals regarding their promotions and rewards and often fail to reflect their performances and connect them to appropriate compensations (Nolan 2015: 70). Unlike their workaholic Boomer parents, Generation Y emphasizes a Work-life-balance which means they are organizing their work around life, not their lives around work (McCrindle 2009: 62-63). Furthermore, Yers show a high need for feedback from their superiors and colleagues. They prefer transparent organizational structures in which problems and conflicts can be openly shared and resolved (Ferri-Reed 2014: 13). Another on-the-job characteristic about Generation Y is the fact that they are looking for

meaningful and fulfilling work. This urge is often satisfied by paying attention to a company's corporate philanthropy. Additionally, Yers are looking for jobs that enable a close collaboration with colleagues and managers (Ng E. et al. 2010: 283; Ferri-Reed 2014: 13).

2.5. Impact of generations X and Y on culture and IBNs

This part of the literature review will connect generations and the previous covered topics – international business negotiations and culture. Current works combining the topics will be presented and theoretical voids will be filled by collecting conventional wisdom from a variety of articles and surveys.

2.5.1. The Impact of generations X and Y on culture

The majority of studies concerned with generational cohorts include the illumination of cultural aspects. Albeit only few of the articles consulted for the scope of this thesis directly stated that a generational shift entails a change in culture (Edmunds & Turner 2005; Viergge & Quick 2010), other studies (Pwe Research Center 2004; Lehto et al. 2006; Ng et al. 2010; Messarra, Karkoulian & El-Kassar 2016; Lissitsa & Kol 2016; Fishman 2016; Cheah et al. 2016; Trapero et al 2017) report changes regarding the values, believes, attitudes, and mindsets which can be considered as elements forming a culture. Statements like "an age cohort [has] social significance as a generation by creating a distinctive cultural [...] identity" (Edmunds & Turner 2005: 561) or "generations [...] could transform society by challenging customary thought and offering new political and cultural visions" (Mannheim 1997) as well as Bourdieu's (1990,1993) connection of generational struggle as an important element in cultural transformation, show a direct link between generations and their power to transform cultural norms.

As mentioned before, the majority of studies based on Hofstede or other cultural frameworks use countries and their scores on Hofstede's dimensions as a proxy for culture and

do not further investigate the cultural values of their samples. Therefore, only a few updated country scores for Hofstede's initial four dimensions were found over the course of the literature review (e.g. Merritt 2000; Hoppe 1990). According to Hofstede (2015: 550) a conscious culture change is not that easy. He, therefore, further claims, that the dimensions found by Hofstede (1980) are "stable constructs across decades, if not centuries" since they are socialized into human beings during the childhood (Hofstede 2015:554). Nonetheless, Hofstede (1980: 326-331; 2004: 885) and other authors (e.g. Gordon 1976; Schwartz 1994) have found various correlations between the culture dimensions and socio-economic factors. Although statistical relationships do not indicate the direction of causality (often the phenomenon occurs for which causality is spiral), they imply that the culture concept is to some extent impacted by environmental factors and may have changed since the IBM study was conducted (Hofstede 2010: 84-86). Since socio-economic changes and history specific events are essential elements for forming a new generation (Mannheim 1997; McCrindle 2009; Gordon 2010), they can be directly linked to the investigated generations GenX and GenY and predict generation-specific changes in cultural values displayed in Hofstede's four-dimension framework.

A countries power distance score, for example can be fairly accurately foreseen from the geographic latitude, the population size, and the wealth of a country which together predict 58 percent of the variance in PDI values (Hofstede 2010: 84). The geographic latitude is immutable and therefore has no impact on the consistency of Hofstede's culture dimensions. Hofstede (2010: 86) claims that the second predictor, the population size of a country, is linked to the dependence on authority. In countries with high population, political power is more distant compared to countries that are less populated. The third predictor, national wealth, is closely linked to power. More money usually means less dependency and, therefore, greater power. An increase in a country's affluence may therefore entail a decrease in power distance. While the geographic latitude did not change since Hofstede's IBM survey, the population size and the wealth of the three investigated countries Finland, Germany, and Pakistan record significant changes since the late sixties.

The population size of Finland grew approximately 22% since 1973 (Worldometers 2018a) which compared to the other two countries is the lowest growth rate. Therefore,

the growth in population size may only have a slight positive impact on the PDI score. Furthermore, the per capita GNI in Finland more than decupled (World Data Atlas 2018a) which indicates a decrease of the PDI score for the members of generation X and generation Y. In addition to population growth and an increased affluence, Generation X members witnessed the dissolution of the Soviet Union in 1991 which became evident in Finland's liberalized intellectual atmosphere and resulted in greater latitude in foreign policies. This may lead to a lower perceived power distance for generation X members compared to Hofstede's country score on the PDI dimension. Generation Y members came of age when Finland joined the European Union in 1995. When a country is getting more involved in cross-country connections, it may be less and less able to make decisions at a national level but will become more dependent on joint decisions that are made on an international level. This in turn may lead to an increase of the PDI score compared to the score of generation X members. Since Finland's involvement within international alliances is modest, the positive impact on the PDI score of Finnish GenY members may not be significantly high.

Germany's population doubled since 1973 (World Data Atlas 2018b). The per capita GNI eight folded since 1973 (worldometer 2018b). As for Finland, regarding generations X and Y, these numbers indicate an increase of the PDI score on the one hand and a decrease of the PDI score on the other hand. In addition to the population growth and an increase in affluence, members of generation X in Germany witnessed the fall of the big wall and the reunification of East and West Germany into a single German state on October 3rd, 1990 which had a significant influence on them. Once reunited, one single government was able to decide which may have decreased the PDI score for German generation X members compared to the Hofstede country score. Generation Y members grew up in a reunited Germany. While growing up, they witnessed how Germany's role in Europe and the whole world got more and more important. With the years Germany evolved as one of the most influential members of the EU becoming more dependent on the decisions made internationally. This role also entails to coordinate decisions not only with officials from the own country, but also with other EU members which made Germany less flexible in making decisions at their own level (Hofstede 2010: 87). Therefore, generation Y members in Germany may feel a higher power distance compared to GenX.

Pakistan's population size more than tripled since 1973 (worldometer 2018c). And the country's wealth measured by its per capita gross national income (GNI) more than decupled (World Data Atlas 2018c). This again implies an increase of the power distance score for generation X and generation Y on the one hand and a decrease on the other hand. The abolishment of the cast system in 1973 (Islam 2004: 315) further implies a lower power distance for generation X members in Pakistan. Generation Y members witnessed devolutionary programs (Islam 2004: 316) that intend to delegate power located at the central government to governments at subnational levels. This entails an even lower PDI score for generation Y compared to generation X members.

According to Hofstede (2010), a countries individualism score is correlated to its geographic latitude and its wealth. As for the PDI dimension, the geographic latitude is immutable and therefore has no impact on the consistency of Hofstede's culture dimensions over time. Wealth, on the other hand, explained 71% of the variance in IDV scores. With an increase in a country's wealth, citizens get access to new resources and therefore, are able to do what they desire to do, and collective life is partially replaced by individual life (Hofstede 2010: 133). The higher individualism scores detected by Merritt (2000: 298) in a replication of Hofstede's dimensions are in line with that coherences. Above, the increasing affluence for each of the investigated countries was illustrated. This entails increasing scores on the individualism continuum compared to Hofstede's country scores for all of the three investigated countries. Furthermore, since the GNI per capita in Finland, Germany and Pakistan continued to increase during the members of generation Y got of age, the individualism score may be even higher for GenY compared to the scores of GenX.

A country's masculinity score is correlated with its average age, its birth rates and the technological development in the country (Hofstede 2010: 183-185). For the last predictor, the technological advancement, it is clear that all of the countries witnessed a technological development with the globalization processes. This technological advancement among other things, imposes a change in the work tasks people exercise. Old jobs are automated and subsequently eliminated and replaced by other jobs. The jobs, that cannot be automated survive. A great share of these jobs is linked to human contact and require

feminine values for a successful performance (Hofstede 2010: 184). Therefore, technological advancement is likely to support a shift from masculine to feminine values. For the fertility rates, the second predictor, a similar trend for the three countries can be observed with differences in the intensity. Finland's fertility rate dropped from 2.19 in 1970 to 1.77 in 2018, in Germany the fertility rate decreased from 2.36 to 1.44 in the same time period and in Pakistan the fertility rate sunk from 6.6 in 1970 to 3.65 in 2018 (worldometers 2018a-c). Lower birth rates are correlated with the share of women in the workforce. In addition, lower fertility rates indicate an aging population (Hofstede 2010:184). This trend can be observed for each of the investigated countries. Finland's median age raise from 29.6 in 1970 to 42.5 in 2018, in Germany the median age increased from 34.2 to 46.0 during the same time period and in Pakistan the median age developed from 19.3 to 22.7 from 1970 till today (worldometers 2018a-c). Again, the trend for the three countries is similar but the intensity differs. The changes in fertility rate and average age of the population in all three countries and for both, generations X and Y may lead to constantly decreasing MAS scores compared to Hofstede's country scores on the Masculinity continuum. These assumptions are in line with Meritt's (2000: 288) findings which showed significantly lower MAS scores compared to the country scores reported by Hofstede.

For the uncertainty avoidance scores of a country no broad relationships were found Hofstede 2010: 232). Nonetheless, the anxiety level of a country can be linked to a country's level of uncertainty avoidance (Hofstede 2010: 233). In a general cross-border consideration of generation trends for GenX and GenY, generation X members can be described as more uncertainty avoidant than generation Y members. Although GenY has witnessed times of upheaval like the economic crisis in 2008 and are exposed to the growing threat of terrorism (Lissitsa et al. 2016: 305), they managed to adopt a unique way of dealing with these uncertainties (Trapero et al. 2017: 273). They act upon them. Furthermore, GenY members prefer flexible situations and are reluctant to an over-establishment of rules (McCrindle 2009: 62-63). Their predecessors, the generation X members, came of age in times of high uncertainty like the regression in the 80s and 90s. Combined with high divorce-rates, easy availability of drugs, and AIDS coming to the fore, they grew up in economic and social uncertainty and are more risk averse compared to GenY (Fishman 2016: 254; Lissitsa et al. 2016: 305). Since the country scores of Hofstede's framework

were mainly generated through members of the Silent generation, who are described as highly frugal, cautious, and risk-averse (Lehto et al. 2008: 239), the score of GenX may be lower compared to Hofstede's initial country scores. All of the implied changes are summarized in table 4.

From the conventional wisdom about cultural differences among Generations X and Y in Finland, Germany, and Pakistan illustrated above and summarized in table 4, the following hypothesis are derived:

Hypothesis 2: Generation Y significantly differs from Generation X across Hofstede's four dimensions of culture.

Hypothesis 2a: Generation Y from Finland significantly differs from Generation X across Hofstede's four dimensions of culture.

Hypothesis 2b: Generation Y from Germany significantly differs from Generation X across Hofstede's four dimensions of culture.

Hypothesis 2c: Generation Y from Pakistan significantly differs from Generation X across Hofstede's four dimensions of culture.

As mentioned above, although Hofstede claims that cultural values are stable over time and a conscious change is not easy, he is certain that cultures do evolve over time (Minkov and Hofstede 2011: 13; Hofstede 2015: 550). Nonetheless, he further claims that his dimensions still reflect stable national differences, since the countries "tend to move together in more or less one and the same cultural direction" (Minkov and Hofstede 2011: 13). That means the cultural differences described by Hofstede's dimensions are not lost through the evolvement of culture. As described in the previous part, socio-economic changes in Finland, Germany, and Pakistan are going in the same "cultural direction" but indeed show different intensities. This may entail that cultures are converging with time and, therefore, younger generations may need to be discussed from a global point of view. Based on this argument, the following hypothesis is proposed:

Hypothesis 3: Cultural differences between GenX members from Finland, Germany, and Pakistan are greater than cultural differences between GenY members from Finland, Germany, and Pakistan.

2.5.2. The impact of generations X and Y on IBNs

Business research has captured the importance to differentiate generations in various fields. For example, research has used age cohorts to narrow down consumer segments and determine their specific needs (Lissitsa & Kol 2016; Lehto et. al 2006). Leadership is another area in business research that has illuminated impacts of generation shifts in leadership positions (Edge et al. 2017; Fishman 2016; Ng et al. 2006). A further field that showed interest in possible changes through generation shifts is connected to organizational commitment of the "new" workforce. The impact on organizational pride and loyalty is investigated and overall conclusions about obligatory adjustments in the workplace are drawn (Trapero et al 2017; Cheah et al. 2015; Nolan 2015; Ferri-Reed 214).

Nonetheless, a research gap was detected regarding the connection of generations and their negotiation behaviors. The article *Are Asian generations X and Y members negotiating like their elders?* by Viergge and Quick (2010) is the only work that included both topics. The purpose of the paper was to investigate possible changes in cultural-specific behavior for members of the generation X and Y cohorts from selected Asian countries. Furthermore, the authors aimed to investigate possible impacts on cross-cultural negotiation tendencies. Due to the novelty of this topic, an exploratory approach was chosen with high emphasis placed on the development of the survey questionnaire. Once developed, the 59-item questionnaire was distributed through an online survey and yielded a total sample size of n=224 respondents belonging to generations X and Y and the Baby Boom generation as the control group.

During the research process three hypotheses were constructed and subsequently tested by analyzing the completed questionnaires. The results reveled that only one of the three hypotheses was supported by the findings. In conclusion, two original findings came to light in the scope of the study by Viergge and Quick. First of all, and by accepting the

Table 4. Conventional wisdom about cultural differences among generations X and Y in Finland, Germany, and Pakistan.

Country / Dimension	Finland		Germany		Pakistan	
	GenX	GenY	GenX	GenY	GenX	GenY
Power distance	• Population size↑ • Per capita GNI ↑ • Dissolution of the Soviet Union ⇒ **PDI score** ↓ (compared to Hofstede's score from 1980)	• Population size↑ • Per capita GNI ↑ • Accession to the EU ⇒ **PDI score** ↓ (compared to the estimated score of GenX)	• Population size↑ • Per capita GNI ↑ • Fall of the big wall ⇒ **PDI score** ↓ (compared to Hofstede's score from 1980)	• Population size↑ • Per capita GNI ↑ • Role in international alliances↑ ⇒ **PDI score** ↑ (compared to the estimated score of GenX)	• Population size↑ • Per capita GNI ↑ • Abolishment of cast system ⇒ **PDI score** ↓ (compared to Hofstede's score from 1980)	• Population size↑ • Per capita GNI ↑ • Devolutionary programs ⇒ **PDI score** ↓ (compared to the estimated score of GenX)
Individualism	• Per capita GN ↑ ⇒ **IDV score** ↑ (compared to Hofstede's score from 1980)	• Per capita GN ↑ ⇒ **IDV score** ↑ (compared to the estimated score of GenX)	• Per capita GN ↑ ⇒ **IDV score** ↑ (compared to Hofstede's score from 1980)	• Per capita GN ↑ ⇒ **IDV score** ↑ (compared to the estimated score of GenX)	• Per capita GN ↑ ⇒ **IDV score** ↑ (compared to Hofstede's score from 1980)	• Per capita GN ↑ ⇒ **IDV score** ↑ (compared to the estimated score of GenX)
Masculinity	• Median age ↑ • Fertility rates ↓ ⇒ **MAS score** ↓ (compared to Hofstede's score from 1980)	• Median age ↑ • Fertility rates ↓ ⇒ **MAS score** ↓ (compared to the estimated score of GenX)	• Median age ↑ • Fertility rates ↓ ⇒ **MAS score** ↓ (compared to Hofstede's score from 1980)	• Median age ↑ • Fertility rates ↓ ⇒ **MAS score** ↓ (compared to the estimated score of GenX)	• Median age ↑ • Fertility rates ↓ ⇒ **MAS score** ↓ (compared to Hofstede's score from 1980)	• Median age ↑ • Fertility rates ↓ ⇒ **MAS score** ↓ (compared to the estimated score of GenX)
Uncertainty avoidance	• Grew up in economic and social uncertainty ⇒ **UAI score** ↓ (compared to Hofstede's score from 1980)	• Economic crisis • Terrorism • Unique way of dealing with uncertainty ⇒ **UAI score** ↓ (compared to the estimated score of GenX)	• Grew up in economic and social uncertainty ⇒ **UAI score** ↓ (compared to Hofstede's score from 1980)	• Economic crisis • Terrorism • Unique way of dealing with uncertainty ⇒ **UAI score** ↓ (compared to the estimated score of GenX)		• Terrorism • Unique way of dealing with uncertainty ⇒ **UAI score** ↓ (compared to the estimated score of GenX)

first hypothesis, the results show that generations do not differ significantly across Hofstede's five culture dimensions. Only a slight but statistically significant changes was detected on the individualism dimension. This development supports the claim that cultural changes take place, albeit small in nature. Therefore, the robustness of Hofstede's dimensions across generations was the first original conclusion of the study. Second of all, and by declining hypotheses two and three, the findings showed that Xers and Yers differ significantly from the control group regarding the time they spend on the distinct negotiation phases. Therefore, the results of the study suggest a shift in negotiation behavior for the younger generations in selected Asian countries.

Despite of the valuable theoretical and practical implication that can be derived from the results of the paper, the study has limitations that need to be taken into account for the research at hand. Next to the limited number of Asian cultures investigated and the small ample size, the development of the questionnaire may be seen as the main limitation of this study. The carefully selected items developed to measure Hofstede's dimensions may have been biased by the limit on the focus group and, therefore, are inadequate to draw meaningful conclusions when compared to results reported from previous research. Therefore, and despite the valuable and original findings of the survey, the research conducted by Viergge and Quick (2010) can only provide a marginal value for the scope of this thesis since only one aspects of negotiation behavior (time spent in different phases of the negotiation process) was investigated in countries that are not included in this thesis.

In section 2.2.3, Hofstede's four dimensions were linked to the ten negotiation tendencies developed by Salcuse (1989). In combination with the findings of other surveys conducted on country specific behavior in business negotiations, assumptions can be made about negotiation behavior of Finnish, German, and Pakistani negotiators from generations X and Y. Table 5 illustrates a summary of the assumptions made about generation-influenced negotiation behavior in the three investigated countries.

The table was filled in three steps. First of all, the available literature was searched for information about generation specific negotiation behavior in Finland, Germany, and

Table 5. Conventional wisdom about different negotiation tactics in Finland, Germany, and Pakistan.

Country / Neg. elements	Finland GenX: ● GenY: ●		Germany GenX: ● GenY: ●		Pakistan GenX: ● GenY: ●	
Goal	Contract	Relation-ship	Contract	Relation-ship	Contract	Relation-ship
Attitudes	Win/Lose	Win/Win	Win/Lose	Win/Win	Win/Lose	Win/Win
Personal styles	Informal	Formal	Informal	Formal	Informal	Formal
Communication	Direct	Indirect	Direct	Indirect	Direct	Indirect
Time sensitivity	High	Low	High	Low	High	Low
Emotionalism	High	Low	High	Low	High	Low
Agreement form	Specific	General	Specific	General	Specific	General
Agreement building	Bottom up	Top Down	Bottom up	Top Down	Bottom up	Top Down
Team orientation	One Leader	Consensus	One Leader	Consensus	One Leader	Consensus
Risk taking	High	Low	High	Low	High	Low

Pakistan. The data found was entered into the table. The data for German GenX members were taken from Salacuse (1998). Information about Pakistani GenY members was derived from Rammal (2005) and the data for Finnish GenY members were taken from Metcalf et al. (2006) and Metcalf et al (2007). Secondly, the findings of Bird and Metcalf (2004) were consulted in order to detect how the negotiation elements are impacted. In the third and final step, the information illustrated in table 5 was consulted to make assumptions about a possible evolution due to socio-economic circumstances within the investigated countries and by that estimate the direction of possible changes in negotiation behavior. For Pakistan, the available literature is lacking information on some of the ten negotiation elements. Therefore, no assumptions were made in this table. The distance between GenX and GenY marks is not aiming to indicate a specific quantity of the changes between the two generations. The main goal is to illustrate the possible direction of the development.

Socio-economic changes in all three investigated countries are likely to increase the scores of Hofstede's IDV dimension for GenY members (see table 4). This development has an impact on the two negotiation elements negotiation goal and communication style. According to Bird and Metcalf (2004), higher IDV scores entail a higher concern for negotiating a contract in the end of the negotiation process and a more indirect communication style.

The changes mentioned in chapter 2.5.1. are further assumed to decrease the MAS scores for GenY members in Finland, Germany, and Pakistan. This has an impact on the negotiator's attitude adopted during the negotiation process. According to Bird and Metcalf (2004) lower MAS scores are associated with an integrative behavior within the negotiations.

The transformation of the socio-economic environment in Finland, Germany and Pakistan is further expected to decrease the UAI scores of GenY members. This has an effect on the following negotiation elements: personal style, time sensitivity, emotionalism, agreement form, agreement building, team organization, and risk taking. According to Bird and Metcalf (2004) lower UAI scores are associated with a more informal style, lower

time sensitivity, lower emotionalism during the negotiations, a more general agreement form, an agreement building process that is rather bottom up than top down, a decision-making process that does not need to include all team members' approval, and finally a behavior that can be rather described as risk taking.

From the conventional wisdom about differences in negotiation tendencies among generations X and Y in Finland, Germany, and Pakistan illustrated above and summarized in table 5, the following hypothesis are derived:

Hypothesis 4: Generation Y significantly differs from generation X across Salacuse's ten factors involved in a negotiation process.

Hypothesis 4a: Generation Y from Finland significantly differs from generation X across Salacuse's ten factors involved in a negotiation process.

Hypothesis 4b: Generation Y from Germany significantly differs from generation X across Salacuse's ten factors involved in a negotiation process.

Hypothesis 4c: Generation Y from Pakistan significantly differs from generation X across Salacuse's ten factors involved in a negotiation process.

2.6. Conceptual framework of the study

Figure 7 represents the conceptual framework of the study. It combines the relevant theories utilized within this survey. Each of the arrows symbolizes one or more of the hypotheses proposed in this chapter. All the elements of the research questions can be found within the conceptual framework.

The negotiator is divided into his/her characteristics relevant for this research – the generation he/she belongs to and his/her nationality. Hypothesis one is measuring the independent impact of the negotiator's nationality on his/her negotiation tendencies.

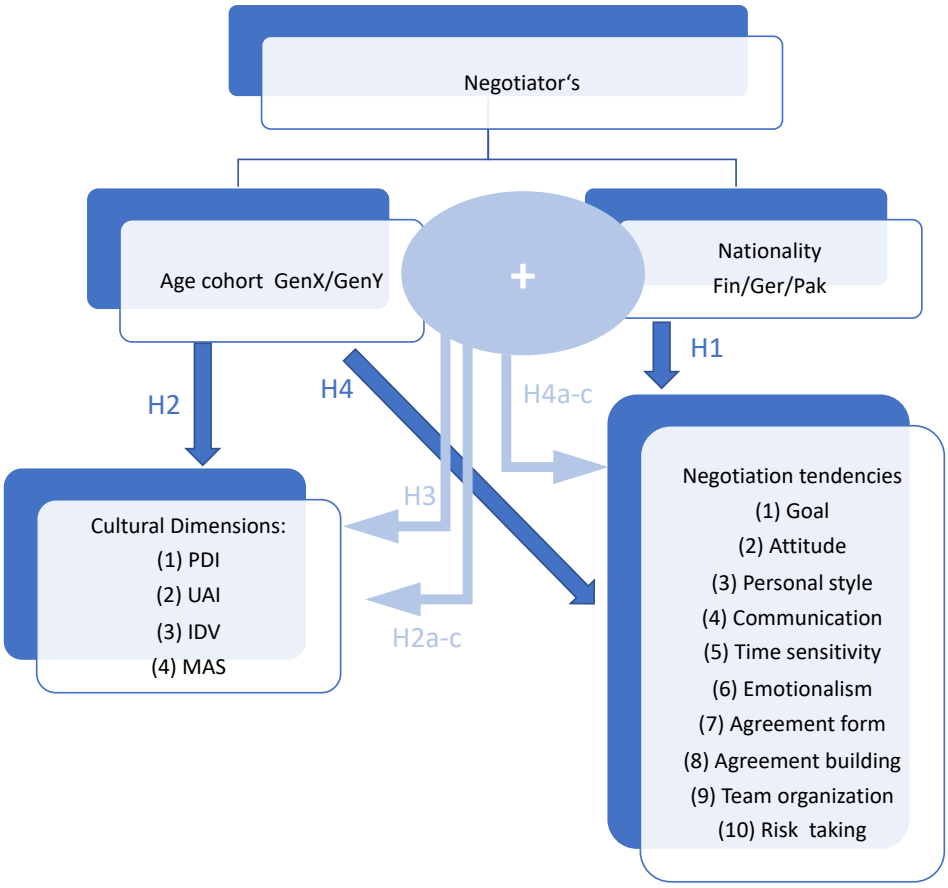

Figure 7. A conceptual framework of the study.

Hypotheses two and four are measuring the independent impact of the negotiator's age cohort on his/her cultural values and respectively the adapted negotiation tendencies. Hypotheses 2a-c, 3 and 4a-c combine the negotiator's characteristics. Hypotheses 2a-c and 4a-c measure the impact of the negotiator's age cohort on his/her cultural values respectively his/her negotiation tendencies for each of the three countries. Hypothesis 3 highlights the extent of the differences between the negotiator's cultural values. Table 6 shows all the hypotheses that will be investigated within the analysis.

Table 6. Hypotheses of the study.

H1: There are significant differences between negotiation tendencies of Finnish, German, and Pakistani negotiators.
H 2: Generation Y significantly differs from Generation X across Hofstede's four dimensions of culture.
H 2a: Generation Y from Finland significantly differs from Generation X across Hofstede's four dimensions of culture.
H 2b: Generation Y from Germany significantly differs from Generation X across Hofstede's four dimensions of culture.
H 2c: Generation Y from Pakistan significantly differs from Generation X across Hofstede's four dimensions of culture.
H 3: Cultural differences between GenX members from Finland, Germany, and Pakistan are greater than cultural differences between GenY members from Finland, Germany, and Pakistan.
H 4: Generation Y significantly differs from Generation X across Salacuse's ten factors involved in a negotiation process.
H 4a: Generation Y from Finland significantly differs from Generation X across Salacuse's ten factors involved in a negotiation process.
H 4b: Generation Y from Germany significantly differs from Generation X across Salacuse's ten factors involved in a negotiation process.
H 4c: Generation Y from Pakistan significantly differs from Generation X across Salacuse's ten factors involved in a negotiation process.

3. RESEARCH METHODOLOGY

The following chapter will explain the distinct layers of the research onion (figure 8) emphasizing the specific alternatives chosen for the conducted research. The outer two layers (research philosophy and research approach) will be illustrated in chapter 3.1. The third layer, the methodological choice will be displayed in chapter 3.2, followed by the explanation of the research strategy and data collection technique in chapter 3.3. Furthermore, the chapter includes information about the data analysis (3.4), the credibility of the research (3.5) and the measures applied to assure an ethical research (3.6).

Figure 8. The research onion for the survey at hand (based on Saunders, Lewis & Thornhill 2016).

3.1. Philosophical stance followed and research approach

According to Saunders et al. (2016: 124) research philosophy refers to a system of assumptions and beliefs in the development of knowledge. Before starting a research project as well as during the process, the researcher must make epistemological, ontological, and axiological assumptions which are shaping the understanding of the research question, the applied methods, and how the findings are interpreted. Only by developing a consistent set of assumptions, a coherent research project can be achieved.

The research for this thesis is underlying the critical realism philosophy. In accordance with Saunders et al. (2016: 138-140) "critical realism focuses on explaining what we see and experience, in terms of the underlying structures of reality that shape the observable events." Therefore, the research target is to provide an explanation for observable events which are shaped through deep social structures by looking for the underlying causes and mechanisms. In-depth analyses of pre-existing social structures are typical for critical realist research while at the same time it is focusing on how these structures have changed over time. By perusing the critical realism philosophy, the researcher is aware of the ways in which his or her socio-cultural background and experiences might influence the research. Because of this awareness, the researcher pursues to minimize such biases by being as objective as possible.

In accordance with the research philosophy, the research approach to theory development was a deductive approach. Within the thesis, the deductive approach progressed through six sequential steps (cf. Blaikie 2010). During the first step, a tentative idea consisting of a testable proposition about the relations between the three central concepts of IBNs, culture, and generations was put forward. In the following step, a set of hypotheses derived from the existing relevant literature of each field was introduced, and a modified theory was formed challenging the pre-existing ones. In the third step, the existing theory was thoroughly examined for an advance in understanding the deduced propositions. The process was continued since no answers were offered and a research gap was detected. The next step dealt with data collection for measuring the concepts and a sequential analysis of the data. In the fifth step, the results derived from the analysis were compared with the premises. The final step depends on the outcome of the previous step. When the results

are not consistent with the premises, the theory is either rejected or modified and needs to undergo the deductive process again. When the consistency is ascertained, the theory is corroborated.

In general, the deductive approach is characterized by several aspects. Firstly, all the concepts need to be operationalized to enable measurement. An operationalization requires a strict definition of what constitutes the specific concepts. The definition process of the concepts often follows the principle of reductionism, by reducing the concepts to their simplest possible elements. Generalization is the final characteristic of the deductive approach for theory development. By following this approach, the researcher aims to generalize his or her findings. In order to do that a carefully selected sample of sufficient size is essential. Within this thesis, all key characteristics of deduction were applied. (Saunders et al2016: 146-147.)

Given the research question, the objectives, and the novel character of the topic, an exploratory study is considered the most appropriate.

3.2. Choice of quantitative research method

Generally, business studies have been divided into quantitative and qualitative research methods. One way to differentiate the two methods from another is to distinguish numerical data (quantitative studies) and non-numerical data (qualitative studies). However, the combination of qualitative and quantitative elements is frequently used in reality. For the scope of this study, mono-method quantitative research was applied. This choice is in accordance with the research philosophy and approach for theory development discussed in the former section of this chapter. (Saunders et al. 2016: 165-166.)

Quantitative research is often used to study phenomena by examining relationships between variables. The investigated variables are measured numerically, and a range of statistical and graphical techniques are consulted for their analysis. The quantitative data in

its raw form reveals little meaning. Therefore, it needs to be processed and converted into information that can be used for further interpretation. (Saunders et al. 2016: 166.)

Data collected through quantitative research methods can be divided into two groups: Numerical and categorical. For numerical data, values can be measured or conducted numerically as quantities. In other words, each data value can be assigned a position on a numerical scale. Categorical data, on the other hand, refers to data whose values cannot be measured numerically. The values can either be classified into sets or categories or placed in a rank order. (Saunders et al. 2016: 499-500.)

3.3. Data collection

A self-completion electronic survey was chosen as the data collection method of this thesis. Combining the survey strategy with a deductive approach is commonly applied in business and management research. One reason for its popularity is that it allows a collection of large amounts of data from a substantial population at comparably low cost. The self-completion aspect of the survey removes a major source of potential bias in the responses and, at the same time, increases the likelihood of honest answers on sensitive subjects (Brace 2013: 23).

3.3.1. Data sample

Owing to restrictions of time, money, and access as it is the case for many research questions, it was impossible to collect and analyze all the potential data available. The population of this study as highlighted in the research question and the objectives, are all GenX and GenY members of Finland, Germany, and Pakistan. To make the study more feasible, the population was further redefined as all GenX and GenY members who are familiar with international business negotiations which can be labeled the target population (Saunders et al. 2016: 274). All the cases included in the sample were carefully chosen with the agenda of representing the target population and, therefore, leading to the enablement to make statistical interferences from the sample (Saunders et al. 2016: 285).

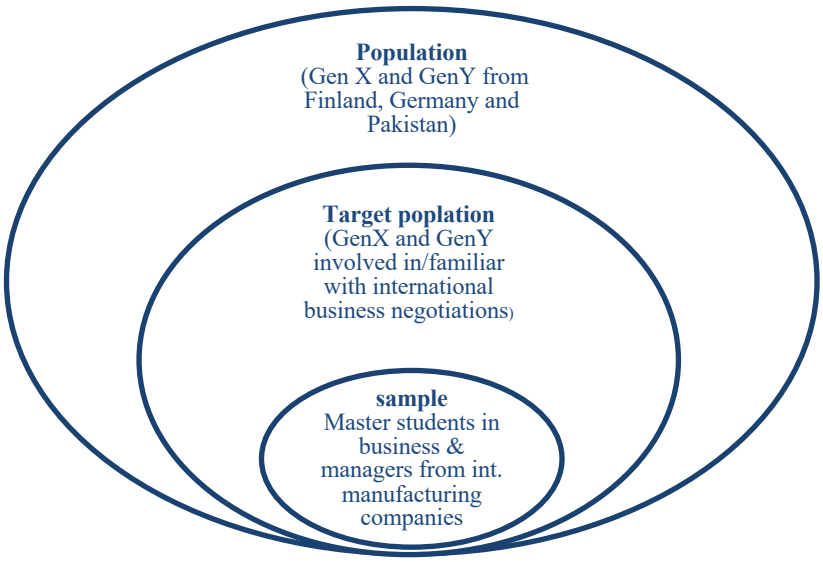

Figure 9. Population, Target population and Sample of the survey (based on Saunders et al. 2016: 275).

Companies and universities from three countries namely Finland, Germany, and Pakistan were addressed to gather data. One reason for choosing the three specific countries was the personal connection to all three counties which provides the opportunity to reach a great number of participants from different age cohorts by enabling the access to company contacts and distribution systems. Furthermore, it is interesting to study whether the mindsets of the younger generations living in well-developed countries like Germany and Finland have changed over the last decades. Another argument for choosing Germany and Finland as countries of interest is the fact that they are doing business all over the world and therefore engage in a vast number of international business negotiations.

Pakistan on the contrary, is an Emerging Market (Cavusgil et al. 2013: 4) and has been through various political and economic changes since its separation from India in 1947. Pakistan's younger generations are more aware of voids in the political system and willing to act upon them. This change in political activism may indicate a change in values

and mindset. Therefore, it is highly attractive to investigate whether these changes in the environment have an impact on how younger generations perceive their own culture. Additionally, Pakistan is getting more and more attractive for foreign investments and the cross-border trade is growing rapidly (Cavusgil et al. 2013: 191-193). This leads to a growing number of international business negotiations which justifies the choice of Pakistan as a country of interest within this research. Last but not least, all three countries differ significantly in regard to Hofstede's culture dimensions (Hofstede insights 2018).

As negotiation style and cultural values are identified separately for all three countries, it was not necessary to find companies that are involved in particular in German-Finnish-Pakistani negotiations. The aim was to reach people who are involved in international business negotiations with any nationalities. Therefore, and in order to get unbiased responses, 60 companies that are involved in international manufacturing businesses were randomly chosen and addressed for each country, regardless their size, ownership type, revenues, etc.

The universities that were addressed for the scope of this thesis were selected through two main criteria. First of all, the universities had to offer business programs on a master level. The master level was mainly chosen because business students on the post bachelor level are more likely to have business experience and are familiar with business negotiations. Since Germany and Pakistan have a great number of universities that offer master programs in business subjects, only the best[2] 70 universities for each country were addressed for the scope of the thesis. For Finland, all of the 17 universities that offer business programs on the master level were addressed.

3.3.2. Questionnaire

[2] The first 70 universities that offer business programs on a master-level ranked on the world Uni rank (https://www.4icu.org) were addressed for the scope of this thesis. Indicators for the ranking process are related to academic peer review; employer review; faculty to student ratio; citations per faculty member; proportion of faculty that are international; and proportion of students that are international.

For the scope of this study, the survey was conducted by a questionnaire. The participants were invited via a link that was distributed through an Email to visit the website ELomake on which the questionnaire was hosted. One of the main advantages of the web-based survey addressed by Taylor (1999/2000) and other researchers, deals with the response patterns. It has been experienced that web-based surveys elicit different response patterns since the extremes of scales are used less often. In addition, web-based questionnaires need a shorter time span to be completed, increasing the attention and perceived pleasure during the process. (Brace 2013: 25.)

The questionnaire is a vital part of the survey process, and its quality determines the success of the research project. Therefore, the procedure of developing the questionnaire will be described in detail. The main goal of the questionnaire is to collect and elicit the information needed to answer the objectives of the study. Therefore, the questionnaire has to be in line not only with the research objectives but also with the business objectives. The business objectives are necessary to provide the researcher with background information on how the study is aimed to be used in the business world. Incorporating these goals will ensure that all relevant questions are included and serve a specific purpose. After being clear on the business goals, a series of processes is needed to turn the research objectives into a set of information requirements. When this critical step is accomplished, questions that are able to provide this information can be derived from the requirements and in a final step collected in a questionnaire (Brace 2013: 6-10). This process was applied to the research at hand and is illustrated in figure 10. The vertically aligned arrows show the sequential steps in the process. The curved arrows show the links between the current stage and the former stage.

The way towards collecting unbiassed and accurate data is accompanied by a number of problems threatening its complete accuracy. Problems may occur during the writing process. Examples for difficulties caused by the questionnaire writer may be ambiguity, order effects between questions or within a question, inadequate response codes, or simply asking the wrong questions due to a poor preparation. The process of completing the questionnaire may contain difficulties as well. The respondent may not understand the question or may be distracted due to boredom or tiredness. Inaccurate memory regarding the

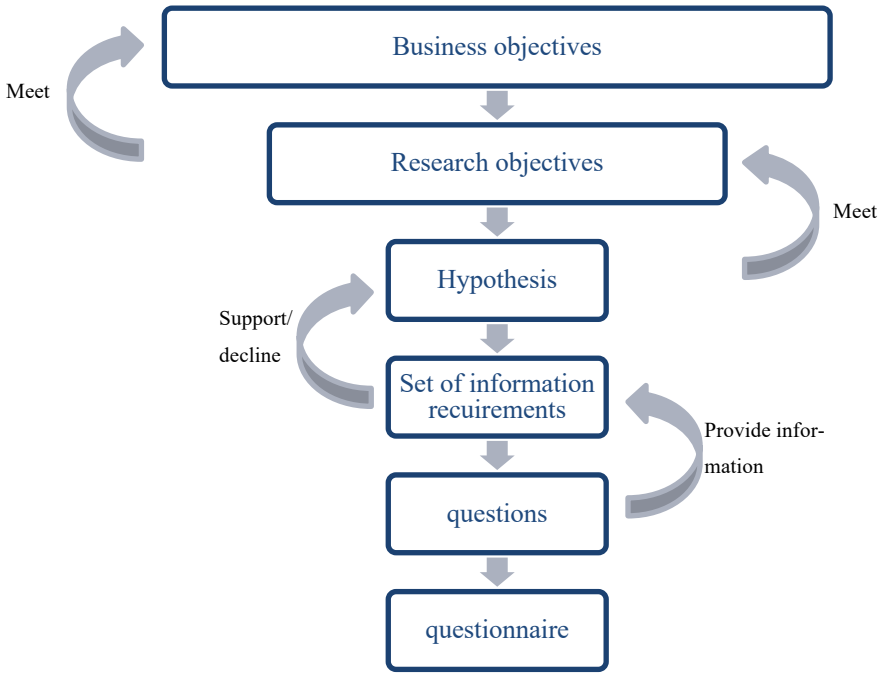

Figure 10. A questionnaire design (based on Brace 2013).

own behavior or time periods may lead to imprecise answers. Another deadlock during the answering process may occur when the respondent either chooses a particular option in order to impress or because he or she is not willing to admit real attitudes or behaviors. This phenomenon also known as social desirability bias (Brace 2013: 211; Fowler 1988: 93-94) can happen either consciously or subconsciously. Last but not least, respondents may try to influence the outcome of the study by answering in a way they believe will lead to a particular conclusion. (Brace 2013: 11.)

Some of the potential problems were tackled by keeping the questionnaire as short as possible exclusively including question serving a specific purpose. According to Brace 2002: 13) the main reasons for early drop out are related to the length and the quality of the questionnaire. During the development of the questionnaire special attention was given to the order of the questions. They were grouped into topics following a logical sequence and, therefore, enabled a smooth flow from one question to another. Furthermore, the questionnaire started with questions that are easy to answer and continued with

more complex attitude questions towards the end. These design elements were purposefully applied in order to minimize the likelihood of an early drop out due to boredom or tiredness (Hague 1993: 45). A more detailed illustration of how biases were dealt with in the context of this thesis will be displayed in a later section of this chapter (3.5. Credibility of the research).

The questionnaire developed for the scope of this study was divided into five sections consisting of different question types. It begins by asking classification questions about the respondent's demographics in order to build his or her profile. This question type is used to check whether the correct quota of people participated in the survey. Additionally, and highly critical for the purpose of this study, classification questions can be used to compare and contrast the answers of one group of respondents with those of another group (Hague 1993: 34). The second part was designed to get background information about the respondents' companies or universities. The third and fourth parts were the main questionnaire. They mainly consisted of pre-coded closed questions. The participant could select an answer from a provided code list of possible responses. Some of the questions were of a dichotomous nature only providing two possible answers to choose from (Brace 2013: 46). The final section was designed to get additional information about the participants mainly regarding contact information. The majority of the questions were attitude questions and were partly adopted or adapted from pre-existing literature on the specific fields of interest in order to allow a comparison of the findings to other studies that are of relevance for this research (Saunders et al. 2016: 452).

The initial questionnaire was developed for the overall company sample and modified for the students resulting in two sets of questionnaires. Furthermore, the questionnaire was translated into German and adjusted for the Finnish and Pakistani sample. An example of a questionnaire used for data collection can be found in Appendix 1.

3.3.3. Operationalization of the variables

In the scope of the research various dependent and independent variables were investigated. The independent variables are individual attributes upon which data have been

collected that are being changed or manipulated in order to measure their impact on dependent variables. Dependent variables, therefore, may change in response to changes in other variables. Control variables are additional measurable variables that need to be kept constant to avoid any influences on the effect of independent on the dependent variables (Saunders et al. 2016: 174).

The independent variables used in the survey is the affiliation to one of the investigated age cohorts. This variable was operationalized by asking the participants about their age (Q1), their year of birth (Q61). Asking the respondents about their age in two different ways, was meant to function as a control to ensure an accurate measurement of the respondent's age cohort. Since the data is run separately for each of the three investigated countries, the participants nationality (Q3) is functioning as a moderating variable. The dependent variables within this survey were Hofstede's initial four cultural dimensions and the ten negotiation elements described by Salacuse (1998). The variables were operationalized as follows:

Hofstede's first dimension, the **power distance**, was measured through three items of the questionnaire. Firstly, the participants' preference for their supervisor's decision-making style was asked through (Q14) "*Now, for the above types of managers, please mark the one which you would prefer to work under*". Secondly, the participants' perception of the supervisor's actual decision-making style was asked through (Q15) "*And, to which one of the above four types of managers would you say your own supervisor most closely corresponds?".* Thirdly, the question (Q16) "*How frequently, in your work environment, are subordinates afraid to express disagreement with their supervisors?*" was asked.

Hofstede's second dimension, the **individualism**, was measured through the six questions belonging to a set of fourteen work goals, each to be scored on a scale from "of very little importance/no importance" to "of upmost importance". The work goal items for the individualism dimension are: (Q17) "*Have sufficient time left for your personal or family life?*", (Q18) "*Have considerable freedom to adopt your own approach to the job?*", (Q19) "*Have challenging tasks to do, from which you can get a personal sense of accomplishment?*", (Q20) "*Have training opportunities to improve your skills or learn new*

skills?", (Q21) "*Have good physical working conditions (good lighting and ventilation, adequate work space, etc.)?*" and (Q22) "*Have the possibility to fully use your skills and abilities on the job?*".

Hofstede's third dimension, the **masculinity**, was measured through the other eight questions belonging to the fourteen work goals introduced above. The importance attached to the following work goals produced the masculinity dimension. (Q23) "*Have an opportunity for high earnings?*", (Q24) "*Get the recognition you deserve when you do a good job?*", (Q25) "*Have an opportunity for advancement to higher-level jobs?*", (Q19) "*Have challenging tasks to do, from which you can get a personal sense of accomplishment?*", (Q26) "*Have a good working relationship with your direct supervisor?*", (Q27) "*Work with people who cooperate well with each other?*", (Q28) *"Live in an area desirable to you and your family*?" and (Q29) "*Have the security that you will be able to work for your company as long as you want?*".

Hofstede's fourth and final dimension within this research, the **uncertainty avoidance** was measured through the following three questions: (Q30) "*How often do you feel nervous or tense at work?*" with answers ranging from "Never" to "Every day". The agreement with the statement made in question (Q31) "*a company's or organization's rules should not be broken – even when the employee thinks it is in the organization's best interest*" rated on a 1-5 scale ranging from "Strongly disagree" to "Strongly agree". And (Q32) "*How long do you think you will continue working for your current company or organization?*"

In contrast to other studies (e.g. Rammal 2005; Metcalf et al. 2006) that utilized Salacuse's framework the ten negotiation elements were not operationalized on bipolar dimensions measured on five-point scales. All the elements were transformed into questions that measured the respondent's degree of agreement or disagreement with the given statements on a five-point scale. Some elements were measured by only one statement. Others were transformed into several statements.

The first element, the **negotiation goal** was measured by the following three statements: "*Developing a relationship to create trust with the negotiation partner had a higher priority for me than focusing solely at the task and the attainment of an agreement*" (Q38), "*I did not see the potential agreement at the end of a negotiation process as a single deal. It was rather seen as a first step towards a long-term relationship between me and the negotiation partner.*" (Q39) and "*For me the written contract at the end of the negotiations was obligatory. Subsequent requests for changes by the negotiation partner were considered untrustworthy.*" (Q40).

The second element, the **attitudes** adopted by the negotiators during the process, were measured through the following two statements: "*During the negotiations, I primarily focused on achieving my own company's interests. Even when it was at the expense of my negotiation partner.*" (Q41) and "*Within the negotiations, I cooperated with the negotiation partner to reach fair and beneficial solutions for both parties instead of solely trying to maximize my own payoffs.*" (Q42).

The third element, the **personal style** within a negotiation, was measured through one question, namely: "*During the negotiations, I focused primarily on business matters instead of focusing more on personal and family matters.*" (Q43).

The fourth element, the **communication style** used during the negotiations, was measured through the following two statements: "*While evaluating my counterpart's offer, I preferred to communicate in a clear and explicit way by directly stating my opinion.*" (Q44) and "*In the case of a disagreement, I stated my opinion directly and explicitly instead of relying on gestures or facial expressions to convey my refusal.*" (Q45).
The fifth element named by Salacuse, the **time sensitivity**, was operationalized by the following two questions: "*I expected all parties involved in the negotiation process (including myself) to be punctual.*" (Q46) and "*During the negotiations, I preferred to strictly follow the precise time schedules set for the negotiations.*" (Q47).

The sixth element, the **emotionalism** was measured through the statements (Q48) and (Q49). "*During the negotiations, I preferred to form my arguments based on facts rather*

than arguing based on feelings and stories." and "*I preferred to hide my emotions, like anger and happiness during the negotiations because I think it is inappropriate to express emotions overly.*".

The seventh element, the **agreement form**, was operationalized trough question (Q50): "*I preferred to reach a negotiation agreement that was a detailed description of all the decisions agreed upon during the negotiation process instead of an agreement that was more of a statement of general principles.*".

Salacuse's eighth element, the **agreement building** process, was measured through the following questions: "*I preferred to negotiate the general principles that guided other decisions before negotiating specific issues that needed to be resolved.*" (Q51) and "*I preferred to negotiate the issues simultaneously to be able to create package solutions (that cover all the issues at once) instead of negotiating each issue separately.*" (Q52).

The ninth element named by Salalcuse, the **team organization**, was operationalized through question (Q53). "*The decision-making process adapted by my negotiation team can be characterized as decentralized (that is, the power to make decisions was spread across many individuals and/or organizational units) rather than centralized (that is, the power to make decisions rested within the hands of just a few people who, typically, occupied very senior positions within the organization).*".

The final element Salacuse presented, the **risk taking**, was measured by the following statements: "*During negotiations I preferred to make the first concession with the hope that partner would also make a concession in return*." (Q54) and "*During the negotiations, I tried to stick to the plans that were made prior to the beginning of the negotiation process instead of being flexible and spontaneous towards unforeseen turnarounds.*" (Q55).

In addition to culture and negotiation tendency measures, a series of variables were used as control variables. A number of control variables were of demographic nature. The first control variable was gender (Q2), which was measured with a dummy variable (1=male,

2=female). Another control variable was linked to work experience abroad (Q7 + Q8) and the highest education level (Q7).

Another set of control variables included in the questionnaire were related to the participant's experience with international business negotiations (Q33) "*How frequently do you participate in international business negotiations?*" and (Q34) "*Please indicate the number of international business negotiations you have participated in during the last two years?*", to the type of international business negotiation the participant participated in (Q35) "*Which of the following best describes your negotiation partner?*", (Q36) "*What was the nationality of your partner?*" and (Q37) "*How many years of business experience have you had with your negotiation partner?*". All these control variables were used to further specify the negotiation background.

The final set of control variables[3] relate to the satisfaction of the negotiation's outcomes (Q56) "*Please indicate your satisfaction with the outcome of the specific negotiation you participated in*", (Q57) "*Please indicate your satisfaction with the outcome of your previous negotiations in general*", (Q58) "*Please indicate your partner's satisfaction with the outcome of the specific negotiation you and your partner participated in*" and (Q59) "*Please indicate your partners' satisfaction with the outcome of your previous negotiations in general*".

3.3.4. Data gathering process and responses

Before sending out the final questionnaire to the potential respondents, the survey was sent to respondents that did not belong to the target population in order to get feedback on the questions' comprehensibility and formulation, the outline of the survey, and the approximate time needed to fill the questionnaire. All the feedback was gathered and included in the final version of the questionnaire.

[3] Only used in the questionnaire for GENX members.

As mentioned above, the questionnaire was sent out via Email. The potential respondents were introduced to the core topic of the thesis and the background of the survey within the cover letter. Furthermore, it was pointed out that the results of the survey are gladly shared with interested participants and how the findings can be beneficial for the participants.

The Emails were sent to Finnish, German, and Pakistani universities and companies during November 2018. The deadline was set for the end of November 2018. As soon as the first deadline was reached, a reminder email was sent to all the email addresses that were contacted in the first round. Additional Emails were sent to further possible respondents from December 2018 till March 2019. Deadlines were set within 14 days after the first Email and another week after the reminder Email was sent.

The companies were addressed by carefully gathering email addresses of suitable managers through their homepages and then directly sending the survey link to the possible respondents. The student sample was addressed through coordinators, deans, professors and fellow students involved in the business programs on a master level. They were kindly asked to distribute the survey link or share it on social media platforms. For the case of Pakistan an assistant was hired to collect data from students and managers. He reached out to 450 publicly traded companies active in import/export businesses. His efforts yielded in n=122 responses (response rate of 27,1%) from managers and n=196 reactions from Pakistani students. Social media platforms like Facebook, LinkedIn and Xing were additionally used to reach German and Finnish respondents from both generations.

In total more than 890 emails were sent to Finnish universities and companies, more than 1344 emails went to German universities and companies and more than 1135 emails were received by Pakistani universities and companies. The survey yielded in n=609 responses from 24 different national cultures for an 18.1 percent (3369 contacts) response rate. Screening led to the elimination of 35 questionnaires filled by respondents from age cohorts and countries that are not investigated within this study, leaving a useful sample of n = 574.

3.4. Methods of data analysis

In order to obtain valid and satisfying results the researcher has to choose from different available statistical methods. One of the determinants is the data type that is used in the questionnaire. The independent variable within this study, namely age cohort, is a categorial variable and can be measured on an ordinal scale. As will be explained in more detail under section 4.2. the respondents have to indicate the level of agreement with the statements about cultural values and negotiation tendencies on a five-point Likert-scale. Although the Likert-scale is very popular and used frequently, opinions on which data type this scale belongs to diverge (Hartley 2014; Vonglao 2017: 1). Nonetheless, in managerial studies the Likert-scale is commonly treated as a continuous measurement scale (Edwards 1957; Gosavi 2015; Harpe 2015). Therefore, the dependent variables within this study are considered as continuous variables. Since the relationship of two variables of two different scales is investigated within this study, a mean comparison is conducted. More precisely, t-test is the choice of statistics. A t-test is used to investigate the relationship between one independent variable with a categorial measurement scale and two different levels on that scale, and a dependent variable that is measured on a continuous scale (Johnson & Christensen 2014: 573-574).

As shown in section 3.3.3. some of the constructs within the study are designed through more than one question or statement. In order to use the construct in a t-test, the mean of the observed variables belonging to the construct has to be calculated. Before that, a confirmatory factor analysis (CFA) has to be conducted. “In case of a CFA, the researcher is interested in testing whether the correlations among the observed variables are consistent with the hypothesized factor structure” (Gaur & Gaur 2009: 132). Since the culture and negotiation constructs were built in previous studies, a CFA is chosen over an exploratory factor analysis, which deals with theory building not the testing (Gaur & Gaur 2009: 132). The CFA was conducted with SPSS AMOS and the outcomes will be reported in section 4.2.

To investigate if the behavior between the two generations significantly differs, and in order to test the hypotheses, the t-test is used, precisely, the independent sample t-test.

This type of t-test is chosen due to the design of the study and nature of the data. Since neither the exact value of the population mean nor the standard deviation can be determined, the z-test and the one sample t-test are unusable as a statistical method. The dependent or paired sample t-test is used for longitudinal studies and, therefore, not useful for the scope of this study. (Gaur & Gaur 2009: 52-54.)

For accepting or rejecting the null hypotheses, the significance level or p-value is used. It "represents the probability of concluding (incorrectly) that there is a difference in [the] samples when no true difference exists" (Gaur & Gaur 2009: 35). As common in social sciences research, a p-value of 0.05 is taken as standard in the scope of this research. (Gaur & Gaur 2009: 33-35.)

3.5. Credibility of the research

Since the researcher does not actually know the reality of the investigated phenomena, it is impossible to identify whether the results gained through the research project are genuinely right or wrong. According to Saunders et al. (2009: 156), the only thing a researcher can do in order to improve the research's credibility is to minimize the possibility of biased results. Thus, special attention needs to be paid to both, the reliability and validity of the conducted research.

3.5.1. Reliability

The reliability of a research is concerned with the research's consistency. It, therefore, refers to the robustness of the questionnaire, and whether this survey is able to produce consistent findings regardless of the time, conditions or person conducting the research (Oppenheim 1986: 69). The first step towards ensuring a consistent measurement within this research was that each subject of the sample was provided with the same set of questions. Furthermore, the consistency was increased by translating the questionnaire into German, Finish, and Pakistani. This process ensured that every participant regardless of his or her English proficiency was able to understand the questions.

Saunders et al. (2009: 156-157) further name four main threats to reliability: Subject or participant error, subject or participant bias, observer error, and observer bias. Subject errors occur when the answers of the participants depend on the time at which the survey is conducted. Subject bias occurs when participants choose a particular answer because they think they are expected to do so. Thus, the participants of this study were only informed about the main aspects of the study, not about the actual goals. This was done in order to minimize the participant bias. When the subjects do not fully know which answers will lead to a particular conclusion, it is less likely that assumed expectations lead them. Furthermore, the majority of the questions asked about a fictional job situation. This may have reduced the pressure the participant perceived by answering job-related questions. Last but not least, the participants' anonymity was guaranteed throughout the whole data gathering process.

Observer error relates to the situation where the person conducting the interview influences its outcome. Using a self-completion survey as was done within this research minimizes the observer bias since the researcher-subject relationship is kept at a low level. The final threat Saunders at al. (2009) name is the observer bias which refers to the situation where the researcher may influence the interpretation of the replies. This threat can only be tackled by being aware of the ways in which socio-cultural backgrounds and experiences might influence the research. Through this awareness, the researcher pursues to minimize such biases by being as objective as possible.

As described above, the majority of the questions are concerned with gathering information about the respondents' attitudes. Attitude questions require subjective answers and, therefore, are more complex than objective questions. A single question about a specific attitude can hardly reflect it adequately. To increase the reliability and with it ensure more consistent results, the attitude question within the developed questionnaire did not rely on a single question but on a set of questions to measure the attitudes. (Oppenheim 1988: 73-74).

The reliability of a scale can be assessed through a split-half correlation coefficient without having to ask the same question more than once (Oppenheim 1988: 76). The internal

reliability of this research project was calculated through Cronbach's alpha. This method is usually used for measuring the consistency of responses to a set of questions that are combined as a scale in order to measure a particular concept (Groves, Fowler, Couper, Lepkowski, Singer & Tourangeau 2009: 284). The scores for the different scales are reported in section 4.2.

3.5.2. Validity

Internal validity in relation to questionnaires refers to the ability of the questionnaire to measure what was intended to be measured. In other words, it deals with the issue of whether the findings resulting from the questionnaire really represent the reality of what it measures. The internal validity can be divided into three different parts: The content validity, the criterion-related validity, and the construct validity. In general, it is more difficult to ensure the validity of subjective questions compared to objective questions since there is no external criterion. Some researchers (e.g., Brace 2013: 14; Oppenheim 1988: 77) say that the overall validity of the responses can be increased by encouraging the subjects to stick with their first instinct and not to consider each statement. Snap answers are thus the most valid form of responses and less open to defensive bias. The questionnaire for this research project attached value to this argumentation by kindly asking the subject to answer the questions by giving their first reactions.

Another approach to an overall validation is to compare the findings of the own research with the results of other studies (Oppenheim 1988: 77-78; Groves et al. 2009: 276). Since the developed questionnaire for this research project is closely linked to different questionnaires of other studies, a comparison to seminal works in the specific fields of interest increased the validity of the findings discovered within this thesis.

Content validity measures to which extent the questionnaire provides adequate coverage of the investigated research question. This was assessed by making sure that the questions were designed in order to collect data upon all the elements and attributes named in the research question and within the objectives.

Construct validity is concerned with the extent to which a set of questions actually measures the presence of the construct it intended to measure (Groves et al. 2009: 50). In order to attain that, the questions have to be able to gather information about the investigated concepts (Oppenheim 1986: 76). The construct validity of this study's questionnaire is achieved by adopting and adapting questions from significant pre-existing literature that has managed to operationalize and measure the selected concepts in the past.

External validity relates to a research's generalizability meaning that the findings should be applicable to other research settings. Despite the deductive approach and its goal to generalize the survey findings, with a population size of approximately 45 Million GenX-members (Finland: 1 Million, Germany: 19 Million, Pakistan: 25 Million) and 58 Million GenY-members (Finland: 1 Million, Germany: 15 Million, Pakistan 42 Million) (Live population, 2019), the sample size of 574 is too small for a generalization of the findings. In addition, the sample was drawn from an accessible population rather than from the overall target population. Although measures for improving the external validity like a wide and independent distribution of the survey questionnaire were taken, a generalization cannot be made with full degree of confidence, since the accessible population is not representative of the target population (Johnson & Christensen 2014: 291 – 293).

3.6. Ethics of research

Ethics can be understood as moral principles and values that influence the way a researcher handles his or her research activities. When conducting a research, the researcher needs to consider possible ethical concerns throughout the research process. The increasing debate on social responsibility and consumer well-being lead to a growing importance of ethical issues and researchers' responsibilities in the field of business studies. Specific ethical problems relate to each research method (Ghauri & Grønhaug 2002: 18). During the research process, every researcher has a moral responsibility to conduct the study and explain the processes and the results of the research questions in an honest and accurate manner.

Quantitative research is exposed to less ethical issues than qualitative research since the researcher-participant relationship is kept relatively anonymous. Nonetheless, the connection between the quantitative researcher and the subject is highly sensitive and needs to be treated in an accurate way. Therefore, the protection of the confidentiality was assured through the following steps. First of all, the use of names and other easy identifiers was minimized. Furthermore, the survey forms were kept in locked files and once completed by the respondents the survey answers were only accessed by the researchers. After the successful completion of the research project, a proper disposal of the survey instruments was assured (Fowler 1988: 30).

In order to give the potential respondents the information they require to make an informed decision about whether or not to participate in the survey (Brace 2002: 201-202), the introduction and the cover letter of the questionnaire entailed the following elements: the name of the university conducting the study, the broad subject area, information about confidentiality, the average length of the survey, and instructions on how to answer the questions.

A central ethical question concerning the data collection of this research dealt with the question of whether to inform the participant about the real purpose of the research. Full knowledge about the research objectives might lead to participant bias or even reluctance of full cooperation (Brace 2002: 202). Other issues concerning the researcher-participant relationship within this study dealt with avoiding the exposure to mental stress and evading questions detrimental to respondents' self-interests (Ghauri & Grønhaug 2002: 19). The participants' well-being was given preference during the whole process, and the success of the research project was inferior to the subjects needs at all times.

4. EMPIRICAL ANALYSIS AND RESULTS

In this section the gathered data will be presented and analyzed. The demographic characteristics of the GenY and GenX samples are presented in section 4.1, while the results of the CFA and the t-tests are shown in section 4.2. and 4.3.

4.1. Demographic characteristics

The following section will describe the sample (n= 574) of the study, from which the results are derived. 19,5% (n=112) of the respondent are Finnish, 25,3 % (n=145) are German, and 55,2% (n=2317) are Pakistani. Frequency table 6 shows the distribution by generation within the three countries. With 60,6% (n=348) of the overall sample the majority of the respondents belong to generation Y. 39,4 % (n=226) belong to generation X. The generation distribution within the three selected countries is similar for Germany and Pakistan. In those two countries the majority of the respondents were members of generation Y. Within the Finnish sample on the contrary 47,3% (n=53) belong to generation Y, while 52,7% (n=59) are part of generation X. Within the German sample 69,0 % (n=100) of the respondents are members of generation Y, and 31,0% (n=45) belong to generation X. Within the Pakistani sample 61,5% (n=195) of the respondents are representatives of generation Y, while 38,5% (n=122) belong to generation X.

Table 7. Distribution by generation.

			Age		
			Generation Y	Generation X	Total
Nationality	Finnish	Count	53	59	112
		% within Nationality	47,3%	52,7%	100,0%
	German	Count	100	45	145
		% within Nationality	69,0%	31,0%	100,0%
	Pakistani	Count	195	122	317
		% within Nationality	61,5%	38,5%	100,0%
Total		Count	348	226	574

% within Nationality	60,6%	39,4%	100,0%

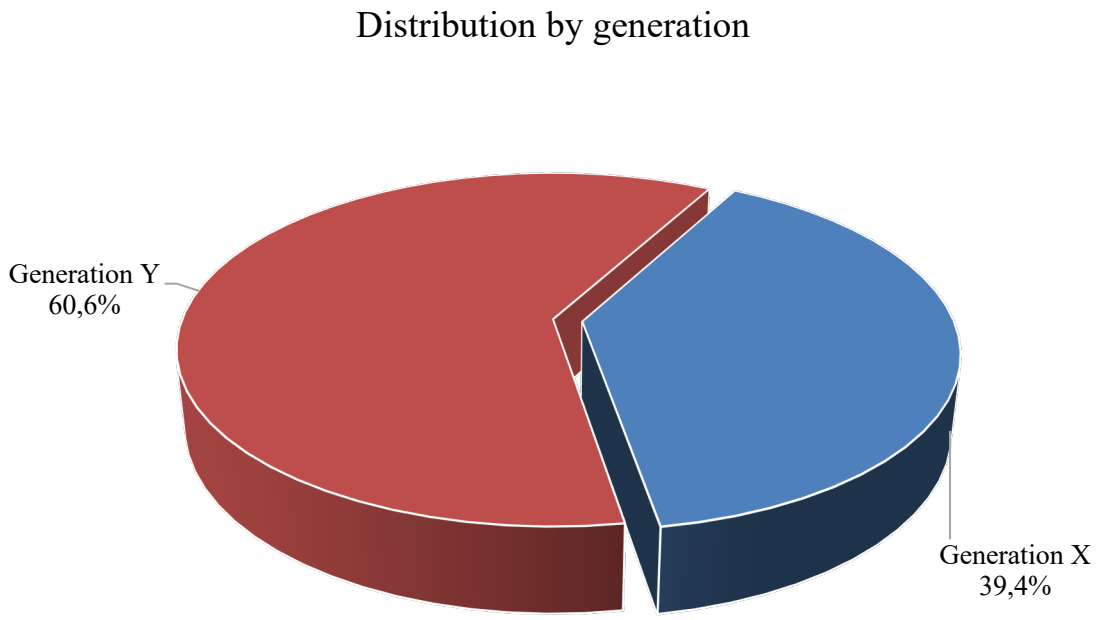

Figure 11. Distribution by generation.

The gender distribution within the two studied generation is presented in table 7. The gender distribution within the overall sample is similar to the gender distribution within the two subgroups generations X and Y. Males dominated with 60,8 % (n= 349; GenY: 50,3%, n=175; GenX: 77,0%, n=174), while 39,0% (n=224; GenY: 49,4%, n=172; GenX: 23,0%, n=52) were female respondents.

The gender distribution within the three selected countries differs. A nearly equal distribution can be found within the sample from Germany. 49% (n=71) were male respondents and 50,3% (n=73) were female respondents. One of the German respondents answered with "Other" (n=1; 0,7%). Within the Finish sample, the majority was male (n=66; 58,9 %) and 41,1% were female respondents (n=46). 66,9% (n=212) of the Pakistani sample

were male respondents and 33,1% (n= 105) were female. The gender distribution within the three selected countries can be found in Appendix 2.

Table 8. Distribution by gender

			Age		
			Generation Y	Generation X	Total
Gender	Other	Count	1	0	1
		% within Age	0,3%	0,0%	0,2%
	Male	Count	175	174	349
		% within Age	50,3%	77,0%	60,8%
	Female	Count	172	52	224
		% within Age	49,4%	23,0%	39,0%
Total		Count	348	226	574
		% within Age	100,0%	100,0%	100,0%

4.1.1. Generation Y

With 85,1% (n=296) the vast majority of the GenY sample has gathered work experience. Only 14,9% (n=52) of the respondents had no work experience at all and 12,6% (n=44) had gathered work experience for one year or less. Nearly half of the GenY respondents (47,1%; n=164) has lived abroad and, therefore, gathered cross-cultural experience. As aimed for, with 58,6% (n=204) the majority of the GenY sample were Master students. 14,9% (n=52) were seeking a doctorate degree, 16,7% (n=58) were still in their bachelor's studies, and 9,8% (n=34) answered

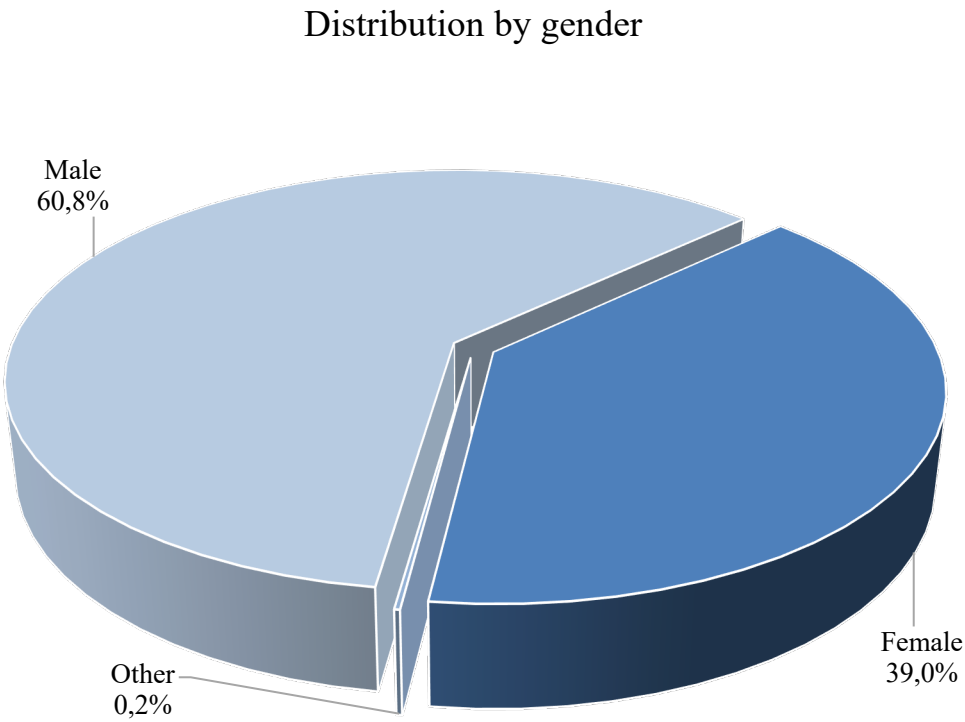

Figure 12. Distribution by gender.

with “Other”. With 61,5% (n=214) a high share of the GenY sample has experience with business negotiations. Although 134 respondents (38,5%) had never participated in business negotiations, the responses are still valid, since the Gen Y participants were asked for their preference and not about their specific negotiation experiences. Detailed information on the characteristics of generation Y members can be found in Appendix 2.

4.1.2. Generation X

All of the GenX respondents had work experience. 75,4% (n=193) had been with their current company for at least one year and 75% (n=192) had been in their current position for more than one year. More than one third (37,2%; n=84) of the GenX respondents had gathered work experience outside their home country. With 54,9% (n=124) the majority of the GenX respondent had at least a master’s degree as their highest level of education. Only 7,5% (n=17) had no university degree.

Only a small share (15%; n=34) of the respondents had never participated in international business negotiations. With 96 respondents more than one third (42,4%) of the respondents takes part in international business negotiation frequently or very frequently. 81,4% (n=184) have participated in IBNs within the last two years. Around one third of the respondents (37,2%; n=84) describe their business partner as buyers while another third (32,3%; n=73) described their business partners as suppliers. The majority of the GenX negotiators (38,5%; n=87) had one to four years of prior business experiences with their negotiation partner while only 19% (n=43) had no prior relationship. Detailed information on the GenX characteristics are shown in Appendix 3.

4.2. Confirmatory factor analysis

As mentioned above, the CFA is used in order to test whether the correlations among the observed variables are consistent with the hypothesized factor structure and to assess the reliability and validity of all constructs. The factor analysis produces factor loadings that are presented in table 8 for the four cultural dimensions and the ten negotiation elements. The higher the factor loading, the more likely it is that the factor underlies the particular variable. The factor loading scores should be at least 0.6, otherwise the variable needs to be removed and will not be subject for the further analysis. As table 8 shows, this was the case for seven items in total, all belonging to the four cultural constructs. All the other items show satisfactory scores on factor loadings as well as for the alpha scores. As acknowledged before the Cronbach alpha coefficient indicates the internal consistency of a scale. High values suggest " that the items that make up the scale hang together and measure the same underlying construct. A value of Cronbach alpha above 0.70 can be used as a reasonable test of scale reliability" (Gaur & Gaur 2009: 134). As shown in table 8, all alpha scores are higher or nearly as high as .70, confirming the internal consistency of the scales.

Table 9. Confirmatory Factor Analysis (Factor loadings and Cronbach alpha coefficients).

		Pakistan		Finland		Germany	
Constructs	**Items**	**Loading**	**Alpha**	**Loading**	**Alpha**	**Loading**	**Alpha**
Power distance	1	.8733	.8272	.8220	.7961	.7282	.7137
	2	.8988		.8078		.8975	
	3	.8066		.8916		.7324	
Uncertainty avoidance	1	removed	.8850	removed		removed	.8386
	2	.9690		.8089	.7148	.8930	
	3	.9193		.9385		.9562	
Individualism	1	.8123	.6781	.6807	.6450	.9531	.7149
	2	.6335		.6681		.6072	
	3	removed		removed		removed	
	4	.8466		.9198		.7257	
	5	removed		removed		removed	
	6	removed		removed		removed	
Masculinity	1	.6866	.8432	.8194	.7715	.8591	.8242
	2	.8121		.8074		.6813	
	3	.8698		.6295		.8794	
	4	removed		removed		removed	
	5	.8670		.7620		.7667	
	6	removed		removed		removed	
	7	removed		removed		removed	
Goal	1	.9552	.8556	.9070	.8766	.8224	.6596

	2	.7486		.8570		.8076	
	3	.8509		.9156		.6761	
Attitudes	1	.9965	.8059	.9991	.8283	.8708	.6710
	2	.7340		.7360		.8641	
Personal style	1	1	1	1		1	
Communication	1	.9641	.9458	.9953	.8157	.9743	.9037
	2	.9823		.7561		.9308	
Time sensitivity	1	.6577	.6733	.9623	.7388	.9568	.7563
	2	.9828		.7841		.8190	
Emotionalism	1	.9155	.8340	.9407	.6040	.9967	.8264
	2	.9359		.7129		.7595	
Agreement form	1	.9019	.8532	.9843	.8191	.9773	.9078
	2	.9596		.8099		.9302	
Agreement building	1	1	1	1	1	1	1
Team organization	1	1	1	1	1	1	1
Risk taking	1	.8713	.6355	.9552	.7003	.5572	.7563
	2	.8401		.7641		.9980	

4.3. Analysis of differences and hypotheses testing

In the following section the results of the t-tests will be presented and used to support or reject the ten hypotheses. Age cohort and nationality distributions were normal for the purpose of conducting a t-test (skew < |1,0| and kurtosis < |3,0|; Gaur & Gaur 2009: 39-40). Additionally, the assumption of homogeneity of variance was tested and satisfied via Lavene's Test for Equality of Variances.

4.3.1. Analysis of differences related to negotiation tendencies

Hypothesis one deals with the difference in negotiation tendencies between the three investigated countries. Table 10 shows the means for the ten negotiation elements investigated within this research. In order to compare the means and to test whether the differences are statistically different, the t-test is applied. The results are shown in table 11.

For negotiators from Finland and Germany extremely significant differences (t=3,472; p=0,001) were detected for the attitude within the negotiation process. For the elements negotiation goal (t=2,894; p=0,004) and risk taking (t=-2,929; p=0,004) very significant differences were found. Strong evidence was found for a difference in the agreement building process (t=-2,168; p=0,031) and team structures (t=-2,189; p=0,029). No significant evidence was found for the elements personal style, communication style, time sensitivity, emotionalism and agreement form. Hypothesis one was therefore rejected for half of the ten negotiation elements.

For negotiators from Finland and Pakistan extremely significant differences were found for the negotiation elements communication style (t=-8,779; p=0,000), emotionalism (t=-4,021; p=0,000), agreement form (t=-12,161; p=0,000), and risk-taking (t=-4,023; p=0,000). Very strong evidence was found for a difference in the attitude (t=2,666; p=0,008) negotiators apply within the negotiation process and the way agreements are built (t=2,418; p=0,016) Strong evidence was found for a difference in time sensitivity (t=2,266; p=0,024) and team orientation (t=-2,211; p=0,028). No significant differences

were found for the elements negotiation goal and the personal style within the process. Therefore, hypothesis 1 was rejected for only two of the ten elements.

Table 10. Means for negotiation elements (Finland – Germany – Pakistan).

	Nationality		
Negotiation elements	Finnish	German	Pakistani
Goal (contract to relationship)	3,69643	3,43218	3,61094
Attitude (win-lose to win-win)	3,91518	3,61034	3,69874
Personal style 1 (informal to formal)	3,83929	3,60690	3,65300
Communication style (direct to indirect)	1,91518	1,86552	2,57571
Time sensitivity (low to high)	3,87500	4,05517	3,69558
Emotionalism (low to high)	2,02232	2,16207	2,34385
Agreement form (specific to general)	2,44196	2,34483	3,58360
Agreement building (bottom up to top down)	2,71429	2,95862	2,47950
Team organization (one leader to consensus)	3,06250	3,30345	3,29022
Risk taking (low to high)	3,10268	3,37759	3,42114

For negotiators from Germany and Pakistan, extremely significant differences were found for the negotiation elements communication style (t=-9,130; p=0,000), time sensitivity (t=4,518; p=0,000), agreement form (t=-14,560; p=0,000) and agreement building (t=4,915; p=0,000). Very strong evidence for a difference in negotiation tendencies was found for the element negotiation goal (t=-2,509; p=0,018) and a strong evidence was found for the emotionalism (t= 2,120; p=0,035) within the negotiation process. No evidence for a statistically significant difference was detected for the negotiation elements attitude, personal style, team organization, and risk-taking. Therefore, hypothesis 1 was rejected for four of the ten elements. Nonetheless, since the t-test revealed statistically significant differences in negotiation tendencies between negotiators from Finland, Germany, and Pakistan, hypothesis one is supported by the results.

Table 11. Independent T-test results for negotiation elements (Finland, Germany and Pakistan).

Independent Samples Test

	Finland - Germany				Finland - Pakistan				Germany - Pakistan			
	t-value	p-value	H#	(+)/(-)	t-value	p-value	H#	(+)/(-)	t-value	p-value	H#	(+)/(-)
Goal (contract to relationship)	2,894	0,004	H1	(+)	0,987	0,324	H1	(-)	-2,509	0,013	H1	(+)
Attitude (win-lose to win-win)	3,472	0,001	H1	(+)	2,666	0,008	H1	(+)	-1,207	0,228	H1	(-)
Personal style 1 (informal to formal)	1,951	0,052	H1	(-)	1,791	0,075	H1	(-)	-0,436	0,663	H1	(-)
Communication style (direct to indirect)	0,663	0,508	H1	(-)	-8,779	0,000	H1	(+)	-9,130	0,000	H1	(+)
Time sensitivity (low to high)	-1,964	0,051	H1	(-)	2,266	0,024	H1	(+)	4,518	0,000	H1	(+)
Emotionalism (low to high)	-1,563	0,119	H1	(-)	-4,021	0,000	H1	(+)	-2,120	0,035	H1	(+)
Agreement form (specific to general)	0,860	0,391	H1	(-)	-12,161	0,000	H1	(+)	-14,560	0,000	H1	(+)
Agreement building (bottom up to top down)	-2,168	0,031	H1	(+)	2,418	0,016	H1	(+)	4,951	0,000	H1	(+)
Team organization (one leader to consensus)	-2,189	0,029	H1	(+)	-2,211	0,028	H1	(+)	0,145	0,885	H1	(-)
Risk taking (low to high)	-2,929	0,004	H1	(+)	-4,023	0,000	H1	(+)	-0,530	0,597	H1	(-)

4.3.2. Analysis of differences related to Generations X and Y and culture

Hypotheses 2 and 2a-c deal with the differences in cultural values between the two age cohorts generation Y and generation X. Table 12 shows the means and the for the four culture dimensions investigated within this research. In order to compare the means and to test whether the differences are statistically different, the t-test is applied. The results are shown in table 15.

For the overall sample an extreme significant difference was found for the dimensions PDI (t=6,637; p=0,000), IDV (t=2,572; p=0,000), and MAS (t=5,282; p=0,000). No significant difference was found for the fourth dimension uncertainty avoidance. Therefore, hypothesis 2 is supported for three out of the four dimensions.

Table 12. Means for cultural dimensions.

Reported means for cultural dimensions: GenY & GenX

Cultural dimensions	Age cohort	F, G & P	Finland	Germany	Pakistan
Power distance (low-high)	Generation Y	2,62261	2,26415	2,50667	2,77949
	Generation X	2,19174	1,93785	2,11852	2,34153
Individualism (high-low)	Generation Y	2,09770	1,77358	1,66000	2,41026
	Generation X	1,94100	1,71186	1,84444	2,08743
Masculinity (high-low)	Generation Y	2,23635	2,08019	2,33000	2,23077
	Generation X	1,90044	1,79661	1,87778	1,95902
Uncertainty avoidance (low high)	Generation Y	3,08764	2,44340	2,75500	3,43333
	Generation X	3,14381	3,17797	3,55556	2,97541

For the Finnish sample an extreme significant difference was found for the fourth dimension (t=-3,793; p=0,000). Very strong evidence for a difference in cultural values between generations X and Y was detected for the PDI (t= 2,619; p= 0,010) and MAS (t= 2,856;

p= 0,005) dimensions. No significant difference was found for the IDV dimension. Hypothesis 2a therefore is supported for three out of the four dimensions.

For the German sample, an extremely strong evidence for a difference in cultural values was found for the PDI (t=3,882; p= 0,000), MAS (t=4,632; p=0,000), and UAI (t=-4,653; p=0,000) dimensions. The IDV dimension shows a strong significance (t=-2,117; p=0,036). GenX and GenY from Germany differ on all four investigated cultural dimensions. Therefore, hypothesis 2b is fully supported.

Regarding the Pakistani sample, extreme evidence for a difference between GenX and GenY is shown on the PDI (t=4,539; p= 0,000), IDV (t=3,477; p=0,001), and UAI (t=3,374; p=0,001) dimensions. Very strong evidence is found for the MAS dimension (t= 2,738; p= 0,007). GenX and GenY from Pakistan differ on all four investigated cultural dimensions. Therefore, hypothesis 2c is fully supported.

Hypothesis three aims to investigate whether GenY members are closer regarding their cultural values compared to GenX members. In other words, it tries to explore whether a global generation is emerging. In order to test hypothesis three, the statistically significant mean differences for generation X and generation Y are compared. The mean differences and their significance level are shown in table 13. The mean differences for GenX members from Finland, Germany, and Pakistan should exceed the mean differences of Gen Y members from the three countries in order to indicate that the cultural values of generation Y moved closer together and towards a global generation embodying similar cultural values. As table 13 shows, all the statistically significant mean differences of generation Y are greater than the significant mean differences of generation X. Therefore, hypothesis 3 is not supported.

Table 13. Mean differences for cultural dimensions (GenX & GenY).

Reported mean differences for cultural dimensions between GenX and GenY

Finland - Germany		Finland - Pakistan		Germany - Pakistan	
GenX	GenY	GenX	GenY	GenX	GenY

PDI (low-high)	-0,18066	-0,242516*	-0,403677***	-0,515336***	-0,223012*	-0,272821***
IDV(high-low)	-0,13258	0,113585	-0,375567***	-0,636672***	-0,242987**	-0,750256***
MAS (high-low)	-0,08116	-0,249811	-0,162406	-0,150581	-0,081239	0,099231
UAI (low high)	-0,37758	-0,311604	0,202556	-0,989937***	0,580146**	-0,678333***

4.3.3. Analysis of differences related to Generations X and Y and negotiations

This section covers the differences between GenX and GenY across the ten negotiation elements investigated within this thesis. Table 14 shows the means. In order to compare the means and to test whether the differences are statistically different, the t-test is applied. The results are shown in table 16.

The overall sample shows a significant difference between GenX and GenY members across seven out of ten negotiation tendencies. Extremely strong evidence in favor of hypothesis four is found for the elements negotiation goal (t=-4,513; p=0,000), personal style (t=-3,357; p=0,001), Communication style (t=3,204; p=0,001), and agreement building (t=3,339; p=0,001). Very strong evidence is found for the elements emotionalism (t=2,581; p=0,01) and risk taking (t=-2,848; p=0,005). Strong evidence is found for the element team organization (t=2,306; p= 0,022). No significant difference was found for the three elements attitude, time sensitivity, and agreement form. Generation X differs from Generation Y across seven out of ten factors involved in a negotiation process. Therefore, hypothesis 4 is partly supported.

Table 14. Means for negotiation elements.

Reported means for negotiation elements: GenY & GenX

Negotiation elements	Age cohort	F, G, P	Finland	Germany	Pakistan
Goal (contract to relationship)	Generation Y	3,47510	3,54717	3,34333	3,52308

	Generation X	3,74779	3,83051	3,62963	3,75137
Attitude (win-lose to win-win)	Generation Y	3,67529	3,87736	3,56000	3,67949
	Generation X	3,78540	3,94915	3,72222	3,72951
Personal style 1 (informal to formal)	Generation Y	3,56897	3,77358	3,70000	3,44615
	Generation X	3,84513	3,89831	3,40000	3,98361
Communication style (direct to indirect)	Generation Y	2,35920	1,98113	1,83000	2,73333
	Generation X	2,12611	1,85593	1,94444	2,32377
Time sensitivity (low to high)	Generation Y	3,79310	3,81132	4,16000	3,60000
	Generation X	3,86504	3,93220	3,82222	3,84836
Emotionalism (low to high)	Generation Y	2,30747	2,06604	2,12000	2,46923
	Generation X	2,12389	1,98305	2,25556	2,14344
Agreement form (specific to general)	Generation Y	2,99856	2,51887	2,25500	3,51026
	Generation X	3,12389	2,37288	2,54444	3,70082
Agreement building (bottom up to top down)	Generation Y	2,75575	2,83019	3,07000	2,57436
	Generation X	2,47788	2,61017	2,71111	2,32787
Team organization (one leader to consensus)	Generation Y	3,32184	3,24528	3,34000	3,33333
	Generation X	3,13717	2,89831	3,22222	3,22131
Risk taking (low to high)	Generation Y	3,27155	2,96226	3,32000	3,33077
	Generation X	3,46571	3,22881	3,50556	3,56557

Table 15. Independent T-test results for cultural dimensions (Finland, Germany and Pakistan).

Results of the Independent Samples Test – Cultural dimensions

Cultural dimensions	Finland, Germany & Pakistan				Finland				Germany				Pakistan			
	t-value	p-value	H#	(+)/(-)	t-value	p-value	H#	(+)/(-)	t-value	p-value	H#	(+)/(-)	t-value	p-value	H#	(+)/(-)
PDI (low-high)	6,637	0,000	H2	(+)	2,619	0,010	H2a	(+)	3,882	0,000	H2b	(+)	4,539	0,000	H2c	(+)
IDV(high-low)	2,572	0,010	H2	(+)	0,670	0,504	H2a	(-)	-2,117	0,036	H2b	(+)	3,477	0,001	H2c	(+)
MAS (high-low)	5,282	0,000	H2	(+)	2,856	0,005	H2a	(+)	4,632	0,000	H2b	(+)	2,738	0,007	H2c	(+)
UAI (low high)	-0,577	0,565	H2	(-)	-3,793	0,000	H2a	(+)	-4,653	0,000	H2b	(+)	3,374	0,001	H2c	(+)

For the Finnish sample, a significant difference was found for only two of the ten elements suggested by Salacuse. A strong evidence in favor of hypothesis 4a is shown for the elements team organization (t=2,059; p=0,042) and risk tanking (t=-2,098; p=0,038). For the remaining eight elements no statistically significant difference was found. Therefore, hypothesis 4a is only partly supported.

The sample from Germany showed a very strong evidence in favor of hypothesis 4b for the two elements negotiation goal (t= -2,411; p=0,017) and time sensitivity (t=2,462; p=0,015) and a strong evidence for the element agreement building (t=2,149; p=0,033). For the remaining seven elements suggested by Salacuse no evidence in favor of hypothesis 4b was found. Therefore, the hypothesis is only partly supported.

The Pakistani sample showed an extremely strong evidence in favor of hypothesis 4c for the elements personal style (t=-4,875; p=0,000) and communication style (t=3,822;p=0,000). A strong evidence was found for the elements negotiation goal (t=-2,373; p=0,007), time sensitivity (t=-2,914; p=0,004), emotionalism (t=3,130; p=0,002), and risk-taking (t=-2,504; p=0,013). A strong evidence in favor of hypothesis 4c was found for the two elements agreement form (t=-2,110; p=0,036) and agreement building (t=2,171; p=0,031). No statistically significant differences between GenX and GenY members from Pakistan were found for the elements attitude within a negotiation and team orientation. Therefore, hypothesis 4c is partly supported.

Figure 13 summarizes the results of the hypotheses testing. The conceptional framework is extended by the outcome of the analysis. (+) means that the hypothesis/hypotheses is/are supported, (-) means the hypothesis is rejected, and (+/-) stands for partly supported hypotheses.

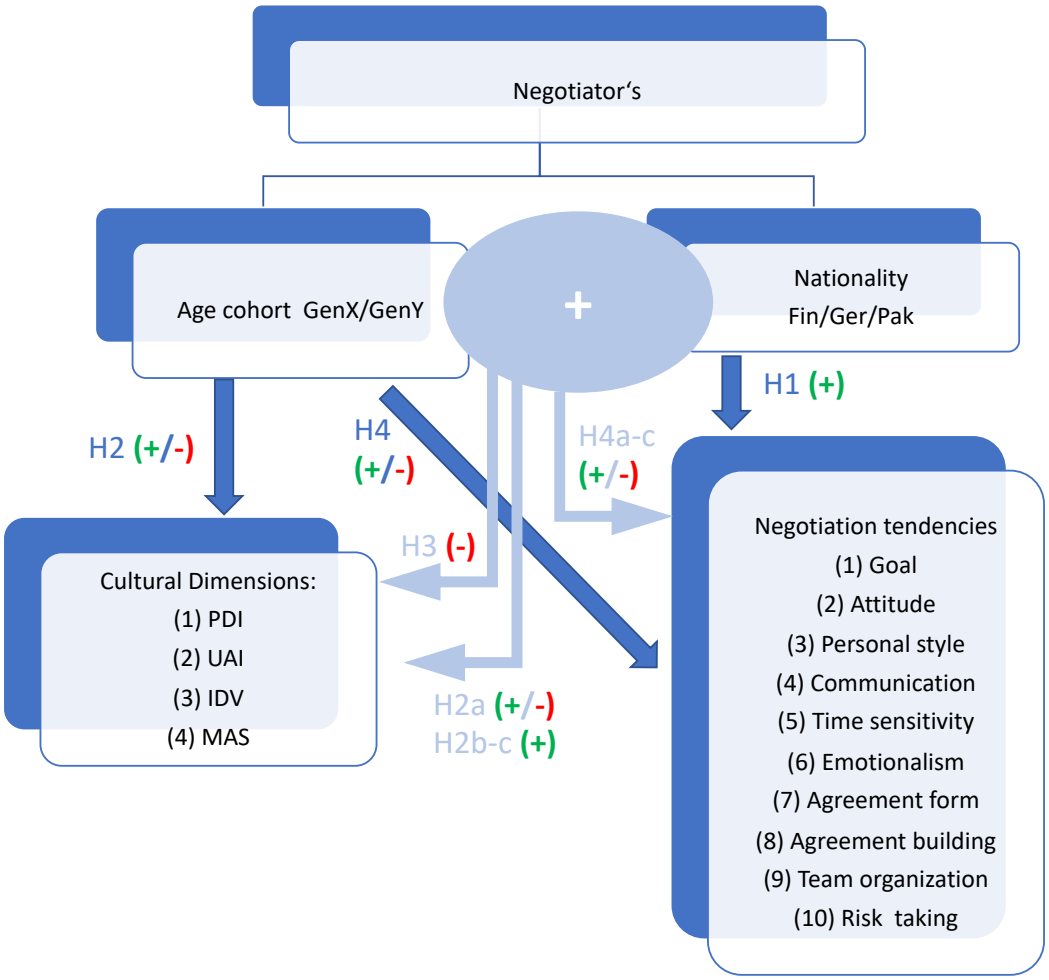

Figure 13. The conceptual framework & tested hypotheses.

Table 16. Independent T-test results for negotiation elements: GenX & GenY (Finland, Germany and Pakistan).

Results for the Independent Samples Test – Negotiation elements

	F, G, P				Finland				Germany				Pakistan			
Negotiation elements	t-value	p-value	H#	(+)/(-)	t-value	p-value	H#	(+)/(-)	t-value	p-value	H#	(+)/(-)	t-value	p-value	H#	(+)/(-)
Goal (contract to relationship)	-4,513	0,000	H4	(+)	-1,884	0,063	H4a	(-)	-2,411	0,017	H4b	(+)	-2,737	0,007	H4c	(+)
Attitude (win-lose to win-win)	-1,736	0,083	H4	(-)	-0,533	0,595	H4a	(-)	-1,316	0,190	H4b	(-)	-0,532	0,595	H4c	(-)
Personal style 1 (informal to formal)	-3,357	0,001	H4	(+)	-0,734	0,465	H4a	(-)	1,667	0,098	H4b	(-)	-4,875	0,000	H4c	(+)
Communication style (direct to indirect)	3,204	0,001	H4	(+)	1,226	0,223	H4a	(-)	-1,054	0,294	H4b	(-)	3,822	0,000	H4c	(+)
Time sensitivity (low to high)	-1,109	0,268	H4	(-)	-0,926	0,356	H4a	(-)	2,462	0,015	H4b	(+)	-2,914	0,004	H4c	(+)
Emotionalism (low to high)	2,581	0,010	H4	(+)	0,697	0,487	H4a	(-)	-0,937	0,350	H4b	(-)	3,130	0,002	H4c	(+)
Agreement form (specific to general)	-1,403	0,161	H4	(-)	0,842	0,402	H4a	(-)	-1,837	0,068	H4b	(-)	-2,110	0,036	H4c	(+)
Agreement building (bottom up to top down)	3,339	0,001	H4	(+)	1,403	0,163	H4a	(-)	2,149	0,033	H4b	(+)	2,171	0,031	H4c	(+)
Team organization (one leader to consensus)	2,306	0,022	H4	(+)	2,059	0,042	H4a	(+)	0,769	0,443	H4b	(-)	0,994	0,321	H4c	(-)
Risk taking (low to high)	-2,848	0,005	H4	(+)	-2,098	0,038	H4a	(+)	-1,260	0,210	H4b	(-)	-2,504	0,013	H4c	(+)

5. DISCUSSION AND CONCLUSION

The final section of the thesis will start with a general discussion of the results. Theoretical contributions and managerial implications will be presented in sections 5.2. and 5.3. The chapter will continue with the limitations of the study and present future research opportunities that emerge from the limitations in section 5.5. The conclusion in chapter 5.6. will be the final part of the thesis.

5.1. General discussion of the results

In the following section the statistically significant results of the analysis will be discussed by comparing the means of GenY and GenX members regarding their cultural values and their behavior within business negotiations.

As already stated in the previous section, the results regarding H1 are coherent with results of earlier study and confirm that negotiation behavior differs within the three investigated countries. Hypothesis three was rejected and therefore does not show a trend towards a global culture as suggested in chapter two of this thesis. This may be due to the small sample size investigated within this study. In order to examine whether the trend goes towards a global culture, a greater variety of countries need to be subject of the investigation. Hypotheses 2, 2a-c, 4, and 4a-c were partly or fully supported by the results of the survey. They will be further discussed below.

Table 17. Statistically significant results for cultural dimensions: GenY & GenX.

Statistically significant results for cultural dimensions: GenY & GenX

Cultural dimensions	Age cohort	F, G & P	Finland	Germany	Pakistan
Power distance (low-high)	Generation Y	2,62261	2,26415	2,50667	2,77949
	Generation X	2,19174	1,93785	2,11852	2,34153
Individualism (high-low)	Generation Y	2,09770		1,66000	2,41026

	Generation X	1,94100		1,84444	2,08743
Masculinity (high-low)	Generation Y	2,23635	2,08019	2,33000	2,23077
	Generation X	1,90044	1,79661	1,87778	1,95902
Uncertainty avoidance (low high)	Generation Y		2,44340	2,75500	3,43333
	Generation X		3,17797	3,55556	2,97541

The overall sample from the three investigated countries show statistically significant results for three of the four cultural dimensions. Generation Y members are compared to their opposites from generation X more collectivistic and feminine. Furthermore, they show higher scores on the PDI dimension.

The Finnish sample shows statistically significant values on three of the four dimensions as well. Finnish GenY members have higher scores on the PDI dimensions and are more feminine compared to GenX members from Finland. Furthermore, the Finnish generation Y is less uncertainty avoidant than the older generation.

The values of the German sample are significant for all four dimensions. German Yers are more individualistic and more feminine than Xers. Furthermore, they allow higher PDI scores than generation X members and are less uncertainty avoidant.

As for the German sample, Pakistani values are significant for all four dimensions. Coherent with the other countries, GenY members show higher scores on the PDI dimension and are more feminine than the Xers. Generation Y members from Pakistan are more collectivistic and show a higher uncertainty avoidance than GenX members.

Compared to table 4, all results for the German GenY sample are coherent with the conventional wisdom. For the Finnish GenY sample, the results on the MAS and UAI dimensions are consistent with table 4. The values on the PDI dimension, on the contrary differ from the conventional wisdom which suggests that GenY members score lower on the PDI dimension. For the Pakistani sample, the results of this study align with the conventional wisdom for only one of the dimensions, namely the MAS dimension. On the other

three dimensions the suggested direction of change towards GenX members is contrary to the direction resulted from the investigation conducted within this research.

Regarding the negotiation behavior, clear differences between GenY and GenX members from all three investigated countries were found for seven negotiation elements. According to the sample of this study compared to generation X, GenY members are more contract oriented, prefer to negotiate in a more informal style and communicate in a rather indirect way. Furthermore, they allow higher emotionalism within negotiations, prefer top down approaches and a consensus oriented team structure while being more risk averse than the members belonging to generation X.

Table 18. Statistically significant results for negotiation elements: GenY & GenX.

Statistically significant results for negotiation elements: GenY & GenX

Negotiation elements	Age cohort	F, G, P	Finland	Germany	Pakistan
Goal (contract to relationship)	Generation Y	3,47510		3,34333	3,52308
	Generation X	3,74779		3,62963	3,75137
Attitude (win-lose to win-win)	Generation Y				
	Generation X				
Personal style (informal to formal)	Generation Y	3,56897			3,44615
	Generation X	3,84513			3,98361
Communication style (direct to indirect)	Generation Y	2,35920			2,73333
	Generation X	2,12611			2,32377
Time sensitivity (low to high)	Generation Y			4,16000	3,60000
	Generation X			3,82222	3,84836
Emotionalism (low to high)	Generation Y	2,30747			2,46923
	Generation X	2,12389			2,14344

Agreement form (specific to general)	Generation Y				3,51026
	Generation X				3,70082
Agreement building (bottom up to top down)	Generation Y	2,75575		3,07000	2,57436
	Generation X	2,47788		2,71111	2,32787
Team organization (one leader to consensus)	Generation Y	3,32184	3,24528		
	Generation X	3,13717	2,89831		
Risk taking (low to high)	Generation Y	3,27155	2,96226		3,33077
	Generation X	3,46571	3,22881		3,56557

For the Finnish sample, the differences were significant for only two out of the ten negotiation elements. GenY members from Finland compared to members from generation X prefer consensus guided team structures and are more risk averse than the GenX sample.

The German sample showed significant differences between GenY and GenX members for three out of ten negotiation elements. As for the overall sample, GenY members from Germany are more contract oriented than GenX members. Furthermore, they are more time sensitive and prefer a top down approach compared to members from the former generation.

The Pakistani sample showed significant differences between the two investigated generations for eight out of the ten negotiation elements. The relationship between generations X and Y are the same as for the overall sample. Furthermore, GenY members from Pakistan are less time sensitive than GenX members from their country and prefer a more specific agreement form within business negotiations.

Compared to table 5, the conventional wisdom about different negotiation tactics between GenY and GenX members, the results of this study are coherent for most of the ten elements. Solely for the elements emotionalism, team orientation, and risk-taking the results of this study differ from the conventional wisdom. Contrary to the suggestions in table 5, GenY members are more emotional and more risk averse than GenX members. Furthermore, they prefer consensus guided team structures over one-leader-organizations. For the other elements, the relationships between members from generations X and Y are coherent with the relationship displayed in table 5.

5.2. Managerial implications

The contribution of this study is twofold with major implications for future research and practice. In the following managerial implications will be presented. Future research suggestions will follow below.

Albeit the nature of the study prohibits a generalization of the results, practitioners in cross-border but also national negotiations can extract valuable implications from the results of the survey. The generational and international comparative elements of the study create a departure point for considering how negotiators are approaching the negotiation process. The findings suggest that apart from the subject matter, the negotiating manager must also have an understanding of the partner's cultural values and generation specific negotiation behavior in order to avoid clashes and achieve the most successful outcome possible.

For example, the younger negotiation partners belonging to generation Y share more feminine values. This may have impacts on daily workplace procedures including business negotiations. More feminine societies tend to resolve conflicts by compromising rather than letting the strongest win. Furthermore, GenY may emphasize intuition lead decisions and prefer to include the group for better results.

The results imply that the upcoming replacement of GenX managers in negotiation positions by GenY members, also indicates a change within the negotiation behavior. This understanding will be useful in training future negotiators in terms of cultural and generational sensitivity and through that a development of effective negotiation strategies that will result in mutually satisfying outcomes.

The study is too limited to recommend a holistic preparation guideline. Nonetheless, it gives new but also long-established managers a hint on what to focus on within the negotiation preparation and might be helpful when it comes to a difficult stage within the process.

5.3. Limitations

As for every research this pilot study suffers from some limitations, that will be noted in the following to put the findings into context. The first three limitations regard the methodology of thesis, the last limitation deals with one of the constructs used within the study.

One major limitation relates to the sample chosen for the research. The samples for the three investigated countries do not show matching demographics and are too small for a guaranteed complete generalization. However, it should be emphasized that the aim of the study was not a complete generalization of the findings but rather to draw the attention towards a pioneer field in research.

The second limitation deals with the data collection method. A main drawback of survey questionnaires is that “the questions that are asked are *couched* in the researcher’s frame of reference, and hence run the great risk of missing important information that is outside that frame” (Khakhar & Ahmed 2017: 46). Furthermore, the questionnaire was only translated into German. Respondents from Finland and Pakistan had to answer the questions in English, which is not a native language of both countries. Due to that, there might have been misunderstandings with the questionnaire, which could reduce the validity of the

study. Finally, questionnaires are based on self-reports and, therefore, always involves the danger of response bias.

The third limitation lies in the lack of causal direction. By seeking to explain the relationships between the concepts of IBNs, culture, and Generations X and Y at a particular time, the research conducted for this thesis was of cross-sectional nature. (Saunders et al. 2016: 176.) As with every measure of association, no inference of cause can be made and the obtained relationship between a dependent and the independent variable may be influenced by an omitted third variable.

The final limitation relates to the construct of age cohorts. "The use of the generational categorizations across various cultures remains problematic. The categorizations fit the USA and many Western countries but might be inapplicable to [other] cultures" (Vieregge & Quick 2010: 324).

5.4. Conclusion and recommendations for future research

To conclude, the contributions of the thesis are twofold. Firstly, the existing body of knowledge on international business negotiations is broadened by the complementary findings on differences in negotiation behavior among different cultures. Secondly, the findings reveal new insights on age cohort specific values and induced behavior. Since the survey results show statistically significant differences among GenX and GenY members, the grounds for a new field of research are established. Especially due to the ongoing but also the upcoming generation shift within the management level, the further investigation of the topic is particularly valuable. In the following, recommendations for additional future research will be presented in order to address some of the limitations of the study and to develop the field of inquiry.

A first suggestion for future research is an extensive research conducted on a greater sample size and for additional countries. This may help to generalize the results in a wider

perspective. Additionally, an extensive study may bring new insights on hypothesis 3 that could not be supported by the results of this research.

Furthermore, a mixed-methods approach may give seminal insights and broaden the understanding of the complex relationship between the three main constructs age cohort, culture, and international business negotiations. For example, by using simulations, the response bias can be reduced as the participants display their authentic behavior that is not influenced by their own perception or any social desirability. Using interviews next to the online survey could give more insights into the reasoning behind the answers and, therefore, amplify the results.

Another suggestion is to include contextual factors, like defining the negotiation partner's age. It would be interesting to investigate whether people behave differently when acting in their own age cohorts compared to older or younger age cohorts.

Last but not least, as Generation Z will enter the job market in not so far future, the empirical study should be repeated with a representative sample of generation Z members from a greater variety of countries.

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Please think of an ideal job – disregarding of your current job. In choosing an ideal job, how important would it be to you to:	Of very little or no importance	Of little importance	Of moderate importance	Of high importance	Of upmost importance
17) Have sufficient time left for your personal or family life?	☐	☐	☐	☐	☐
18) Have considerable freedom to adopt your own approach to the job?	☐	☐	☐	☐	☐
19) Have challenging tasks to do, from which you can get a personal sense of accomplishment?	☐	☐	☐	☐	☐
20) Have training opportunities to improve your skills or learn new skills?	☐	☐	☐	☐	☐
21) Have good physical working conditions (good lighting and ventilation, adequate work space, etc.)?	☐	☐	☐	☐	☐
22) Have the possibility to fully use your skills and abilities on the job?	☐	☐	☐	☐	☐
23) Have an opportunity for high earnings?	☐	☐	☐	☐	☐
24) Get the recognition you deserve when you do a good job?	☐	☐	☐	☐	☐
25) Have an opportunity for advancement to higher-level jobs?	☐	☐	☐	☐	☐
26) Have a good working relationship with your direct supervisor?	☐	☐	☐	☐	☐
27) Work with people who cooperate well with each other?	☐	☐	☐	☐	☐
28) Live in an area desirable to you and your family?	☐	☐	☐	☐	☐
29) Have the security that you will be able to work for your company as long as you want?	☐	☐	☐	☐	☐

30) How often do you feel nervous or tense at work?

a) ☐ Never **b)** ☐ Seldom **c)** ☐ Sometimes **d)** ☐ Usually **e)** ☐ Every day

31) To what extent do you agree that a company's or organization's rules should not be broken – even when the employee thinks it is in the organization's best interest

a) ☐ Strongly disagree **b)** ☐ Disagree **c)** ☐ Undecided **d)** ☐ Agree **e)** ☐ Strongly agree

32) How long do you think you will continue working for your current company or organization?

a) ☐ < 2 years **b)** ☐ 2-5 years **c)** ☐ 6-9 years **d)** ☐ 10-13 years **e)** ☐ Until retirement

SECTION D – NEGOTIATION BEHAVIOR

33) How frequently do you participate in international business negotiations?

a) ☐ Never **b)** ☐ Very seldom **c)** ☐ Seldom **d)** ☐ Sometimes **e)** ☐ Frequently **f)** ☐ Very frequently

34) Please indicate the number of international business negotiations you have participated in during the last two years?

a) ☐ None **b)** ☐ < 10 **c)** ☐ 11-50 **d)** ☐ 51-90 **e)** ☐ 91-130 **f)** ☐ > 130

Please choose an international business negotiation that you participated in while answering the following questions:

35) Which is of the following best describes your negotiation partner?

a) ☐ Supplier **b)** ☐ Buyer **c)** ☐ Exporter **d)** ☐ Distributer **e)** ☐ Alliance partner **f)** ☐ Joint venture partner

g) ☐ Licensor **h)** ☐ Licensee **i)** ☐ Other (please specify): _____

36) What was the nationality of your partner? _____

37) How many years of business experience have you had with your negotiation partner?

a) ☐ No prior experience b) ☐ 1 year or less c) ☐ 1-4 years d) ☐ 4-7 years e) ☐ 7-10 years f) ☐ More than 10 years

CULTURAL AND NEGOTIATION DIFFERENCES AMONG GENERATIONS X AND Y

SECTION A –BACKGROUND INFORMATION

1) Your age: **a)** ☐ < 23 **b)** ☐ 24-38 **c)** ☐ 39-53 **d)** ☐ 54-72 **e)** ☐ > 73

2) Your gender: **a)** ☐ Male **b)** ☐ Female **c)** ☐ Other: _____

3) Your nationality: _____

4) Your current job title: _____

5) For how many years have you been working in your current job position?

a) ☐ 1 year or less **b)** ☐ 1-3 years **c)** ☐ 3-5 years **d)** ☐ 5-7 years **e)** ☐ 7 years or more

6) How long have you been with your current company?

a) ☐ 1 year or less **b)** ☐ 1-3 years **c)** ☐ 3-5 years **d)** ☐ 5-7 years **e)** ☐ 7 years or more

7) Your highest education:

a) ☐ High school **b)** ☐ Bachelor's degree **c)** ☐ Master's degree **d)** ☐ Doctorate degree

e) ☐ Other (Please specify):_____

8) Have you ever worked outside your home country (at least more than 3 months)?

a) ☐ No **b)** ☐ 1 year or less **c)** ☐ 1-3 years **d)** ☐ 3-5 years **e)** ☐ 5-7 years **f)** ☐ 7 years or more

9) If you have ever worked outside your home country, which country/countries did you work in?

_____

SECTION B – COMPANY BACKGROUND INFORMATION

10) Name of your company? _____

11) Primary industry of your company?

a) ☐ Energy **b)** ☐ Healthcare **c)** ☐ Automotive **d)** ☐ Chemicals **e)** ☐ Food/Beverage **f)** ☐ Metal **g)** ☐ Agriculture

h) ☐ Construction **i)** ☐ Entertainment **j)** ☐ Services **k)** ☐ Other (Please specify): _____

12) Ownership type of your company?

a) ☐ family-owned **b)** ☐ state-owned **c)** ☐ local Plc **d)** ☐ MNC **e)** ☐ Other (please specify): _____

13) Number of employees in your company?

a) ☐ ≤ 100 **b)** ☐ 101-500 **c)** ☐ 501-1000 **d)** ☐ 1001-5000 **e)** ☐ > 5000

SECTION C – WORK RELATED VALUES

The descriptions below apply to four different types of managers. First, please read through these descriptions

Manager 1: Usually makes his/her decisions promptly and communicates them to his/her subordinates clearly and firmly. Expects them to carry out the decision loyally and answers whatever questions they may have.

Manager 2: Usually makes his/her decisions promptly, but, before going ahead, tries to explain them fully to his/her subordinates. Gives them the reasons for the decisions and answers whatever questions they may have.

Manager 3: Usually consults with his/her subordinates before he/she reaches his/her decisions. Listens to their advice, considers it, and then announces his/her decision. He/she then expects all to work loyally to implement the changes whether or not they are in accordance with the advice they gave.

Manager 4: Usually calls a meeting of his/her subordinates when there is an important decision to be made. Puts the problem before the group and invites discussion. Accepts the majority viewpoint as decision.

14) Now, for the above types of managers, please mark the one which you would prefer to work under:

a) ☐ Manager 1 **b)** ☐ Manager 2 **c)** ☐ Manager 3 **d)** ☐ Manager 4

15) And, to which one of the above four types of managers would you say your own supervisor most closely corresponds?

a) ☐ Manager 1 **b)** ☐ Manager 2 **c)** ☐ Manager 3 **d)** ☐ Manager 4

16) How frequently, in your work environment, are subordinates afraid to express disagreement with their supervisors?

a) ☐ Very seldom **b)** ☐ Seldom **c)** ☐ Sometimes **d)** ☐ Frequently **e)** ☐ Very frequently

Please indicate the degree to which you agree or disagree with the following statements:

	Pleas think of a specific international business negotiation you participated in					*Please think of your previous international business negotiations in general*				
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
38) Developing a relationship to create trust with the negotiation partner had a higher priority for me than focusing solely at the task and the attainment of an agreement.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
39) I did not see the potential agreement in the end of a negotiation process as a single deal. It was rather seen as a first step towards a long-term relationship between me and the negotiation partner.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
40) For me the written contract at the end of the negotiations was obligatory. Subsequent requests for changes by the negotiation partner were considered untrustworthy.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
41) During the negotiations, I primarily focused on achieving my own company's interests. Even when it was at the expense of my negotiation partner.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
42) Within the negotiations, I cooperated with the negotiation partner to reach fair and beneficial solutions for both parties instead of solely trying to maximize my own pay-offs.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
43) During the negotiations, I focused primarily on business matters instead of focusing more on personal and family matters.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
44) While evaluating my counterpart's offer, I preferred to communicate in a clear and explicit way by directly stating my opinions.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
45) In the case of a disagreement, I stated my opinions in a direct and explicit manner instead of relying on gestures or facial expressions to convey my refusal.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
46) I expected all parties involved in the negotiation process (including myself) to be punctual.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
47) During the negotiations, I preferred to strictly follow the precise time schedules set for the negotiations.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
48) During the negotiations, I preferred to form my arguments based on facts rather than arguing based on feelings and stories.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
49) I preferred to hide my emotions, like anger or happiness, during the negotiations because I think it is inappropriate to express emotions overtly.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
50) I preferred to reach a negotiation agreement that was a detailed description of all the decisions agreed upon during the negotiation process instead of an agreement that was more of a statement of general principles.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
51) I preferred to negotiate the general principles that guided other decisions before negotiating specific issues that needed to be resolved.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
52) I preferred to negotiate the issues simultaneously to be able to create package solutions (that cover all the issues at once) instead of negotiating each issue separately.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
53) The decision-making process adapted by my negotiation team can be characterized as decentralized (that is, the power to make decisions was spread across many individuals and/or organizational units) rather than centralized (that is, the power to make decisions rested within the hands of just a few people who, typically, occupied very senior positions within the organization)?	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
54) During negotiations I preferred to make the first concession with the hope that partner would also make a concession in return.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
55) During the negotiations, I tried to stick to the plans that were made prior to the beginning of the negotiation process instead of being flexible and spontaneous towards unforeseen turnarounds.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

56) Please indicate your satisfaction with the outcome of the specific negotiation you participated in:
a) ☐ Very low **b)** ☐ Low **c)** ☐ Medium **d)** ☐ High **e)** ☐ Very high

57) Please indicate your satisfaction with the outcome of your previous negotiations in general:
a) ☐ Very low **b)** ☐ Low **c)** ☐ Medium **d)** ☐ High **e)** ☐ Very high

58) Please indicate your partner's satisfaction with the outcome of the specific negotiation you and your partner participated in:
a) ☐ Very low **b)** ☐ Low **c)** ☐ Medium **d)** ☐ High **e)** ☐ Very high

59) Please indicate your partners' satisfaction with the outcome of your previous negotiations in general:
a) ☐ Very low **b)** ☐ Low **c)** ☐ Medium **d)** ☐ High **e)** ☐ Very high

VOULUNTARY INFORMATION

60) Would you be interested in a summary report of the findings? **a)** ☐ Yes **b)** ☐ No

61) Would you be willing to further discuss any of the issues raised in this questionnaire? **a)** ☐ Yes **b)** ☐ No

Please provide following information:

62) Your name: _____ **63)** Your age: _____ **64)** Telephone: _____

65) Fax: _____ **66)** Email: _____

THANK YOU FOR YOUR COOPERATION. Please return the questionnaire to:
Tahir Ali, School of Marketing and Communication, University of Vaasa, P.O. Box 700, FIN-65101 Vaasa, Finland. Fax:
Email: b112344@student-uwasa.fi

APPENDIX 2. Characteristics of the sample & characteristics of GenY sample

			Gender			
			Other	Male	Female	Total
Nationality	Finnish	Count	0	66	46	112
		% within Nationality	0,0%	58,9%	41,1%	100,0%
	German	Count	1	71	73	145
		% within Nationality	0,7%	49,0%	50,3%	100,0%
	Pakistani	Count	0	212	105	317
		% within Nationality	0,0%	66,9%	33,1%	100,0%
Total		Count	1	349	224	574
		% within Nationality	0,2%	60,8%	39,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenY: Do you have work experience (Including summer jobs, student jobs, part-time jobs, etc.)?	No	Count	1	1	50	52
		% within Nationality	1,9%	1,0%	25,6%	14,9%
	1 year or less	Count	5	6	33	44
		% within Nationality	9,4%	6,0%	16,9%	12,6%
	1-3 years	Count	9	22	46	77
		% within Nationality	17,0%	22,0%	23,6%	22,1%
	3-5 years	Count	12	15	28	55
		% within Nationality	22,6%	15,0%	14,4%	15,8%
	5-7 years	Count	8	14	13	35
		% within Nationality	15,1%	14,0%	6,7%	10,1%
	More than 7 years	Count	18	42	25	85
		% within Nationality	34,0%	42,0%	12,8%	24,4%
Total		Count	53	100	195	348
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenY: Please indicate the degree you are currently seeking:	Other	Count	3	24	7	34
		% within Nationality	5,7%	24,0%	3,6%	9,8%
	Bachelor's degree	Count	2	11	45	58
		% within Nationality	3,8%	11,0%	23,1%	16,7%
	Master's degree	Count	46	42	116	204

		% within Nationality	86,8%	42,0%	59,5%	58,6%
	Doctorate degree	Count	2	23	27	52
		% within Nationality	3,8%	23,0%	13,8%	14,9%
Total		Count	53	100	195	348
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenY: Have you ever lived outside your home country (at least more than 5 months)?	No	Count	14	37	133	184
		% within Nationality	26,4%	37,0%	68,2%	52,9%
	1 year or less	Count	13	25	26	64
		% within Nationality	24,5%	25,0%	13,3%	18,4%
	1-3 years	Count	12	25	14	51
		% within Nationality	22,6%	25,0%	7,2%	14,7%
	3-5 years	Count	8	4	8	20
		% within Nationality	15,1%	4,0%	4,1%	5,7%
	5-7 years	Count	1	3	3	7
		% within Nationality	1,9%	3,0%	1,5%	2,0%
	More than 7 years	Count	5	6	11	22
		% within Nationality	9,4%	6,0%	5,6%	6,3%
Total		Count	53	100	195	348
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenY: Please indicate the number of business negotiations you have participated in:	None	Count	17	40	77	134
		% within Nationality	32,1%	40,0%	39,5%	38,5%
	10 or more	Count	21	36	71	128
		% within Nationality	39,6%	36,0%	36,4%	36,8%
	11-50	Count	7	14	31	52
		% within Nationality	13,2%	14,0%	15,9%	14,9%
	51-90	Count	3	2	5	10
		% within Nationality	5,7%	2,0%	2,6%	2,9%
	91-130	Count	2	0	4	6
		% within Nationality	3,8%	0,0%	2,1%	1,7%

	More than 130	Count	3	8	7	18
		% within Nationality	5,7%	8,0%	3,6%	5,2%
Total		Count	53	100	195	348
		% within Nationality	100,0%	100,0%	100,0%	100,0%

APPENDIX 3. Characteristics of GenX sample

			Nationality			
			Finnish	German	Pakistani	Total
GenX: For how many years have you been working in your current job position?	1 year or less	Count	12	8	14	34
		% within Nationality	20,3%	17,8%	11,5%	15,0%
	1-3 years	Count	18	4	30	52
		% within Nationality	30,5%	8,9%	24,6%	23,0%
	3-5 years	Count	8	8	40	56
		% within Nationality	13,6%	17,8%	32,8%	24,8%
	5-7 years	Count	1	6	12	19
		% within Nationality	1,7%	13,3%	9,8%	8,4%
	More than 7 years	Count	20	19	26	65
		% within Nationality	33,9%	42,2%	21,3%	28,8%
Total		Count	59	45	122	226
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenX: How long have you been with your current company?	1 year or less	Count	8	7	18	33
		% within Nationality	13,6%	15,6%	14,8%	14,6%
	1-3 years	Count	11	3	33	47
		% within Nationality	18,6%	6,7%	27,0%	20,8%
	3-5 years	Count	4	9	33	46
		% within Nationality	6,8%	20,0%	27,0%	20,4%
	5-7 years	Count	4	8	10	22
		% within Nationality	6,8%	17,8%	8,2%	9,7%
	More than 7 years	Count	32	18	28	78
		% within Nationality	54,2%	40,0%	23,0%	34,5%
Total		Count	59	45	122	226
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenX: Your highest level of education:	Other	Count	0	8	1	9
		% within Nationality	0,0%	17,8%	0,8%	4,0%
	High School	Count	1	9	7	17
		% within Nationality	1,7%	20,0%	5,7%	7,5%
	Bachelor's degree	Count	22	13	41	76
		% within Nationality	37,3%	28,9%	33,6%	33,6%
	Master's degree	Count	35	11	71	117
		% within Nationality	59,3%	24,4%	58,2%	51,8%
	Doctorate degree	Count	1	4	2	7
		% within Nationality	1,7%	8,9%	1,6%	3,1%
Total		Count	59	45	122	226
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenX: Have you ever worked outside your home country(at least more than 3 months)?	No	Count	26	19	97	142
		% within Nationality	44,1%	42,2%	79,5%	62,8%
	1 year or less	Count	4	8	7	19
		% within Nationality	6,8%	17,8%	5,7%	8,4%
	1-3 years	Count	9	2	8	19
		% within Nationality	15,3%	4,4%	6,6%	8,4%
	3-5 years	Count	6	7	1	14
		% within Nationality	10,2%	15,6%	0,8%	6,2%
	5-7 years	Count	5	2	1	8
		% within Nationality	8,5%	4,4%	0,8%	3,5%
	More than 7 years	Count	9	7	8	24
		% within Nationality	15,3%	15,6%	6,6%	10,6%
Total		Count	59	45	122	226
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenX: How frequently do you participate in international business negotiations?	Never	Count	1	5	28	34
		% within Nationality	1,7%	11,1%	23,0%	15,0%
	Very seldom	Count	6	6	10	22
		% within Nationality	10,2%	13,3%	8,2%	9,7%
	Seldom	Count	4	2	17	23
		% within Nationality	6,8%	4,4%	13,9%	10,2%
	Sometimes	Count	13	10	28	51
		% within Nationality	22,0%	22,2%	23,0%	22,6%
	Frequently	Count	22	11	34	67
		% within Nationality	37,3%	24,4%	27,9%	29,6%
	Very frequently	Count	13	11	5	29
		% within Nationality	22,0%	24,4%	4,1%	12,8%
Total		Count	59	45	122	226
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenX: Please indicate the number of international business negotiations you have participated in during the last two years:	None	Count	4	5	33	42
		% within Nationality	6,8%	11,1%	27,0%	18,6%
	10 or less	Count	12	16	32	60
		% within Nationality	20,3%	35,6%	26,2%	26,5%
	11-50	Count	24	9	30	63
		% within Nationality	40,7%	20,0%	24,6%	27,9%
	51-90	Count	8	2	11	21
		% within Nationality	13,6%	4,4%	9,0%	9,3%
	91-130	Count	7	2	10	19
		% within Nationality	11,9%	4,4%	8,2%	8,4%
	More than 130	Count	4	11	6	21
		% within Nationality	6,8%	24,4%	4,9%	9,3%
Total		Count	59	45	122	226
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
GenX: Which of the following best describes your negotiation partner?	Other	Count	4	11	9	24
		% within Nationality	6,8%	24,4%	7,4%	10,6%
	Supplier	Count	25	16	32	73
		% within Nationality	42,4%	35,6%	26,2%	32,3%
	Buyer	Count	21	16	47	84
		% within Nationality	35,6%	35,6%	38,5%	37,2%
	Exporter	Count	0	1	19	20
		% within Nationality	0,0%	2,2%	15,6%	8,8%
	Distributer	Count	2	1	3	6
		% within Nationality	3,4%	2,2%	2,5%	2,7%
	Alliance partner	Count	6	0	5	11
		% within Nationality	10,2%	0,0%	4,1%	4,9%
	Joint venture partner	Count	1	0	5	6
		% within Nationality	1,7%	0,0%	4,1%	2,7%
	Licensee	Count	0	0	2	2
		% within Nationality	0,0%	0,0%	1,6%	0,9%
Total		Count	59	45	122	226
		% within Nationality	100,0%	100,0%	100,0%	100,0%

			Nationality			
			Finnish	German	Pakistani	Total
How many years of business experience have you had with your negotiation partner?	No prior experience	Count	11	6	26	43
		% within Nationality	18,6%	13,3%	21,3%	19,0%
	1 year or less	Count	14	9	21	44
		% within Nationality	23,7%	20,0%	17,2%	19,5%
	1-4 years	Count	21	15	51	87
		% within Nationality	35,6%	33,3%	41,8%	38,5%
	4-7 years	Count	7	6	12	25
		% within Nationality	11,9%	13,3%	9,8%	11,1%
	7-10 years	Count	3	4	3	10
		% within Nationality	5,1%	8,9%	2,5%	4,4%
	More than 10 years	Count	3	5	9	17

	% within Nationality	5,1%	11,1%	7,4%	7,5%
Total	Count	59	45	122	226
	% within Nationality	100,0%	100,0%	100,0%	100,0%