

**CROSS-NATIONAL VARIATION IN NEGOTIATION TENDENCIES, A
COMPARISON BETWEEN KARNATAKA (INDIA) AND IBAGUE (COLOMBIA)**

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ABSTRACT

This paper compares the cultural aspects of business negotiations between two countries India and Colombia. Two similar places in both countries are selected for this purpose – Mangalore and Udupi Districts in Karnataka State (India) and Ibague (Colombia). Hofstede's Cultural Dimensions (1980) model is used to compare the cultural dimensions- power distance, individualism, aversion to uncertainty and masculinity. The research also tries to find the most useful tool for bargaining in both the places. Responses were collected using a structured questionnaire at both the places contacting industry, retail outlets and Universities for the research. The results show that there is a considerable amount of similarity in negotiation in both the countries. Colombian negotiations are more focused on contracts. Majority of Colombians feel Price is the best tool for bargaining whereas Indians feel Intellectual Property as a powerful tool during bargain.

Keywords: negotiation, cultural aspects of negotiation, intellectual property

Introduction

Modern times came with a lot of changes in the activities of all people, countries, universities and companies; making negotiations between nations is now easier because since globalization started governments have been working hard in order to build flexible rules and norms that make work, travel, negotiations and constructing further relations with other nations much easier.

In negotiation, the steps to make a business are dependent on country's culture. Hence this study is conducted a study in Karnataka, a state in India and Ibagué city of Colombia, to find the way Indian and Colombian people make business or negotiations with suppliers. This research customs, values and characteristics like conflict solution, friendship, contracts, attitude in doing business, structure of negotiation and also revised tools in commerce industry of both countries are compared. An attempt is also made to find out the important tool used in bargaining during negotiations in both countries.

Theoretical and conceptual framework

Negotiation is a process of communicative interaction in which two or more parties attempt, resolve a conflict of interest, using dialogue and discussion, discarding violence as a method of action and moving towards a gradual through mutual concessions (Morley and Stephenson, 1977).

Culture is defined as the shared values between members of different groups. A crucial feature of culture is that people learn; build it in your training process. Many aspects of life are transmitted genetically. But another part cannot be explained genetically. Culture, as a set of learned behaviors and assessments and shared within a society, has a predictable form and content. Culture sets the behavior and consciousness within society from generation to generation. The culture therefore lies in learned behaviors.

Cultural intelligence

Cultural intelligence (Earley y Ang, 2003). Cultural intelligence has been defined as "being skilled and flexible about the understanding of a culture, learn from interactions with it and gradually reshape the thinking and individual behavior to make more thoughtful, capable and appropriate to interact with others different cultures ". Other authors (Miller, 1994; Thomas and Fitzsimmons, 2008) have emphasized the concept of knowledge of a culture as a factor in the ability to minimize misunderstandings with people of different cultures and understand the language, economics, politics , history, social customs, culinary tastes, and so on.

Cultural iceberg model (1976)

The external, or conscious, part of culture is what we can see and is the tip of the iceberg and includes behaviors and some beliefs. The internal, or subconscious, part of culture is below the surface of a society and includes some beliefs and the values and thought patterns that underlie behavior. Hall suggests that the only way to learn the internal culture of others is to actively participate in their culture. When one first enters a new culture, only the most overt behaviors are apparent. As one spends more time in that new culture, the underlying beliefs, values, and thought patterns that dictate that behavior will be uncovered.

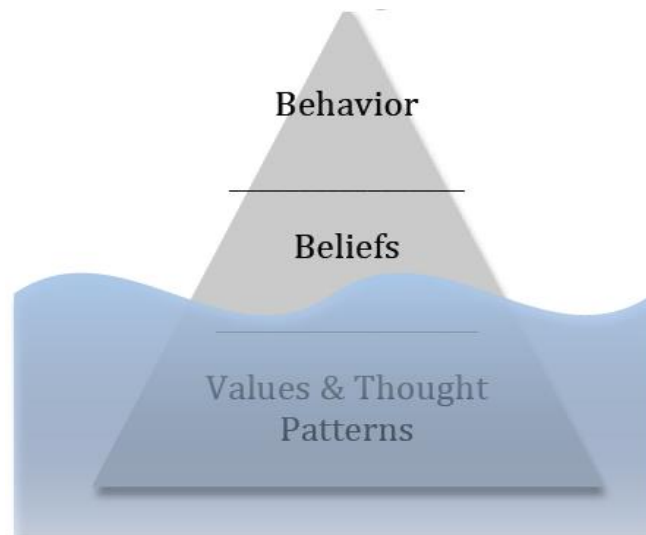


Figure 1. Edward Hall's cultural iceberg model

Societies groups, Hall's model (1987)

There are two groups for societies: low-context societies and high-context societies, those are stated below.

- Low: heterogeneity, high social mobility, high job mobility, short-term relationships, insiders and outsiders being, not closely distinguished. (Explicit communication)
- High: homogeneity, little social mobility, little job mobility, long-term relationships, insiders and outsiders being clearly distinguished.

Bargaining style

Persuasion and bargaining strategy is a phase of the negotiation process, which refers to a negotiator's attempt to modify the performance expectations of the other part through the use of various persuasive strategies and tactics in order to get concessions. The various styles and instruments of persuasions across cultures can be found in two basic strategies used in the negotiation process.

The representational strategies use communication based on identification of problems, a search for solutions and the selection of the most appropriate course of action. The partners can exchange information, share points of view and easily select the most appropriate solution.

The instrumental strategies have as main goal affecting the other party's behaviour and attitudes. They may use persuasive promises, commitments, rewards and punishments in order to influence the buyer's position. This kind of strategies is more manipulator and can cause tensions and incertitude.

The strategy of persuasion each negotiator can use depends on his culture. The people in high cultures are more willing to use strategies and tactics being apparently based on an inconsistent behavior.

Time orientations

Two different orientations to time exist across the world: monochronic and polychronic. Monochronic approaches to time are linear, sequential and involve focusing on one thing at a time. Polychronic orientations to time involve simultaneous occurrences of many things and the involvement of many people.

Negotiators from polychronic cultures tend to

- Start and end meetings at flexible times,
- Take breaks when it seems appropriate,
- Be comfortable with a high flow of information,
- Expect to read each other's thoughts and minds,
- Sometimes overlap talk,
- View start times as flexible and not take lateness personally.

Negotiators from monochronic cultures tend to

- Prefer prompt beginnings and endings,
- Schedule breaks,
- Deal with one agenda item at a time,
- Rely on specific, detailed, and explicit communication,
- Prefer to talk in sequence,
- View lateness as devaluing or evidence of lack of respect.

Long-Term Orientation (LTO)

The LTO index is defined as the degree to which members of society accept delay gratification of their material, social and emotional (Hofstede, 2001). A high LTO indicates that society values long-term commitments, where the long-term reward is expected as a result of hard work today (Swaidan and Hayes, 2005). A low LTO indicates that society does not reinforce the concept of long-term orientation. In these cultures, changes may occur more quickly, because the long-term commitments are not impediments to change (Hofstede, 2001, Hofstede and Bond, 1988).

Trompenaars and Hampden-Turner (1993)

Another study from this conception is the study of Trompenaars and Hampden-Turner (1993). They also talk about differences between national cultures and how they affect the process of doing business and the handling management. These cultural differences can lead to better management, because they are based on the reconciliation of the diverse cultures in doing business. Thus cultures produce an optimal situation for everyone. Trompenaars and Hampden-Turner (1993) developed five dilemmas to place national cultures:

1. Universalism – Particularity
2. Individualism – Communitarianism
3. Neutrality – Affectivity
4. Specificity – Diffusivity
5. Achievement - Secondment

The first dilemma is the assessment of the general rules set (universalism) or valuation of the commitments and particular situations (particularity). The second dilemma is the same as the cultural dimension of Hofstede individualism. The third dilemma is practical relationships to achieve objectives (neutrality) in business or personal relationships are supposed (affection). The fourth dilemma is to emphasize to the parties (specificity) or the set (Diffusivity), relations or functions. In the last dilemma status of the work depends (achievement) or dependent status of the offspring, family or relationships (secondment).

Hofstede's Cultural Dimensions (1980)

According to Hofstede's model (1980) the differences in the management of organizations derived from the cultural dimensions of national values. Between 1967 and 1973 Hofstede investigated values towards work, the way in which employees appreciate the way of working of the organization. Hofstede's study is based on a survey involving 116,000 employees in 40

countries from IBM. Four dimensions identified and quantified differing national cultures to each other, namely power distance (PDI), individualism-collectivism (IND), the uncertainty avoidance (UAI) and orientation toward masculinity or femininity (MAS). The first dimension, power distance is defined as the degree to which members of less powerful organizations expect and accept that power is unequally divided. That is, the ratio of authority. The second dimension, individualism-collectivism, is the picture that the members of the organizations have with respect to the proportion of the individual and society. The third dimension, aversion to uncertainty, is the extent to which members of a culture feel threatened by uncertain or unknown situations. The last dimension is the orientation toward masculinity or femininity. A society is masculine when social roles are sex separated: men have to be assertive and tough; women must be modest and sensitive, aimed at quality of life.

Power distance refers to the style of decision-making (so autocratic to democratic) and the degree of expression of disagreement with management as Hofstede (1980). The dominant style of decision making of managers in an organization tends to be autocratic in countries where power distance is high. In these countries the hierarchy is an existential nature and the degree to which subordinates express their disagreements with managers is low. By contrast, in countries where the dimension of power distance is low, the dominant style of decision making tends to be more participatory, less hierarchy and the degree of disagreement of subordinates express their managers is high (the managers participate in discussions and take part in the consensus).

Individualism-collectivism refers to the box that the members of the organizations have with respect to the proportion of the individual and society as Hofstede (1980). In a partnership, or a culture that is oriented to the group, loyalty (which is due to the group) and protection (group receiving) work so remarkable. In these societies privacy is invaded by organizations and clans to which they belong. In individualistic societies, on the other hand, the involvement of an individual member of the organization is primarily calculative, sense of loyalty is low. Of each individual in the organization are expected to pursue their own interests.

According to Hofstede (1980) in societies where the dimension of uncertainty avoidance is high, members tend to have a high degree of stress and tend to pursue strategies that provide certainty as to the future, as the stability of employment, save money and guidance to the rules. The rules remove some of the stress in coping with uncertainty. Members prefer a stable job (even lifetime), to a more challenging, but temporary. The degree to which managers delegated to subordinates is low and controlled initiatives subordinates. In societies where certainty aversion is low, managers delegate more to his subordinates, fewer guidelines, members tend to choose challenging and temporary positions and have a lower degree of stress that members of a society where aversion the uncertainty is high. Model related to Robbins (1987) uncertainty aversion can be linked to individual autonomy, structure, the degree of support, tolerance of conflict and risk tolerance.

In masculine society's competition, achievement and work are of high value, particularly for male individuals as Hofstede (1980). Members have sympathy for people who achieve a task successfully. In feminine societies, members expressed more sympathy for the unfortunate and modesty, gentleness and caring are of high value. Translated to the characteristics of Robbins (1987) this dimension is related to individual autonomy, the degree of support, identity and tolerance of conflict.

Methodology

Data needed for the study was collected through a structured questionnaire administered to companies, retailers and Universities in both the countries (Mangalore, India and Ibagué, Colombia). Variables used for analysis are preparation, time required, language preferred, negotiation tools, time for closing a deal, punctuality, flexibility to break the ice, emotions in negotiation, place preferred, beverages preferred, conflicts resolution, trust criteria, number of preferred participants, clothing, souvenirs used before starting negotiation, negotiation style, time orientation, decision maker, table distance, hospitality, stereotype of culture, negotiation result, feeling when counterpart obtains more benefits, and effective bargaining tools.

The research expects that (1) majority Indian and Colombian people make informal business negotiations, (2) Indian and Colombian people have positive attitude when they are dealing with other cultures, (3) Indian and Colombian negotiations are focused in create a relationship, (4) Indian and Colombian people tend to bargain in a negotiation, and (5) Indian and Colombian people have the same way to make business.

Working definitions:

1. Shop: A place, small building for the retail sale of goods and services.
2. Custom: All actions, practices and activities that are part of the tradition of a community or society and are deeply related to its identity, its uniqueness and its history.
3. Traditions: Set of cultural property from generation to generation within a community. These values, customs and events are kept to be regarded as socially valuable and which are intended to instill in new generations, tradition, therefore, is something that is inherited.
4. Owners: The person who owns a business, or operating it.
5. Retail: Retail is the sale of goods to end users, not for resale, but for use and consumption by the purchaser.
6. Supplier: company or person that provides things that people want or need, especially over a long period of time.

Results and Discussions

People of India (Karnataka) valued general rules, but still believe that every circumstance and relationship has its own rule, they respect the needs of others and take the time to build a good relationships. Particularism also defines Colombian (Ibagué) culture.

In Indian (Karnataka) thought is collective, overlapping the common good over the general interests and loyalty is the most important factor. Colombia (Ibagué) in contrast tend to think individually, people make decisions considering a proper good, you do not need the others help.

Emotions for the Karnataka Indians should be neutral, not shown what they want or feel because they must have a balance that allows a clear thought of what they wish to achieve. In contrast Colombians (Ibagué) are emotional, show their feelings and tend to use them to get more benefits.

The Karnataka Indians are part of the diffuse group because building relationships is above achievements; spend time in order to know people outside of work are important. In contrast with Colombians (Ibagué) who do not mix the family issues with business, they focus on goals, not people.

Table 1. Various parameters of negotiation in India and Colombia

Variable	India	Colombia
Preparation	Well prepared	Well prepared
Time required	One week	2-3 Weeks
Language preferred	English	Spanish
Negotiation tools	Written documents	Computer presentation
Time for closing a deal	One day	One day
Punctuality	Very important	Very important
Flexibility to break the ice	Medium	Very flexible
Emotions in negotiation	Little role	Little role
Place preferred	Restaurant	Conference hall of company
Beverages preferred	Juices and Coffee	Coffee, Juice and Liquor
Conflicts resolution	Dialogue	Dialogue
Trust criteria	Values and Beliefs	Values
Number of preferred participants	Equal number in both parties	Equal number in both parties
Clothing	Formal	Formal as well informal
Souvenirs used before starting negotiation	Typical of their company	Typical of their company
Negotiation Style	Formal	Formal
Time orientation	Mostly Polychronic	Both Monochronic and Polychronic
Decision maker	Managers	Manager and Negotiator
Table distance	Less than 50 cm	50 cm to 1 m
Hospitality	Very hospitable	Very hospitable
Stereotype of culture	Asian	Asian and Americans
Negotiation result preferred	Benefits for both	Benefits for both
Feeling when counterpart obtain more benefits	Mostly happy	Disappointed and sad
Effective bargaining tools	Intellectual Property and Price	Price and future support

Trompenaars Cultural Dimensions

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Table 2. Cultural tendencies between India and Colombia

Dimension	Karnataka (India)	Ibague (Colombia)
Goal: contract or relationship	They want to create a good relationship, they think in future negotiations.	They are interested in the contract, they want to earn money, close the deal.
Attitude: win/lose or win/win	They prefer to achieve benefits for both parties.	Benefits for both parties.
Personal style: informal or formal	Previously preparation, Formal clothes, words and written documents in a friendly behavior with bargaining attitude.	Previously preparation, clothes aren't important, computer presentation tools and also documents.
Communication: direct or indirect	They are inflexible to start the conversation. Nod to indicate attention, approval but never to indicate disagreement.	Flexibility in order to break the ice, clear language, words and body language is equal.
Time sensitivity: high or low	Punctuality is very important, working calmly without time pressure.	Punctuality is important, time pressure sometimes is not required.
Emotionalism: high or low	Doesn't show the emotions, trust is based on values.	Emotions are use in order to manipulate the counterpart feelings. Trust is based on values
Team organization: one leader or consensus	Decision made by the manager or owner.	Manager takes the final decision.

The Karnataka Indians are part of the diffuse group because building relationships is above achievements; spend time in order to know people outside of work are important. In contrast with Colombians (Ibague) who do not mix the family issues with business, they focus on goals, not people.

Despite India is a culture characterized by the existence of caste status, achievements are important if you are looking for recognition. In Colombia (Ibague), on the contrary, the status is gained by title, position and power; it's not obtained for what you do.

Both Indian and Colombian handled synchronously time, perform several projects simultaneously and are flexible in the plans and commitments.

Hofstede, Cultural Dimensions

Power Distance is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. In this case both countries have high scores, this mean that individuals in society are not equals and some people usually have more power than others.

Individualism is the degree of interdependence a society maintains among its members. In India people have a collectivist though and also Colombia people like to work in groups, they make things with others guidance, groups often have their strong identities.

Table 3. Tropennars Cultural dimensions between India and Colombia

	Karnataka (India)	Ibague (Colombia)
Universalism vs. Particularism	Particularism	Particularism
Individualism vs. Collectivism	Collectivism	Individualism
Neutral vs. Emotional	Neutral	Emotional
Specific vs. Diffuse	Diffuse	Specific
Achievement vs. Attribution	Achievement	Attribution
Sequential vs. synchronous	Synchronous	Synchronous
Internal vs. External	External	External

The fundamental issue here is what motivates people, wanting to be the best (masculine) or liking what you do (feminine). India is actually very masculine in terms of visual display of success and power. Also Colombia is a masculine society, highly success oriented; they are competitive and status-oriented.

The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid it. India has a medium low preference for avoiding uncertainty, People generally do not feel driven and compelled to take action-initiatives without questioning. Colombia as a nation they are seeking mechanisms to avoid ambiguity, there are (extensive) rules for everything but this are not necessarily followed. The extent to which a society shows a pragmatic future-oriented perspective rather than a conventional historical short-term point of view. . In India they typically forgive lack of punctuality, a changing game-plan based on changing reality and a general comfort with discovering the fated path as one goes along rather than playing to an exact plan. In Colombia this dimension has not been researched.

Conclusions

Majority Indian and Colombian people make informal business negotiations. The negotiation style most of time is formal in both countries. Indian and Colombian people also have positive attitude when they are dealing with other cultures. Their negotiations are focused in create a relationship, but Colombian negotiations are focused more in the contract than Indian. They tend to bargain in a negotiation. Indian and Colombian people have the same way to make business, but not equal in all the aspects.

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