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**Master's Degree
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Final Thesis

**A Comparative Analysis of Cross-Cultural
Negotiations between Western and Asian Cultures:
A Focus on Italy and China**

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-Anastacia

ABSTRACT

This thesis aims to investigate how cultural values impact negotiation and how this then affects behaviours. This thesis will use Italian and Chinese university students who will represent Western and Asian cultural frameworks. Established intercultural theories such as Hofstede's cultural dimensions, Hall's high- and low-context communication theory and Trompenaars' value orientation will guide this thesis. It will help with looking at how individualism, power distance, uncertainty avoidance and communication styles are shown in negotiations.

An experimental negotiation simulation was conducted with 14 participants in 7 culturally homogeneous pairs. Each pair negotiated in an anonymous, role-based exercise where they had asymmetric payoffs that were related to shared building renovations. The design allowed for a quantitative analysis of negotiation outcomes, such as profit distribution, agreement time, and efficiency. It also allowed for a qualitative analysis of behavioural patterns such as their communication style, emotional expression, trust-building, and concessions.

The findings of this thesis can add to cross-cultural negotiation literature by providing evidence of cultural impacts on negotiation behaviours, especially among the younger generations that are increasingly involved in international scenarios. The practical implications seen throughout the thesis highlight the importance of cultural awareness, flexibility and intercultural competence in global negotiations.

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INTRODUCTION

Background and Context

Today we are more and more interconnected, to the point where international interactions are the norm rather than an exception. Just think about opening a phone and scrolling through social media, where millions of people are having international interactions all the time. Globalisation opened borders not only to the flow of goods and services but also to people, ideas and new ways of doing business.

What does this mean? This means that, as a result, organisations, individuals and governments are frequently forced to engage with other people and companies from vastly different cultural backgrounds. One of the most used critical skills during interactions is negotiation. “When two or more parties need to reach a joint decision but have different preferences, they negotiate” (Bazerman and Moore, 2012). People negotiate every day, from simple things such as where to have dinner with friends to resolving conflicts with family members.

Negotiation also plays a central role when it comes to business, especially in international dealings. Indeed, one of the most critical elements of the business exchange process is the negotiation (Agndal et al., 2017). This could be things such as setting up joint ventures, trade agreements or simply aligning on project outcomes. Negotiation is a fundamental process in global commerce. As universal as negotiating is, how people negotiate is not. The way one individual negotiates may be effective in one culture, while in another culture, it may be seen as highly ineffective, inappropriate or even offensive.

These differences are deeply rooted in cultural norms, values and communication styles. One’s culture influences a lot how they perceive and view the world. These might be simple things: how individuals evaluate offers, express disagreements, establish trust or even prioritise outcomes.

A negotiation strategy that is well-established and successful in one country may fail or even backfire in another country. This is where most people struggle when negotiating internationally.

Cross-cultural negotiation has become a critical part of our everyday business life and this created a growing need to understand how culture affects negotiation behaviour. Over the past few decades there have been multiple attempts to understand this question. Foundational theories such as Hofstede's cultural dimensions (1980), Hall's High and Low context communication framework (1976) and Trompenaars' cultural value orientations (1997) have all been useful to explore how dimensions such as individualism, power distance and uncertainty avoidance impact personal processes, including the way one negotiates.

Although there are many theoretical models, much of the literature and readings are still overall generalised. There is a lack of empirical research on how these cultural differences manifest in negotiation behaviours, particularly among the younger generations and young professionals. Most existing models, for example, cannot be fully applied to these individuals because they do not consider that international collaborations are becoming more common at earlier stages of education and career development compared to just 10 or 20 years ago.

This thesis aims to fill the gap by focusing on a comparative analysis of negotiation behaviours among Italians and Chinese, respectively representing Western and Asian cultures. Both countries have rich negotiation traditions and play a significant role in international trade but their cultural orientations are vastly different. Rooted in European individualism, Italy's expressive communication and low power distance contrasts with China's collectivistic values, high context communication and emphasis on hierarchy and harmony. By observing and analysing the behaviour of these two groups during negotiations, this thesis aims to generate practical insights into how culture affects decision making and strategies.

This may help explain why an Italian negotiator may approach the table with assertiveness and an expressive communication style. On the other hand, a Chinese

negotiator might prioritise a long-term relationship. In Western cultures negotiation is seen as a more task-oriented activity, whereas in Asian cultures it is perceived as a relationship-oriented action. These are not just different techniques but different logics on how negotiation should proceed.

Understanding cultural influences in negotiations is essential for both research purposes and real life. Whether this is in multinational corporations or even in everyday life scenarios, the ability to negotiate across cultures is a key skill to have. As global interactions increase so does the need for tactically competent, culturally sensitive and socially intelligent negotiators. This research contributes to that goal by offering an evidence-based comparison of negotiation styles in two very different groups and it tries to help bridging the gap between theory and practice in cross-cultural negotiation.

Research Problems and Objectives

Despite the increasing attention on cross-cultural communication, there still is a lack of clarity on how specific cultural norms influence negotiation behaviour in real-world settings. Culture influences communication styles, expectations of behaviour, power dynamics, relationship building and even what is considered a successful outcome from negotiation. Theoretical models like Hofstede's cultural dimensions, Hall's communication styles and Trompenaars' value orientation have laid the foundation for understanding cultural differences. Still, these models often lack specificity when applied to real-world negotiation settings and real-world context. They tend to generalise cultural tendencies, overlooking the nuances and variations that exist within every single culture.

Negotiation is a complex process influenced not only by choices or individual preferences but also by subconscious cultural logics. For example, the concept of saving face or the value placed on assertiveness versus harmony can all shape how one prepares for, engages in and interprets negotiation encounters. All the cultural

influences work beneath the surface, making it difficult to recognise, especially for negotiators who are unfamiliar with the cultural behaviours of their counterparts.

This thesis will focus on Italy and China as case studies for exploring cultural contrasts in negotiation. These two countries were chosen for their strong historical and cultural identity. While also for their well-documented differences in communication and value systems. Italy represents a typical western, individualistic and expressively communicative approach to negotiation, while China is often characterised by a collective orientation, indirect communication and an emphasis on long-term relationships. By looking at these two cultures side by side, this thesis will try to highlight how cultural norms inform not only negotiation tactics but also broader expectations about trust, time, hierarchy and conflict.

This study uses both observational and experimental data to better understand how Chinese and Italians negotiate in both business and everyday life. The intention is not to stereotype but to identify recurring patterns and tendencies that can inform cross-cultural negotiation strategies. It will identify the core strategies used by the participants from each cultural background, focusing on how they communicate with their opponents and how they respond to different offers and tactics. It also seeks to analyse the role of cultural values in shaping negotiation behaviour and preferences.

The focus is placed on communication styles within the negotiation context, including: directness, emotional expression and reliance on verbal and nonverbal cues. How these stylistic choices impact both the negotiation process and its perceived effectiveness will also be analysed. It will highlight key areas of convergence and divergence between the negotiation approaches of Western (Italian) and Asian (Chinese) participants, offering insights into the culturally grounded assumptions that guide decision-making.

This thesis will provide practical implications for improving cross-cultural negotiation training and for students and young professionals to be prepared for international communication.

Research question

This thesis has been guided by the main question: How do cultural values and communication styles influence negotiation behaviours in Western and Asian cultures, specifically in Italy and China? The aim is to uncover the underlying cultural norms that shape how individuals negotiate, both in professional and everyday settings.

To do this, the research will focus on four specific areas of inquiry. Firstly, it will identify the most used negotiation strategies and behaviours in each cultural context. This includes how individuals from Italy and China structure offers, respond to conflict, and work toward agreement.

Secondly, the research will investigate the extent to which cultural dimensions play a role in shaping negotiation behaviour. These dimensions explain why negotiators may approach the same situation with very different expectations or decision making logics.

Thirdly, the study will look at the communication styles of each culture and how these influence the negotiation process. A special attention will be given to differences in directness, emotional expression and the use of nonverbal communication, such as silences and pauses.

Finally, the research will compare points of convergence and divergence between Italian and Chinese negotiation styles to identify potential points of misunderstanding or tension in cross-cultural negotiations.

Significance of the Study

Being able to negotiate well across cultural boundaries has become a necessary skill. Rather than taking a purely theoretical or abstract approach, this research will focus on observable behaviours and culturally influenced tendencies that emerge in real-life negotiation settings.

From an academic point of view, the study will try to add to the current discussions on cross-cultural negotiations by integrating multiple dimensions into the analysis. While the existing frameworks have been useful in establishing general trends, there is a need for more in-depth insight into how cultural traits play out in negotiation. This research will answer this by analysing negotiation not just as a strategic exercise but as a social and cultural interaction.

In an age where technology enables more frequent interactions between people from different backgrounds, the need for cultural competencies is more important than ever.

The study will allow for contrasts and parallels between Asian and Western negotiation approaches. The side-by-side analysis will help to clarify how culture shapes expectations, tactics and interpretations during negotiation, which can sometimes lead to misalignment or conflict. Rather than treating culture as a barrier, it will be used as an outline to better understand and navigate complex intercultural encounters. The overall aim is not to simply identify differences but to also understand the differences in a way that leads to a more successful engagement across cultures.

Structure of the thesis

The remainder of the thesis is as follows: Chapter one explores the theoretical foundation of negotiation, including the main models, strategies and psychological influences. Chapter two looks at the cultural theory, examining how cultural dimensions and communication styles shape negotiation behaviour with a specific comparison to Italy and China. Chapter three presents the methodology and findings of the experiment conducted, offering a comparative analysis of negotiation between the two cultures. Lastly, the conclusion will summarise the findings, discuss their implications and outline directions for future research.

CHAPTER 1 - THEORETICAL FOUNDATIONS OF NEGOTIATION

1.1 Definition and core characteristics of negotiation

Negotiation is a human process that happens every single day. Individuals, groups and organisations try to agree on matters of mutual interest or concern. It is usually characterised by bargaining, communication, compromise and decision making. Negotiation involves at least two parties with some degree of connection, who try to resolve a difference or conflict through dialogue and interaction. The aim of every negotiation is to reach a mutually acceptable agreement with mixed motives.

There are many definitions of negotiations; Negotiation is a “form of decision making in which two or more parties talk with one another to resolve their opposing interests” (Pruitt, 2013), similarly “Negotiation is a process of communicating back and forth for the purpose of reaching a joint decision” (Fisher et al., 2011), likewise “a process of communication by which two or more persons seek to advance their individual interests through joint action” (Salacuse, 2005) and correspondingly, “When two or more parties need to reach a joint decision but have different preferences, they negotiate” (Bazerman and Moore, 2012). All these definitions demonstrate that it is neither purely adversarial nor wholly collaborative, it often involves elements of both.

To understand negotiation, it is helpful to look at its core characteristics, which appear consistently across negotiation theory and practice. Dias (2019) analysed 30 definitions of negotiation across many decades. The following are the essential dimensions that emerge across the definitions of negotiation: process, people, substance, information, power and behaviour.

1) Process

Negotiation is a process, a sequence of interactions. This process involves stages like exchanging information or communication, proposal and counter-

proposal development, conflict management and decision-making. Throughout any negotiation there is a back-and-forth exchange of information, many offers and counteroffers that make up the core of negotiation. The choosing from the multiple options that help bring parties closer to a mutually acceptable agreement. Addressing and resolving opposing interests. Discussing with the opponent and trading tangible and intangible goods. Building and maintaining trust and rapport during the negotiation. Communication is extremely key throughout the whole negotiation. The entire process is fluid and adaptive: as new information becomes available or positions shift, parties adjust their strategies.

2) People

Negotiation is a social interaction between two or more parties. Individuals, groups or organisations come together with common and conflicting goals. These participants bring their interests, needs, preferences, personalities and emotional states. Negotiation always involves relationships, which can be pre-existing or formed during the process. The negotiation process is interpersonal, filled with emotions and behaviours. It requires interaction between individuals who are actively trying to shape the negotiation's course. Negotiation is not only about positions or proposals, but also about managing emotions, identities and perceptions. Individuals must navigate emotional dynamics, power imbalances and interpersonal trust. Negotiation is never purely rational, it is always shaped by how individuals interpret each other's behaviours, intentions and credibility.

3) Substance

The substance is what is being negotiated. The tangible and intangible issues that the parties want to resolve or exchange. Tangible can be things like goods, services or physical assets. Intangible assets are things like trust, respect, fairness and future relationships. While tangible elements are referenced more often across negotiation definitions, intangible needs are

just as important in determining satisfaction and long term outcomes. Intangible aspects are more of a recent study, which shows the growing importance, particularly in contexts influenced by social psychological factors.

4) Information, power and behaviour

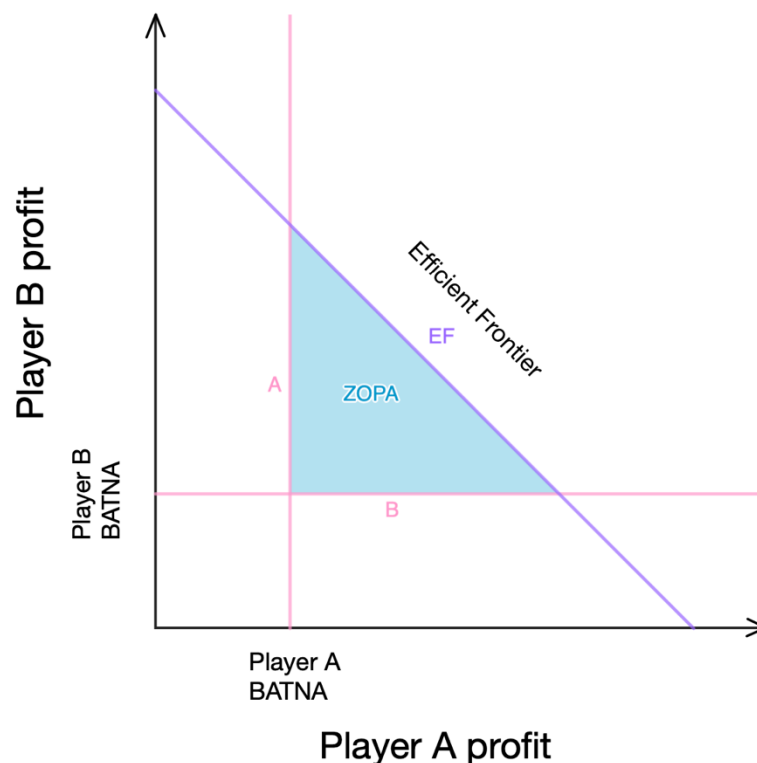
Three more factors influence the negotiation process and support the interactions between people, process and substance. The first one is information. Access to information, the control of it and its strategic use are all extremely important. What is revealed, concealed or misinterpreted can make a huge difference. Secondly, power and tactics, the power dynamics determine how hard parties can negotiate. Common tactics include anchoring, framing, or timing-based pressure. Lastly, the behaviour can be cooperative or competitive communication styles, reserved or expressive emotional tone and overall negotiation approach, such as assertive, accommodating or integrative.

Negotiation is not just about bargaining over goods or terms; it is a broader interaction shaped by relationships and values. It is a human-centred, process-driven and substance-focused activity. It has intersections of exchange of value (substance), human interaction (people) and structured communication (process). This is the conceptual foundation for understanding the negotiation behaviour across all business and everyday contexts. Negotiation is even more relevant when parties have mixed motives, because they may benefit from collaboration but they also experience conflict due to competing interests.

While these are the structural base of negotiation, successful outcomes depend on strategic knowledge and awareness. Some concepts are particularly important to know, like: Mixed motives, Best Alternative To a Negotiated Agreement (BATNA) and the Zone Of Possible Agreement (ZOPA).

Mixed motive situations are central to negotiations; parties are simultaneously incentivised to cooperate and compete. This makes negotiation challenging and interesting as participants are not strictly obliged to engage. This ability to exit is encapsulated in the best alternative to a negotiated agreement (BATNA). A negotiator's BATNA is basically their fallback plan if no agreement is reached and it is a critical benchmark that informs their reservation point and shapes the power dynamic at the table.

The space between the two parties' BATNA is defined as the zone of possible agreement: the set of potential outcomes acceptable to both sides. Where ZOPA exists, agreement is possible, but when it does not no amount of negotiation will succeed without a shift in expectations, information or priorities. The size and nature of the ZOPA influence both the possibility and quality of the negotiated outcome. The efficient frontier represents the set of optimal agreements that maximise the joint profits. All of this can be seen by the visual graph below (graph 1).



Graph 1 – Demonstration of BATNA, ZOPA and efficient frontier

1.2 Phases of the Negotiation Process

Negotiation is a dynamic and structured process that goes through distinct phases. While the structure may vary depending on context, culture or even formality, negotiation typically goes in a series of phases from the initial contact to the final agreement. As they move through each phase they get closer and closer to agreement, requiring different strategies, communication and behavioural skills. Most frameworks recognise a series of logical steps that negotiators pass through, even though models vary across scholars.

According to Lewicki, Barry, & Saunders (2016), negotiation goes through 5 main phases: Preparation, relationship building, information gathering, bargaining and problem solving and closure and implementation. These phases provide a practical foundation for analysing negotiation behaviours in diverse settings.

1) Preparation

In this stage the negotiators define their goals, identify their interests and priorities and assess their alternatives. This phase requires negotiators to set clear objectives and define the minimum outcomes that they are willing to accept. Preparation also involves gathering information about the other party's needs, cultural background and their likely negotiation style. Negotiators must consider their opening strategy, including their tone, communication style and the initial position they will present.

2) Relationship building

Some negotiations are purely transactional, but most involve some level of relational development, especially in cross-cultural or long-term business contexts. Building a positive relationship with the other party is key to success. This involves developing trust, showing respect and trying to create an environment of collaboration. This phase is about rapport and mutual respect. In many cultures, particularly in high-context ones like China, relationship building is seen as a prerequisite for open negotiation.

Relationship building can make discussions smoother and reduce the risk of conflict escalation.

3) Information gathering

In this phase, parties move beyond formalities and usually, once they have some sort of relationship established, the parties start to exchange information. Here the negotiator is trying to uncover the underlying interests, clarify their own needs and find areas of common ground. The level of transparency during information exchange often depends on the level of trust between the parties, as well as on cultural norms and strategic intent. Some negotiators may choose to withhold key details or selectively disclose information to strengthen their bargaining position, while others adopt a more open, collaborative approach from the start. Misinterpretation or incomplete information gathering at this point can lead to misunderstandings and missed opportunities.

4) Bargaining and problem solving

During this stage, parties exchange offers and counteroffers, make concessions and test each other's boundaries. Bargaining is one of the most important phases because it is where offers, counteroffers and trade-offs are made. The nature of this interaction can vary depending on the approach of the parties. Good negotiators actively try to bring their differences together, resolving conflicts and creating mutually acceptable solutions. Key components of this phase include framing and anchoring, where initial proposals are used to set the tone and reference points for the discussion. This part involves tactical manoeuvres as framing proposals and managing concessions. Negotiators tend to give up less critical issues to secure more important outcomes. Integrative tactics may be used to add value to each side by focusing on mutually beneficial trade-offs. Problem solving seeks to expand the value available to both parties rather than simply distributing

existing value competitively. The behaviour in this phase often reflects deeper cultural norms.

5) *Closure and implementation*

This last phase is to reach a formal agreement and determine how it will be done. Once a mutual agreement is reached, the final phase is to formalise and implement the outcome. The closure includes confirming the terms and addressing any remaining uncertainties. Any remaining ambiguities or potential points of future conflict should be clarified at this stage to avoid misunderstandings. A good closure ensures commitment and sets the stage for a successful implementation. It is important to secure a clear commitment from both sides, to reinforce accountability and shared responsibility. The level of formality required in this phase can vary across cultural and context. In some settings, a handshake or verbal promise may be enough, whereas in others, a detailed handwritten contract is required. Regardless of format, the implementation is critical, as even a well-negotiated agreement can fail if it is poorly executed or lacks follow-through.

Even though these phases are presented in a linear sequence, negotiation in practice is dynamic. Negotiators may go back to earlier phases, reopen settled issues or even change their tone based on emerging information. For example, if a misunderstanding happens, parties may return to information gathering, or if trust breaks down late in the process they may return to relationship building. Cultural differences may influence how much emphasis is placed on each phase. This flexibility is what makes negotiation both complex and creative. Effective negotiators know which phase they are in but are also flexible enough to adapt when the interaction requires it.

1.3 Types of Negotiation

Negotiation can take many forms depending on the goals of the parties involved and the nature of the relationship. While negotiation is always a process of managing interdependence and resolving conflict, the strategies and expectations used can vary widely. Scholars have identified several different types of negotiation based on the distribution of value, the level of collaboration and the strategic orientation of the parties. Understanding these types is crucial for negotiators as each one requires different tactics, mindsets and communication styles.

There are two main types that come up in literature: distributive negotiation and integrative negotiation. Negotiations in practice can often combine elements of both, resulting in what is known as mixed-motive negotiation.

1) Distributive negotiation (win-lose negotiation)

Also referred to as “zero-sum” negotiation, it focuses on the division of a fixed number of resources. In this style of negotiation, everything one party gains, the other party loses; the whole point is to claim as much value as possible. It assumes that there is a fixed pool of resources that leads negotiators to adopt adversarial positions where each of them aims to maximise personal benefit. The interests of the parties are in direct conflict and the relationship between the negotiators is often less important than achieving the best possible outcomes for themselves. One of the key strategic challenges in distributive negotiation is estimating the other party’s BATNA.

Distributive negotiation typically reflects a fixed pie perception, which is the belief that the resource cannot be expanded and must be divided competitively. It often involves competitive tactics such as anchoring, bluffing and making high opening offers to pressure the other party. Sharing information tends to be limited, as revealing too much may expose weaknesses or reduce their leverage. This type of negotiation generally has a short-term focus with little concern for preserving relationships or trying to ease future collaboration. The main goal is to claim as much value as

possible, often through strategic concessions and assertive bargaining. Distributive approaches are most common when parties do not expect to work together again, when time constraints are tight or when only one issue is under negotiation.

Key characteristics are competitive tactics such as withholding information or even making high starting demands. The focus is on claiming value rather than creating value. It prioritises short-term interactions and an emphasis on achieving the best possible result. An example of this could be negotiating the price of a second-hand car.

2) Integrative negotiation

Also known as “win-win” negotiation. This kind of negotiation also tries to create value and achieve mutually beneficial outcomes. Unlike win-lose negotiation where people see the negotiation as a battle over limited resources, parties look for ways to increase the resources by exploring common interests and finding creative solutions. Negotiators aim to “expand the pie”. This approach relies on interest-based thinking, where the focus is on the underlying needs and motivation of each side. Open communication is key to integrative negotiation as it allows parties to share priorities, constraints and long-term goals. Negotiation of this type often involves multiple issues, so trade-offs can increase the overall joint value. Multi-issue negotiation is central to integrative bargaining as it allows parties to trade across matters based on their differing priorities, which increases the chances of mutual gain.

One of the key characteristics of this negotiation style is the open sharing of information, priorities and interests. Problem-solving and collaboration are emphasized. Building long-term relationships and trust is key to success in these negotiations. It requires a mindset of trust, curiosity and flexibility. Rather than maximising individual gain, the goal is to reach an outcome that

satisfies both parties and can lay the foundation for ongoing collaboration. For a successful integrative negotiation, it is crucial to try to find a trade-off that satisfies both sides. For example, one party might concede on price in exchange for a longer contract.

3) Mixed-motive negotiation

Most real-world negotiations are mixed-motive: they contain both distributive and integrative elements. Negotiators may be collaborative on certain issues while competing on others. Mixed-motive negotiations often involve multiple issues, each carrying different levels of importance to each party. This complexity requires negotiators to be flexible, switching between value-creating and value-claiming behaviours. It also demands strong situational awareness as negotiators need to recognise when to be assertive and when to focus on building relationships. Misjudging this balance can lead to either missed opportunities for mutual gain or erosion of trust. This hybrid nature makes negotiations highly dynamic and context dependent. This is also the most common type of negotiation scenario, so it is important for negotiators to learn how to deal with it.

Good negotiators must know when they should create value and when to claim value, so they must learn to balance cooperation and competition effectively.

Understanding these negotiation styles allows the participants to better assess the negotiation context and select appropriate strategies. Cultural factors may influence whether parties tend to approach negotiation more competitively (distributive) or cooperatively (integrative). However, culture does not determine strategy in a fixed way. Individual negotiators often shift between styles based on their experience, training and the situation. What matters most is the ability to understand the negotiation type and choose the tactics accordingly.

1.4 Negotiation strategies and approaches

Negotiation strategies refer to the overall plans or methods that negotiators use to achieve their desired outcomes. These strategies are shaped by the negotiator's goals, the relationship between parties, the context of the negotiation and many cultural or psychological factors. The strategy that a negotiator chooses is influenced by several factors including time, level of trust between parties and cultural context.

Lewicki, Barry and Saunders (2016) explain negotiation strategies through the dual concerns model which identifies two primary dimensions that guide the strategy selection: concern for achieving substantive outcomes and concern for maintaining the relationship with the other party.

Based on the interaction between these two concerns, five main negotiation strategies emerge: competing, collaborating, accommodating, avoiding and compromising.

1) Competing strategy

This strategy looks at maximising one's outcomes with little to no concern for the relationship; it is assertive and uncooperative. Negotiators using this approach prioritise their interests and goals above those of the other party. It is mostly associated with distributive bargaining, where negotiators see resources as fixed and try to claim as much of the assets as possible. This is often used when outcomes are highly important and the relationship is less so, such as one-time transactions or high-stakes, zero-sum contexts. Competitive negotiators may use tactics such as anchoring, pressure, limited information sharing and strong opening positions. This can be effective for achieving short-term gains but it may damage relationships or reduce the likelihood of cooperation in the future.

2) Collaborating strategy

The collaborating strategy, on the other hand, looks to maximise both the outcome and the quality of the relationship. It aligns with integrative negotiation where parties work together to create value by understanding

the other person's interest and try to find a mutually beneficial solution. Collaborating negotiators work together to explore trade-offs that benefit both sides. This is ideal when trust already exists or needs to be built, when the issues are complex and interdependent or when long-term cooperation is important. Although it can be time-consuming, collaboration often leads to more sustainable agreements and higher mutual satisfaction.

3) Accommodating strategy

This strategy is about prioritising the other party over your own to preserve the relationship or to simply avoid conflict. This approach is cooperative but unassertive and may involve being passive to the other party's demands, making unilateral concessions or suppressing your own goals. Parties that use this approach are willing to make sacrifices to keep the harmony or maintain the relationship. This is often used when the relationship is more important than the outcome or when one party has very little power compared to their counterpart. While accommodating can build goodwill it can also lead to resentment or imbalance if overused. In some cultures this can also be perceived as weakness.

4) Avoiding strategy

Negotiators may choose to avoid the negotiation altogether. The avoiding strategy means withdrawing from or postponing negotiation. It's neither assertive nor cooperative and is often used when the issue is trivial, when more information is needed or when the situation is emotionally charged. This could happen in various situations, like: when the stakes are low, when the cost of negotiating outweighs the expected benefits or when parties just prefer to put off conflict resolution. This strategy can also be tactically used to gain time or wait for a better moment to negotiate. Although avoiding a negotiation can sometimes be helpful, chronic avoidance can lead to unresolved conflicts or missed opportunities and can overall worsen relationships.

5) Compromising strategy

This strategy tries to reach a middle ground where both parties make concessions to reach an agreement. This usually happens when time is limited, when both parties have moderately important goals or when preserving the relationship is important but not the main priority. While it may not fully satisfy either party, compromising can prevent a stalemate and preserve relationships. Compromising avoids prolonged conflict but may lead to suboptimal outcomes compared to integrative problem-solving. It is particularly effective in mixed-motive negotiations where both value claiming and relationship considerations are present. This is different from collaborating, as in the compromising strategy both individuals need to make concessions that partially satisfy both parties when reaching a solution. Whereas in collaboration, the aim is to find a solution that fully satisfies the needs of both parties involved.

Effective negotiators are flexible and able to switch strategies based on the specific circumstances of the negotiation; they rarely rely on one single strategy. Cultural expectations, the relative power of the parties and time pressure all influence the best approach. Negotiation behaviour can be heavily influenced by each party's attitude to risk. Risk aversion plays a key role in shaping decisions; negotiators who fear disagreement or loss may settle prematurely to avoid the uncertainty of a dead end. The more risk-averse a party is, the more likely they will accept a suboptimal deal simply to get any possible agreement. On the other hand, parties with greater tolerance to risk might hold out and wait for better outcomes, often getting the upper hand. The final agreement, therefore, does not only reflect the bargaining positions, but also each side's fear of disagreement and its tolerance for uncertainty.

In cross-cultural negotiations, recognising the different cultures may favour different strategies. Cultural awareness allows negotiators to adapt their plan to the task and the social and emotional context of the negotiation.

1.5 Cognitive and psychological biases in negotiation

Negotiation is not just a rational or objective process but also influenced by a range of cognitive and psychological biases that affect how we perceive information, evaluate options, make decisions and interact with other parties. These biases can also lead to systematic errors in judgment, suboptimal agreements or even negotiation failures. These biases arise from mental shortcuts, also known as heuristics, that help individuals process complex information quickly but often lead to problematic errors in judgment.

Knowing and understanding these biases is very important for negotiators who want to improve their effectiveness. Awareness can help to anticipate common problems and also recognise potential biases of others.

1) Anchoring bias

This happens when negotiators give too much weight to the first piece of information they get, regardless of its relevance or accuracy. First offers often serve as psychological anchors.

Anchoring is very powerful in negotiation as it can shape the zone of possible agreement (ZOPA) and shift expectations. Skilled negotiators may use anchoring to set a dominant frame for their negotiation.

2) Overconfidence

Overconfidence makes negotiators overestimate the strength of their position and their knowledge. It can also make people overemphasize the likelihood of their preferred outcomes or their ability to persuade others. Overconfident negotiators may reject reasonable offers, take unnecessary risks and/or fail to prepare properly. This bias can cause deadlocks especially when both parties believe their position is better. Overconfidence reduces flexibility and openness to compromise, often resulting in dead ends or suboptimal agreements.

3) Framing effect

The way options are framed can have a big influence on decision-making. Negotiators may react differently based on whether the outcome is framed as a gain or a loss, even if the terms are the same. People are usually more risk averse when choices are framed as gains and more risk seeking when framed as losses. Good negotiators are aware of framing and often present proposals in a way that highlights the positive outcomes.

4) Reactive devaluation

Reactive devaluation is the tendency of negotiators to devalue proposals or concessions simply because they come from the opponent. Even if the proposal is objectively good for both sides, it may be rejected out of distrust or negative assumptions about the opponent's motives. This bias is especially problematic in high-conflict or emotionally charged negotiations, where suspicion is high. It is very important because it can lead to the rejection of reasonable compromises and reduce the overall effectiveness of the negotiation.

5) Confirmation Bias

Confirmation bias leads negotiators to only look for information confirming their pre-existing beliefs while ignoring or discounting information that contradicts them. It might also happen when trying to interpret data or remember information. This can lead to misreading signals, rigid thinking, underestimating the counterpart's flexibility or rejecting creative solutions too quickly.

Confirmation bias can also reinforce stereotypes of cultural assumptions, leading to ineffective cross-cultural communication.

6) Escalation of Commitment

Also known as the sunk cost fallacy. Negotiators sometimes irrationally escalate their commitment to a previously chosen course of action even when

it is clear that it is not working properly. This happens because they want to justify prior investments (time, effort, resources) and they try to avoid admitting failure. Escalation of commitment can lead to prolonged disputes, waste of resources and fixed positions.

This bias is even more dangerous when linked to face-saving or reputational concerns. Good negotiators must be willing to re-evaluate their strategy and recognise when it is better to change direction rather than to stick to the original plan.

Managing Biases

While these biases can never be eliminated completely, negotiators can manage their influence. A good preparation is key in this process. By gathering and analysing well all the relevant information before entering a negotiation, people can fight and prevent biases such as overconfidence and framing. Perspective taking is also an effective strategy to control bias in addition to preparation. Moreover, by actively examining the negotiation from the perspective of the other party, we can challenge our own assumptions and lower confirmation bias and reactive devaluation, which occurs when offers are rejected simply because they originate from the other party.

Another important approach is to cultivate awareness and reflection throughout the negotiation process. By regularly questioning the first impressions and checking underlying assumptions negotiators can avoid getting stuck into distorted judgements. Seeking the feedback or advice from third parties can also prove to be helpful against certain biases. Biases can also be avoided by the way the negotiation process is structured. This involves making use of agreed-upon standards as well as objective criteria and benchmarks. A simple but effective tool is also to take breaks to reduce emotional escalation and cognitive fatigue.

By being self-aware and thinking critically, negotiators can make better decisions and get more sustainable agreements. This can also help to build stronger relationships in the long run. Negotiators who understand and manage these biases

are more likely to be flexible, rational and mutually beneficial in their decision making. This awareness also helps with cross-cultural negotiation where differing norms and expectations can worsen misunderstandings and misperceptions.

Cognitive and psychological biases are a hidden but powerful force in negotiation. They shape how people perceive information, assess risk, interact with one another and evaluate outcomes. By recognising these biases good negotiators can avoid common traps and improve their decision making.

1.6 Emotional and relational aspects in negotiation

While negotiation is often seen as a rational and strategic process, research is increasingly recognising the critical role of emotions and relationships in shaping negotiation dynamics and outcomes. Emotions influence how we perceive information, communicate with each other and make decisions, while relationships form the social and psychological backdrop against which negotiation happens.

Emotional and relational factors are especially important in cross-cultural contexts, where emotional expression and relationship expectations vary widely across cultures.

Negotiation is an inherently emotional activity; emotions can arise from the negotiation itself or even from prior interactions. Emotions are present at every stage. They can impact both the process and outcome of negotiations in many different ways.

Positive emotions like trust or enthusiasm tend to promote cooperative behaviour, information sharing and creative problem solving. Negotiators experiencing positive emotions are more likely to adopt integrative strategies, focus on mutual gains and build stronger long-term relationships.

On the other hand, negative emotions like anger or disappointment can have mixed effects. Anger may sometimes be used strategically to signal toughness but it can also escalate conflicts and damage relationships. Anxiety and fear cause negotiators

to make unnecessary concessions or avoid addressing critical issues. Importantly, cultural norms strongly influence whether and how negative emotions are expressed during negotiations.

The ability to understand, regulate and use emotions effectively is called Emotional Intelligence (EI) and it has been identified as a key predictor of negotiation success. High EI allows for more self awareness, empathy, emotional regulation and better social skills. Negotiators with high emotional intelligence are better at managing their emotions, reading their counterparts' emotional cues and adjusting their behaviour accordingly, resulting in better outcomes.

Relationships are central to many negotiations especially where trust, reputation and social ties are highly valued. The nature of the relationship between the negotiating parties shapes communication, expectations and the willingness to reach an agreement.

Trust and rapport are the foundation of a cooperative relationship. High levels of trust encourage open communication and reduce defensive behaviour. The two together increase the likelihood of integrative outcomes (where both parties are better off). A relationship that is characterised by mutual attention and positivity further strengthens the social connection between the negotiators, making the interactions smoother.

One of the main distinctions in negotiation behaviour lies in whether individuals take a relationship-oriented or task-oriented approach. Negotiations differ in the relative importance that they place on the relationship versus the task. In some negotiations, especially one-time and/or competitive exchanges, task outcomes may be better. In others, especially in collectivistic cultures, maintaining the relationship may be more important than maximising short-term gains.

Cultural differences play a big role in shaping relational norms and expectations. For example Western cultures may focus on efficiency, directness and immediate outcome, while East Asian cultures often emphasise harmony, respect and long-term relationship building.

So a good negotiation depends not only on strategic planning and persuasive argumentation but also on paying attention to the emotional and relational environment. Skilled negotiators invest in building rapport and trust from the start, using emotional cues authentically and responsively. They monitor their own emotions and adapt to the relational expectations of their counterparts, especially in cross cultural settings. By combining emotional and relational intelligence with strategy, negotiators can achieve outcomes that are not only materially beneficial but also socially and psychologically sustainable.

CHAPTER 2- CULTURE AND ITS INFLUENCE ON NEGOTIATION

2.1 Defining culture in an intercultural context

Culture is one of the most complex concepts that appear when studying human behaviour. It shapes how people see their world, interact with others, make decisions and solve problems. Culture also plays an important role when it comes to negotiation. It influences it by shaping the expectations, communication patterns, approaches to conflict and their definition of success. To understand cross-cultural negotiation well, especially between Western and Eastern cultures, it is important to define culture carefully and understand its complexity.

Just like with negotiation, scholars have proposed many definitions of culture, showing how complex the matter is. Overall culture is the set of beliefs, values, customs, mindsets and practices that characterise a group of individuals. "Culture is the collectivistic programming of the mind that distinguishes the members of one group or category of people from others" (Hofstede, 1980). Hofstede is one of the most influential cultural theorists. This definition says a couple of important things: that culture is learned, that it is shared and that it shapes the ways individuals within a society feel, think and act. "Culture is the way in which a group of people solves problems and reconciles dilemmas" (Trompenaars and Hampden-Turner, 1997). This definition also shows that culture is learned and shared, highlighting the functional and problem-solving aspects of cultural systems. Hall (1976) believes culture is a communication system, describing it as the shared context in which people interpret verbal and nonverbal signals.

One of the most critical questions in cultural psychology and cognitive science is how much culture matters and under what conditions. While some cognitive processes may be universal, an increasing body of evidence demonstrates significant cultural variance in how individuals perceive and interpret the world

around them. These variations become particularly evident in how people conceptualise space, self, relationships and social structures.

In general, culture can be thought of as operating on two main levels: the visible and the invisible. The visible level is made of things such as language, rituals, symbols, customs and behaviours. The invisible level, instead, are things such as the underlying values, beliefs, norms, attitudes and assumptions.

There is also an idea that culture varies on multiple levels. They are distinguished as: national culture, shared by people for the same country or region; organisational culture, shared within companies; group or team culture, within specific working groups; and individual level, personal identity shaped by cultural experiences. While national culture provides a general orientation, individuals within the same culture may show some differences based on personality, upbringing, profession, or exposure to other cultures. This variation is especially relevant when comparing Italy and China, as these are two countries with strong, contrasting national cultures and also very different internal dynamics.

In Western cultures like Italy, individualism, direct communication and a task orientation are considered the norm. Eastern cultures such as China, instead, emphasise collectivism, indirect communication and relationship building. These differences have important implications for negotiation, influencing everything from how issues are framed to how agreement is reached.

Culture is also not innate, it is learnt. People acquire cultural behaviours through socialisation, observation and participation in their communities. This all starts from very early childhood. Culture is also shared; it provides a common framework that enables members of a certain group to understand each other's behaviours and somewhat coordinate their actions. But culture is also not static, it is instead more dynamic, though it is often described as a stable framework. Culture evolves in response to many things including, but not limited to: historical events, globalisation and migrations.

In intercultural contexts, even small cultural differences can significantly impact the negotiation process by shaping how individuals perceive, communicate and make decisions. One of the biggest ways this occurs is through the perception and interpretation of behaviour. Cultural backgrounds play a key role in how negotiators interpret verbal and nonverbal cues like offers, silence, emotional tone or body language. What may be seen as respectful hesitation in one culture could be viewed as indecisiveness in another.

Another important aspect is the communication style, which varies significantly across different cultures. This separation can easily be highlighted using Hall's (1976) concept of high-context and low-context communication. In low-context cultures like in Western societies, communication tends to be more explicit and direct and conversations are what is defined as "information-heavy". On the other side, high-context cultures, including many East Asian countries, have a more subtle communication that includes nonverbal cues and shared understanding.

Cultural values also influence how we approach conflict. In some cultures open confrontation and debate are seen as acceptable or even productive. In others, maintaining harmony and preserving face is prioritised, leading to indirect or avoidant conflict management strategies. These preferences affect how negotiators handle disagreement and whether they perceive assertiveness as a strength or a threat.

Furthermore, decision making processes are shaped by cultural norms. What people choose is highly impacted by their regard for authority, hierarchy and group consensus. Some cultures put more value on individual autonomy and quick, decisive action, while others place the value on collective deliberation and the involvement of multiple stakeholders. This impacts how often decisions require extended discussions and broader agreement.

Cultural models vary a lot across societies and they shape how people understand their identity, motivation and behaviour. In context-independent cultures like many Western societies, the self is defined mainly through internal attributes like

personality traits, individual attitudes and preferences. Within this cultural framework, the self is seen as very autonomous, stable and largely independent of the social environment. Context-dependent cultures, instead, are often observed in many non-Western societies; they emphasise the relational and situational nature of the self. Individuals in these societies are more likely to define themselves through their roles, responsibilities and the social contexts they are in. The self is perceived as fluid and very responsive to external dynamics. For example, individuals from Western cultures often display a pronounced self-serving bias and they tend to attribute personal success to internal abilities or effort while also deflecting failures onto external circumstances (bad luck, unfavourable conditions, etc.). This cognitive bias contributes to the fundamental attribution error, a bias where people favour dispositional explanations for others' behaviour while neglecting major situational factors. As a result, cultural context does not just influence how people see themselves, but also how they interpret the actions of others, assess responsibility and make moral or social judgements.

Even the definition of success in a negotiation varies across cultures. While some cultures view a successful negotiation as one that achieves the best tangible outcomes, for example the highest financial gain, others may prioritise the quality of the relationship, mutual satisfaction or the long-term trust that gets created in the process. These different cultural logics highlight how important cultural awareness and adaptability in international negotiation settings are.

Cultural differences can definitely create opportunities for some creative solutions but can also create big challenges when negotiators fail to recognise them or do not adapt to the unfamiliar norms. To navigate the complex cross-cultural negotiations effectively negotiators must develop a sort of cultural intelligence. Being able to adapt and interpret unfamiliar behaviours and cultural contexts.

2.2 Key cultural dimensions relevant to negotiation

Understanding how culture influences negotiation requires more than just general awareness. Several influential models in intercultural research provide frameworks for comparing how people from different societies may think, communicate and act. Geert Hofstede, Edward T. Hall and Fons Trompenaars' models all capture essential dimensions of cultural differences that shape negotiation behaviours and expectations.

These models are especially very useful when comparing Western negotiation cultures (i.e.: Italy) with Eastern cultures (i.e.: China). Each framework highlights the areas where differences in communication, decision making and values can affect the negotiation process.

Hofstede's cultural dimensions

Geert Hofstede's (1980) model is one of the most famous and widely cited when it comes to cross-cultural studies. Hofstede identified several key dimensions between cultures. It can be used as a tool not only in a business and corporate setting but also for effective cross-cultural communication.

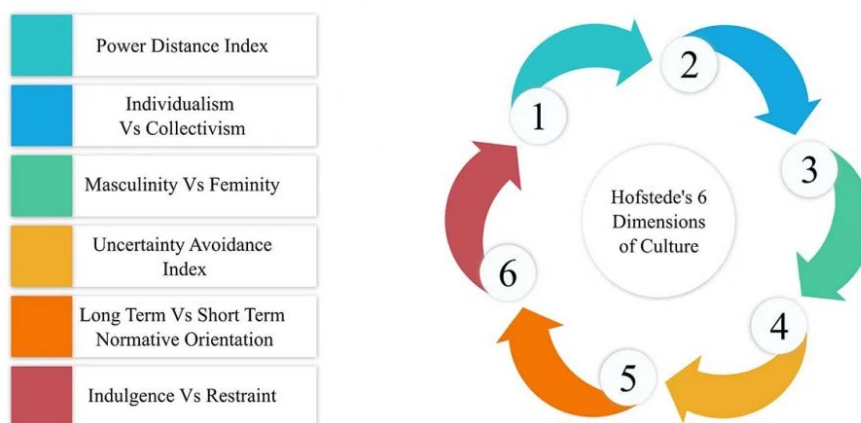


Image 1 – Hofstede's cultural dimensions

1) Power distance

This dimension refers to the extent to which inequality and hierarchy are accepted.

High-power distance cultures like China, tend to respect authority and centralised decision-making. It signifies a culture that accepts power disparities and inequality. These societies will usually have a bureaucratic system that has high regard for authority and rank. Subordinates are expected to show respect to those higher than them and authority is unquestioned. The decision-making is usually centralised and individuals of lower ranks rarely can add their input.

On the other side, low-power distance cultures like Germany, value open dialogue and equality. A low power distance index will generally indicate cultures that favour a flatter organisational structure. People from these societies tend to challenge more hierarchical structures and expect relationships that are more consultative. There is an emphasis on decentralised decision making and they apply participative management styles. They also tend to have more equitable power distribution among employees.

2) Individualism vs collectivism

This looks at the extent to which societies prioritise individuality versus group cohesion.

Individualistic cultures like the USA and Italy emphasise personal goals, autonomy and individual achievements. In many Western cultures individualism is a dominant value that encourages personal autonomy and direct negotiation. These cultures place importance on personal individual rights and give priority to the singular person and their needs. People from these cultures may be more assertive, task focused and much more direct in negotiation.

Collectivistic cultures like China and Japan prioritise group harmony, loyalty and consensus. They place great importance on the goals and well-being of

the whole group. Eastern Cultures tend to place more emphasis on collectivism; for most of them group harmony and loyalty guide negotiation. A person's self-image is intertwined with their collective identity. Negotiators from these cultures might choose group interests and avoid open confrontation.

3) Masculinity vs Femininity

This examines the level to which societies uphold masculine and feminine roles.

Masculine cultures like the USA, are those that have distinct gender roles and they value competition, assertiveness and achievement. Negotiations from masculine cultures may focus more on winning.

Feminine cultures, instead, such as the Netherlands emphasise fluid gender roles, cooperation, modesty and quality of life. A high femininity score means that traditional feminine roles hold substantial value. Negotiation from feminine cultures may try to achieve compromise or harmony.

4) Uncertainty avoidance

Uncertainty avoidance looks at how societies handle unfamiliar situations and how threatening change is perceived within a culture.

A culture high in uncertainty avoidance, such as Japan and Greece, prefers structure, clear rules and low ambiguity. They have a low tolerance for risk-taking and ambiguity. These cultures might prefer to minimise the unknown and this is usually done through strict rules and regulations. Negotiators may rely heavily on contracts and avoid any more risk than what they deem necessary.

Cultures with low uncertainty avoidance, instead, like Sweden, may be more flexible and open to informal arrangements or adaptive solutions. These cultures have a high risk and ambiguity tolerance. What is unknown is more openly accepted, resulting in fewer rules and regulations. In negotiation this

may mean that individuals from these cultures are more open to informal arrangements or adaptive solutions.

5) Long-term vs short-term orientation

Long-term versus short-term orientation looks at societies' perspective on time and delay of gratification.

Long-term-oriented cultures like China emphasise persistence, future planning and long-term gains. These cultures delay short-term gratification for better achievements in the future. There is an effort to invest in resources for eventual and lasting success, always looking to plan for the future. This leads to a focus on relationships and sustainable outcomes in negotiation.

Short-term cultures like the USA, prioritise immediate results and may be more transactional. This looks at immediate gratification and success with a focus on the near future. They prioritise the present over the future and they value quick results a lot. Decisions are often made without extensive consideration for long-term consequences due to the desire for instant results.

6) Indulgence vs restraint

Indulgences versus restraint looks at how society fulfills its desires, focusing on how it manages its needs and impulses.

Indulgent cultures like the USA allow for gratification of desires and emphasise personal enjoyment. Therefore, they tend to allocate resources to prioritise leisure and luxuries.

Restrained cultures such as China promote self-discipline and controlled behaviour. They suppress the immediate gratification of desires and regulate their needs through social norms. May reflect a more formal or reserved negotiation.

Hofstede's cultural dimension theory (1980) plays an important role in cross-cultural collaboration. These dimensions offer a useful lens to understand potential differences in negotiation styles between Western and Eastern cultures. Understanding these can help enhance communication among cultures and allow individuals to adapt their strategies to encourage collaboration between cultures.

Hall's high context and low context communication

Edward T. Hall (1976) introduced the concept of high context and low context cultures, focusing on how meaning is communicated. His aim was to categorise intercultural communication.

High-context culture (for example China) rely heavily on implicit communication, shared understanding and nonverbal cues. Close social bonds are very common in high-context cultures and individuals are defined by their position in the larger social group. The social setting and relationships are critical to interpreting meaning. Silence, tone and gestures carry significant weight, with information and feelings being expressed in nonverbal ways. In negotiation, this often means avoiding direct confrontation and focusing on maintaining harmony.

Low-context cultures (for example, Italy) prioritise explicit, direct and clear verbal communication. Meaning is in the actual words and not much is left to interpretation. Messages are more direct with nonverbal communication being kept to a minimum. Negotiators tend to be upfront and verbalise issues openly. While this can lead to efficiency, it can also cause problems if the other party perceives the approach as overly blunt.

In negotiation, high-context cultures may avoid saying "no" directly and use indirect strategies to express disagreement or signal discomfort. Low-context negotiators may find this vague or evasive, which can lead to misunderstandings.

Trompenaars' seven dimensions of culture

Trompenaars and Hampden-Turner (1997) developed a model based on how people solve universal problems. This could be things like relationships, time and the environment. It provides a framework that helps with understanding how cultures may vary along seven key dimensions. The relevant dimensions for negotiation include:

1) Universalism versus particularism

This focuses on the importance of rules versus relationships in different cultures.

Universalist cultures apply rules equally to all, such as Germany, they prioritise rules, laws and codes. They emphasise fairness and consistency, and they use contracts and legal frameworks when it comes to business agreements.

Particularist cultures like China, instead, prioritise relationships and exceptions. There is flexibility in applying rules based on relationships and circumstances. These cultures value personal relationships and situational context over universal rules. In negotiation particularists trust long-term relationships. They consider individual circumstances and personal connections, there is an emphasis on building long-term relationships and trust before formal agreements.

2) Individualism versus communitarianism

This looks at the balance between personal and group interest. Similar to Hofstede's "individualism vs collectivism," this reflects whether people see themselves primarily as individuals or part of a group.

Individualist cultures, for example Australia, prioritise personal achievements, goals and encourage individual decision making. It reinforces personal responsibility, autonomy and individual initiative.

On the other hand, communitarian cultures such as Japan emphasise collective goals, social cohesion and group harmony. There is value in group

decision-making and consensus-building. The emphasis is on collective achievements and teamwork, with rewards usually being evenly distributed.

3) Specific versus Diffuse cultures

This looks into how individuals separate their personal and professional lives.

Specific cultures like the UK separate professional from personal life. They will set clear boundaries between work and their personal lives. These cultures tend to prefer direct and explicit communication, with emphasis on clear messages and getting to the point quickly.

Diffuse cultures blend their work and personal life. Their personal life often extends into their business relationships and vice versa. Therefore, these countries use more indirect and contextual communication, they rely on implicit messages and being able to read between the lines. Chinese negotiators, for example, may engage in relationship building before discussing any business.

4) Neutral versus Affective

This looks into how much emotions are expressed openly.

Neutral cultures, for example the UK, suppress emotion in public settings. These cultures value emotional restraint and objectivity; there is an emphasis on reason and logic in the decision-making process. Neutral cultures may choose a more calm and measured approach in negotiation, with a focus on facts, figures and logical arguments. These countries may actually see too many emotional displays as manipulative or unprofessional. Affective cultures like Italy, instead, openly express emotions. Feelings, passion and emotions are encouraged. They see emotional engagement as a sign of authenticity and commitment. These cultures value passionate engagement throughout negotiation. The use of personal connection and emotional appeals is used to build trust. They may see neutral approaches as disinterested and cold.

In negotiation, these affect how passion, disagreement, or frustration are displayed.

5) Achievement versus Ascription

This explores status through accomplishment or attributes and it looks at how status and respect are granted in cultures.

In achievement-oriented cultures, for instance Australia, status comes from accomplishments. These cultures value track records and proven personal merit. There is an emphasis on skills, qualifications and performance when evaluating individuals.

In ascription cultures such as China, status derives from factors such as age, position, education, family background or connections. These cultures place importance on inherent qualities and social connections. There is this value for tradition, social harmony and hierarchy. Negotiators from ascription cultures may expect to be treated according to status.

6) Sequential versus synchronic time

This focuses on the cultural perspective on time management and planning, whether it is linear versus flexible time management.

Sequential cultures, for example Germany, prefer structured, step-by-step approaches. They see time as a linear progression of events; they prefer sequential tasks and structured schedules. These countries place high importance on meeting deadlines and punctuality, while viewing tardiness as unprofessional and disrespectful.

Synchronic cultures like India, view time as flexible and circular. These cultures may be more comfortable with fluid schedules and multitasking. These countries have more relaxed attitudes towards time; they prioritise relationship building over the strict adherence to a schedule. They may even view strict time management as overly constraining and inflexible.

This affects scheduling, deadlines and patience in negotiation.

7) Internal versus external control

This looks into the cultural attitude towards the relationship between humans and nature.

Cultures with internal control believe they can shape outcomes, such as the USA. They believe they can shape and dominate the environment. The focus is on overcoming obstacles and, through direct action, achieving goals. These countries often prioritise resource exploitation and technological solutions but this can sometimes lead to more aggressive strategies.

External-oriented cultures like China, accept that outcomes depend on external forces or relationships. They emphasise harmony and adaptation to external forces, with a value to flexibility and working within existing constraints. These countries focus on long-term balance and sustainable practices, adapting to environmental factors and market conditions.

Trompenaars and Hampden-Turner (1997) model helps provide a valuable insight into international relations. It demonstrates the potential decision-making process in multinational and cross-cultural organisations. Negotiators with the help of this model can adapt communication styles to better fit the different cultural preferences.

Cultural dimensions and negotiation style

These models are very useful tools to anticipate differences in negotiation behaviours. For example, an Italian negotiator may value efficiency, directness and assertive engagement, reflecting their low context, individualist and achievement-oriented norms. A Chinese negotiator may value harmony, indirect communication, hierarchy and relationship building, reflecting high context, collectivist and long-term oriented values.

While these models are not prescriptive, they offer a framework to recognise and interpreting behavioural patterns, which can improve preparation, reduce cultural friction and lead to more effective cross-cultural negotiations.

2.3 Communication styles in intercultural negotiation

Communication is the main tool used to express interests, propose something or build a relationship; all the main components of a proper negotiation. Even though this is true worldwide, communication is not untouched by cultural differences. The way people communicate both verbally and non is highly impacted by deep cultural norms, values and also expectations. These differences, whether small or big, can influence significantly the outcome of a negotiation between intercultural parties.

High context vs low context communication

Edward Hall's (1976) differentiation between high-context and low-context communication is the basis of intercultural communication theory. In high context cultures like China and many other East Asian societies, communication tends to be indirect, implicit and heavily reliant on context, non-verbal cues and shared understanding. In these cultures, much of the meaning comes from the situation, the relationship between speakers and what is left unsaid. Silence, pauses, tone of voice and body language carry a lot of weight and it is very important to understand it to fully grasp the meaning of a conversation.

In low context cultures like many Western societies, including Italy, communication is explicit, direct and verbal. Messages are clear and precise through language and there is less reliance on non-verbal signals. In low context negotiation settings clarity, transparency and assertiveness are often seen as signs of competence and professionalism.

In more practical terms this means that a Chinese negotiator may communicate disagreement subtly, for instance through silence, hesitation, or indirect language. Whereas an Italian may expect open debate or even a clear “yes” or “no”. Misunderstandings can arise if these styles are not recognised. For example, a direct critique from an Italian negotiator may be perceived as rude or confrontational by a Chinese counterpart, while the Chinese negotiator’s silence may be misread as agreement rather than polite refusal.

Verbal and non-verbal communication

Cultural preferences also impact how people use verbal and non-verbal communication.

Verbal style: Western cultures tend to prefer low-context verbal styles that emphasise clarity, logic and persuasion. Arguments may be structured around facts, direct statements and sequential reasoning. Eastern cultures, including China, may use more circular forms of reasoning, subtle suggestions and metaphorical language, especially when addressing sensitive topics or hierarchical relationships.

Non-verbal cues: Eye contact, tone, body posture, and facial expressions are often more telling than spoken words in high-context cultures. For example maintaining harmony may involve smiling while disagreeing and avoiding eye contact with authority figures or using silence as a negotiation tool. In Italy non-verbal communication is expressive and dynamic; their gestures, tone and facial expressions are used to animate and add meaning to the verbal message. However, the emotional intensity is usually visible and not masked.

Holistic versus analytic cognition

Cultural differences in cognition are often talked about in terms of holistic versus analytic thinking. Holistic cognition is typically associated with an orientation toward the broader context or field, where individuals attend to relationships

between focal objects and their surrounding environment. This style prefers explanations that incorporate the interplay of multiple elements and is more commonly observed in East Asian cultures. Holistic thoughts are “context dependent”.

Analytic cognition, instead, is the tendency to detach objects from their contexts. These people focus more on the attributes of individual elements and apply general rules to explain and predict behaviours. This approach is more characteristic of Western cultures. Analytical thoughts are considered “context independent”.

These different cognitive styles have all big implications on perception, memory and reasoning. For example, individuals from Western cultures are more likely to classify objects based on fixed logical principles or defined criteria. On the other side, people from East Asian cultures tend to group things together based on similarity or resemblance.

The dynamics of negotiation can be affected a lot by these differences. People from analytic thinking cultures will enter a negotiation by breaking down problems into smaller issues, focusing on individual benefits and using logic or rules to make decisions. Those from holistic thinking cultures will consider the broader relational and situational context. They look for harmony and long term relationship building.

Use of silence

Depending on the different cultural contexts silence can have a very different connotation and function. In many Eastern cultures, including China, silence is a sign of respect; it shows you are taking the time to reflect on the negotiation. It can also be used to create space for thought or to express disagreement without confrontation. It is also used to maintain dignity in certain contexts. On the opposite side, silence may be perceived as awkward and indecisive, as it is in many Western cultures. Silence is seen as a breakdown in communication, sometimes prompting

the other party to fill the gap quickly, which can happen to be to their own disadvantage.

Negotiators should know the role of silence to avoid premature conclusions or the use pressure tactics that may backfire.

Cultural aesthetics and self-representation

Visual and artistic expressions are also part of the cultural differences. A simple example of this is that when capturing images, people from Western countries are more likely to position the subject at the centre of the frame. This tendency shows a very self centric view of the world, where the focus is placed on the person as distinct and autonomous. East Asian cultures tend to instead emphasise the surrounding environment, positioning individuals more on the side. This way of simply taking pictures reflects a worldwide view that values harmony and the individual's role within a larger social and/or natural context. These differences are not trivial, they mirror broader artistic traditions. Western art has historically developed a perspective-based representation of space that prioritises individual subjects and depth, while East Asian art has always gone for flatter, more holistic compositions that highlight the relationships and context instead of one isolated focal point.

These aesthetic preferences are not just artistic choices; they are reflective of deeper cultural values that also show up in negotiation. In Western contexts, the emphasis on self-representation may push and help negotiators to assert their position clearly. They are more likely to advocate for personal interests and frame the negotiation focusing on individual performance or merit. This preference for centrality and clarity can sometimes translate into a more direct communication and an expectation for explicit dialogues. On the other side, negotiators from cultures that put more value on contextual and relational aesthetics may be more aligned to subtle cues and indirect communication. They may keep group harmony,

long-term relationships and balanced outcomes that respect social roles as their main priority.

Directness, face and politeness norms

In certain cultures, like in Italy and all the low context ones, directness is not a problem. It is actually considered much more honest and efficient to be direct. For these cultures being straightforward is usually considered more of a strength than a problem. On the other side, in all high context cultures, including China, the concept of “face-saving” plays a big role when talking about politeness, especially in the business world. Avoiding direct confrontation, using vague language or speaking through intermediaries are strategies to preserve mutual respect and avoid embarrassment (Gao 1996).

In Chinese culture, "losing face" can seriously threaten any possibility of future cooperation and deteriorate respect and trust. Therefore, maintaining negotiation in East Asian contexts requires an awareness of indirect cues and the ability to handle disagreement diplomatically.

Implications for cross-cultural negotiation

One of the most frequent causes of misunderstandings in cross-cultural negotiations between Western and Eastern cultures is the mismatch of communication styles. Western negotiators can sometimes perceive Eastern methods as evasive or overly vague, while Eastern negotiators may view Western partners as too blunt, insensitive or even disrespectful at times. Even when there is a significant alignment of interests, these simple misunderstandings can result in conflict or failed agreements.

Good negotiators should develop awareness of their cultural communication preferences to approach these differences the right way. They should also adapt

their styles to meet their counterparts' expectations, especially when it comes to issues of formal and/or emotional expression. Listening actively, paying close attention to what is said and observing nonverbal cues. Negotiators should also culturally appropriate strategies for signalling agreement, hesitation or refusal.

2.4 Western Negotiation style: The Italian case

Italy is a very good example of how Western cultural values influence negotiation behaviours because it is a Western European nation with a long history of trading, diplomacy, and international relations. Italian negotiation styles reflect many of the patterns found in Western, low-context and individualistic cultures while also bearing some very distinctive national traits rooted in its history, particular social norms and communication preferences.

Cultural foundations of Italian negotiation behaviour

Italy scores high on individualism in Hofstede's (1980) cultural dimensions, suggesting that Italian negotiators tend to prioritise personal goals, assertiveness and autonomy. Negotiation is often viewed to achieve clear objectives through direct engagement, persuasion and bargaining. Performance, initiative, and strategic thinking are some of the key elements that are valued in Italian business culture. These qualities are also evident in its approach to negotiation.

Furthermore, Italy has moderate to high power distance, and this means that the hierarchy is generally respected, especially in formal settings. However, this hierarchy is often flexible and authority can be challenged through skilful argumentation or charisma. In negotiation, this may translate to a willingness to question or negotiate with superiors, provided it is done diplomatically.

Italy also exhibits traits of a masculine culture, where competitiveness, assertiveness and achievement are emphasised. This often results in a result-oriented negotiation style, where parties seek tangible outcomes and measurable

benefits. That said, Italians also place significant value on personal relationships and social interaction, particularly in long-term partnerships.

Communication style

Italian communication is all about expressiveness, emotional engagement and a direct but still relational tone. As a low context culture (Hall, 1976), verbal language carries most of the message and negotiators generally expect open discussion of terms, interests and disagreements. Being direct is viewed as a sign of efficiency and transparency rather than as necessarily being confrontational.

Italians are known for their persuasive communication; they often use things like storytelling, rhetorical skills and expressive body language to influence the conversation. To emphasise their points, Italian negotiators may speak passionately and use lots of gestures while speaking. Emotional tone is not only used to convey commitment but also to showcase sincerity and engagement of the counterpart.

But Italian negotiators are also very susceptible to personal chemistry and rapport. Unlike other western countries, relationship building is considered an essential part of business dealings for Italians. Even in time-sensitive negotiations, some level of social interaction, such as small talk, shared meals or humour, is expected before engaging fully in transactional discussions.

Approach to time and structure

Italians negotiators are not as strict as countries like Germany and the USA; they tend to have a pretty flexible view of time. Deadlines and efficiency are still very much respected, but they are not always as rigid as they may be in other countries.

Time is negotiable, particularly if it's being used to build relationships or look into a better deal.

Negotiations may proceed with a degree in improvisation and adaptability and they do not always follow agendas strictly. When new information or opportunities come up during the negotiation process, Italian negotiators are adept at handling ambiguity and making decisions quickly.

Trust and relationship orientation

Italian negotiations do emphasise results but relationships are far from secondary. Building trust and personal rapport is key for Italians, especially when talking about longer-term collaborations. Trust may be established through personal interaction and repeated engagement, instead of just some formal guarantees.

Even though Italy is very much a low context country, interpersonal cues such as consistency, demeanour and tone are still very important when assessing the credibility and trustworthiness of a counterpart. Regardless of the quality of their proposal, a negotiator may be treated with suspicion if they come across as too impersonal or inflexible.

Negotiation tactics and preferences

Italian negotiators tend to be strategic and pragmatic. The tactics may include opening with ambitious offers to allow room for concession-making. Engaging in persuasive reasoning rather than relying solely on data. Using charisma or humour to lower any tension or build a good relationship. Italian negotiators might go after a win-win outcome when the relationship is important but they will also defend their interests assertively when necessary. They believe negotiation is a creative and human process, one that requires many things including: intuition, adaptability and interpersonal skills. In addition to reaching an agreement, the objective is to do so in a way that balances relational and economic interests.

Implications for cross-cultural negotiation

The Italian style of negotiation might be hard to understand for negotiators from high-context or more hierarchical cultures like China. It may seem too informal, emotionally intense and/or too focused on direct verbal debate. If this directness is mistaken for some sort of aggression, or if the flexibility is seen as unprofessional, some major misinterpretations can occur.

Therefore achieving cross-cultural success in negotiations with Italian people frequently requires finding a balance between assertiveness and clarity and flexibility and warmth. . Respecting Italy's dynamic, expressive and human-centred negotiation style can lead to stronger relationships and much more sustainable agreements.

2.5 Asian negotiation style: The Chinese case

China has a deeply rooted cultural tradition shaped by the Confucianism philosophy and hierarchical social structures. There is a long history of collectivistic and relational norms. The Encyclopedia Britannica states "Confucianism may be understood as an all-encompassing way of thinking and living that entails ancestor reverence and a profound human-centred religiousness." These cultural foundations greatly impact how Chinese negotiators make decisions, manage conflict and define successful negotiation. Unlike the more individualistic, low-context and direct negotiation style typical of Western cultures, the Chinese is indirect, hierarchical, relational and long-term orientated.

Cultural foundations of Chinese negotiation behaviour

Chinese negotiation behaviour is a mix of philosophical, social and historical influences. At its core there is Confucianism which is the value system that emphasises harmony, the respect for hierarchy, social order and a duty to others.

These principles guide how negotiators can approach conflict, authority and interpersonal relationships. China scores high on many of Hofstede's (1980) cultural dimensions that are relevant to negotiation.

China is a collectivistic culture. This means that negotiators are expected to prioritise the group consensus, the shared interests and relationship preservation over their own personal goals. Their personal success is often framed as group success. Assertiveness is usually muted in favour of collaboration and mutual accommodation.

The culture has a high power distance. It has a clear social and organisational hierarchy. The decision making tends to be concentrated at the top. Younger and junior negotiators may defer to a more senior representatives without openly disagreeing. The age, title and institutional position heavily influence how negotiators are perceived and treated.

China is high in long-term orientation (Hofstede, 1980). This mean cultural emphasis is on patience, strategic thinking and long term partnerships. Negotiators are less concerned with immediate outcomes and more focused on building a mutually beneficial relationship over time.

Chinese culture is low on emotional expression they lean more towards emotional restraint. This means they prefers self-control, modesty and indirect emotional expression. In negotiations this means they take a more calm and measured approach even if the stakes are high.

Communication style

As a high context culture (Hall, 1976) Chinese communication relies on indirect language, nonverbal cues and contextual understanding. Words do not carry the full message, meaning is actually derived from silence, facial expressions and tone. This is different to low context cultures like Italy, where direct verbal expression is the norm.

Another key concept in Chinese communication is face/miànzi (面子), which are the unwritten rules around nonverbal communication. This is to maintain social dignity and the avoidance of embarrassment or of public conflict. Chinese negotiators aim to preserve their 'face' and even the 'face' of their partner. Confrontational behaviour or blunt criticism are avoided to maintain the group harmony and maintain a level of mutual respect.

Approach to time and structure

Chinese negotiators typically take a more fluid and non-linear approach to time. The more structured and deadline-driven styles is typical of many Western countries. Negotiators take more time to loosen up, they spend time on building a rapport and testing trustworthiness before discussing business terms.

Rather than strictly following a strict sequential timetable, Chinese negotiations are more dynamic and adaptive. This often involves informal discussions that guide formal proposals. Delays, silence or requests for multiple meetings are not bad signs but actually part of a culturally appropriate decision making process.

Trust and relationship orientation

In Chinese negotiation trust is not built through legal agreements but through interpersonal relationships. The foundation of this relational approach is the concept of *guānxi* (关系).

Guānxi refers to a system of social connections and reciprocal obligations that are developed over time. It is built on mutual trust, loyalty and the exchange of favours. In negotiations, *Guānxi* can often involve gestures of goodwill such as a shared meal, gift giving or informal conversations. These all signal sincerity and mutual respect. Without *Guānxi* technically sound proposals may actually be met with resistance. With *Guānxi*, negotiators get access to flexible and faster resolutions of issues.

Foreign negotiators who skip this relational foundation or try insist on immediate results may be seen as culturally insensitive or untrustworthy.

Negotiation tactics and preferences

Chinese negotiators are subtle, risk-averse and relationally aware strategies. They may use things like indirect refusal or vague responses to avoid loss of face. They use silence and delay as tools to extract concessions. Third parties are used as intermediaries to convey sensitive messages. Gradual movement towards agreement are tied to deepening trust and not quick concession exchanges.

Negotiation is not just transactional but as a relationship driven engagement where long term compatibility matters as much or even more than contractual terms.

Implications for cross-cultural negotiation

For Western negotiators especially those from low-context cultures, may see the Chinese negotiation behaviour as ambiguous, passive or overly cautious. The directness and speed that is valued in Western cultures can be seen by Chinese as disrespectful or even aggressive. For one to succeed in negotiations with Chinese counterparts they must invest time into building relationships and trust. They must respect hierarchy and seniority. Try to communicate with cultural sensitivity, avoid confrontation and show a long-term commitment rather than just short-term deals.

Understanding the underlying cultural logic especially Confucian ethics and *Guānxi* allows foreign negotiators to build credibility, avoid cultural mistake and achieve more long term or respectful agreements.

2.6 Comparison of Italian and Chinese Negotiation Approaches

Understanding the differences and similarities between Italian and Chinese negotiation styles is key to understanding how Western and Asian cultural frameworks shape the negotiation process. While both cultures value trust and relationship building they very different when it comes to their communication style, time orientation, approach to hierarchy and decision making logic. These differences, based on the theoretical models discussed earlier in the thesis, show not only contrasting norms but also the potential for cultural misunderstanding in a cross cultural negotiation setting.

Communication style

One of the obvious differences is in communication. Italian negotiators are from a low-context culture. They prefer a direct, expressive and verbal communication style. Emotions are shown openly, disagreement is expressed clearly and persuasive language is seen as a tool for influence.

Chinese negotiators on the other hand operate in a more high context communication system, where the meaning is actually embedded in indirect speech, tone and even nonverbal cues. When they disagree it more implied rather than directly stated. They also maintain a level of emotional restraint to preserve harmony and avoid loss of face.

These styles can easily lead to a misinterpretation between the cultures. Italians may see the Chinese subtlety as being evasive or indecisive. The Chinese negotiators may see Italian directness as confrontational and blunt.

Time orientation and the negotiation pace

The Italians approach to negotiation is more structured and flexible in terms of time. They are less exact and rigid than some other Western cultures but they do expect a

defined timeline and for solutions to be relatively prompt especially in a business settings.

Chinese negotiators view time as fluid. The negotiation pace often unfold more slowly, allowing space for rapport building. Negotiation is not only about closing the deal but about building a long-term relationship. This may require multiple meetings and stages of trust development.

For Italians and other Westerners this slower pace may be perceived as a stalling tactic or that they are indecisive. However for the Chinese, the speed of the Italians in negotiations can signal impatience or insincerity.

Trust and relationship building

Both cultures value trust, but their paths to building are different. Italian negotiators are comfortable building rapport through expressive dialogue, shared meals and visible engagement but they are also willing to move into discussion of the options early in the process.

Chinese negotiators emphasise guanxi, the deep relational trust based on mutual obligation, long term reciprocity and social credibility. Without guanxi business may not happen regardless of commercial logic. Formal negotiations are often preceded by long periods of informal interaction that is done to establish sincerity and compatibility of partners.

This difference in trust building can cause friction. Italians may perceive prolonged relationship building as inefficient and waste of time. The Chinese negotiators may see quick deal making as a transaction, untrustworthy and culturally insensitive.

Hierarchy and authority

Italian business cultures show a moderate respect for hierarchy but they are willing to challenge or negotiate across ranks when appropriate. In formal settings they might defer to authority but still have an open dialogue.

China on the other hand has a strong hierarchical orientation rooted in Confucian ethics. The Deference to age, title and position is standard and young negotiators are unlikely to challenge their superiors or make any autonomous decisions. Final decisions often rest with senior leaders.

This can lead to misaligned expectations around who has the decision making power at the table and how quickly agreements can be closed.

Negotiation strategies and tactics

Italian negotiators adopt a strategic and expressive style. They often use persuasive reasoning and assertive bargaining. They may open with strong ideas on what they expect, as they assume a back-and-forth exchange of concessions will take place. They aim for clear contract based outcomes.

Chinese negotiators are more cautious and relationship-based in negotiation. Their tactics can include indirect refusals, silence and a slow but gradual move towards an agreement. Contracts are looked at like evolving frameworks rather than fixed endpoints. These contracts have slight flexibility based on the strength of the relationship between partners.

Shared values and overlapping tendencies

Despite their differences, there are some commonalities. Both cultures value interpersonal relationships and prefer to negotiate with people that they trust. Both of them use nonverbal cues and social intuition to read their counterparts this however is done to different levels. In long-term partnerships the loyalty and mutual

benefit become absolutely central in both cultures even if they are reached through different means.

These shared values between cultures provide a basis for bridging the cultural gaps, especially when negotiators are aware and adaptable.

Synthesis of cultural differences

The comparison between Italian and Chinese negotiation styles shows two different cultural logics. The Italian negotiations reflects a Western individualistic, expressive and performance based approach. The Chinese negotiation emphasises the Asian values of harmony, hierarchy and relational approach.

To negotiate successfully between these cultures, both of the parties need to develop a sort of cultural intelligence. They need to be flexible and practice cultural empathy. By understanding the others culture and their assumptions they can adjust their negotiation styles to build trust and reduce misunderstandings that happen in negotiation. This could help find agreements which are not only effective but also sustainable across cultural boundaries.

CHAPTER 3- EMPIRICAL STUDY

3.1 Research aims and hypotheses

The aim of this study is to investigate how cultural backgrounds affect negotiation behaviour, particularly amongst young people. The research compares how Italian and Chinese participants which representing Western and Eastern cultural frameworks behave in a structured negotiation. By analysing their interactions, I will aim uncover cultural patterns in communication, decision making and value distribution.

Why is this important? This is as it becoming important due to more and more young professionals and students engaging in international education, virtual collaboration and earlier career cross cultural exchanges. While negotiation behaviour has been widely studied at executive or organisational levels, there is limited research on how young people like university students. This needs to be studied as they are the future generation of professionals and due to globalisation might be different to what has been previously studied.

The Experiment

The experiment had 14 university students with seven pairs of which four pairs were Italian students and three pairs were Chinese students. Each pair did an online, anonymised negotiation simulation done on Google Meet. Cameras were off and no personal information like their names or personal information was allowed in order to preserve anonymity and reduce social bias.

Each player was assigned one of two roles, they were either Player A (ground floor tenant) or Player B (top floor tenant). They had to negotiate how much money to spend on three building renovations: noise insulation, elevator maintenance and roof maintenance. Each player was emailed a payoff matrix, making the task asymmetric and dependent on communication, cooperation and persuasion.

The full experiment could last up to 40 minutes. The first 10 minutes were for the participants to read their instructions. During this time the participants read their roles, examined their matrices and could begin to about what their strategic approach would be. After 10 minutes they were allowed to access the Google meeting, which had both participants and a moderator. The participants were reminded of the rules, most importantly the no sharing identifying information or visuals of the matrices. They then had 30 minutes to complete the negotiation, they could take as much or as little time as they wanted. They could communicate any information they chose, including personal profit but they could not share visual evidence or verify their partner's claims. The game ended when both players submitted an agreed upon outcome via the google meet chat. Their reward ranged from €5 to €14 based on the profit generated from the final negotiated solution.

Research objectives

This experiment had multiple objectives. The main one was to identify the behavioural differences between Italian and Chinese student participants during negotiations. Then to see how the cultural norms such as communication style, attitudes towards trust and conflict and decision-making preferences, would shape negotiation strategies. Would Italian participants exhibit more direct, expressive and assertive behaviours? Would Chinese participants rely more on indirect, relational and harmony-seeking behaviours? This thesis aimed to see how these cultural tendencies impact negotiation outcomes such as the time to agreement, fairness of distribution and the success at reaching a solution.

Hypotheses

Based on intercultural theory and negotiation literature the following hypotheses were developed. Hypothesis one: Italian students will engage in more direct and expressive communication, clearly stating preferences and pursuing assertive

negotiation strategies. Hypothesis two: Chinese students will exhibit more indirect and cautious communication, emphasising harmony and avoiding confrontation. Hypothesis three: Italian pairs will reach agreements more quickly, reflecting a task-oriented style, but may display less balanced distribution. Hypothesis four: Chinese pairs will take longer to reach agreement, reflecting a more deliberate and relational process, but will reach more equitable and cooperative outcomes.

3.2 Cultural profiles of the sample groups

To understand the comparative analysis of negotiation behaviour, it is important to briefly introduce the cultural profiles of the two groups of participants in this study, the Italian and Chinese university students. Every human being is unique, with an individual personality, experience and communication style that all play a role in negotiation. Culture is one of the most powerful underlying forces that shape how we interpret things like fairness and trust.

When this comes to negotiation culture affects does not only affect what we say but also how we say it, how we interpret other people's actions and what outcomes we see as desirable or even acceptable. Cultural models such as Hofstede's dimensions (1980), Hall's context theory (1976) and Trompenaars' value orientation (1997) are useful tools to identify general behavioural tendencies that may influence how members of each cultural group negotiate. They will help clarify how cultural patterns may impact negotiation styles and outcomes, in areas such as communication, relationship management and time orientation.

The profiles of the Italians and the Chinese do not mean that everyone in a culture is the same or that culture completely controls people's behaviour. It is used more as a framework to understand the tendencies that may emerge more frequently within each group due to social, educational and institutional norms.

The Italian culture profile

Italian participants in this study come from a Western, low-context culture. According to Hofstede's model, Italy is an individualistic country, where personal goal, self-expression and autonomy are valued. In negotiation this could be participants who are comfortable asserting their preferences and pursuing outcomes for personal benefits. They will tend to use clear verbal expressions rather than indirect or relational cues.

Power distance in Italy is moderately high, meaning that while hierarchical structures are acknowledged, individuals especially in informal contexts feel relatively free to speak up, challenge ideas and negotiate openly. This means individuals negotiate even with unfamiliar partners and approach tasks with a sense of equality.

When it comes to masculinity Italian culture demonstrates a moderate to high orientation. This means that competitiveness, assertiveness and performance are actually socially encouraged traits. Negotiators may focus on outcomes that reflect competence and success. They will tend to choose direct methods of persuasion with a focus on tangible achievements.

Italy scores high on uncertainty avoidance, they prefer a more structured processes, clarity in roles and clearly defined outcomes. In negotiations, this could mean a preference for quick resolution, a resistance to ambiguity and a discomfort with indecisive interactions.

Culturally, Italy is low context (Hall, 1976). Meaning is conveyed through direct and verbal expression. Interpersonal rapport is valued and emotional expression is often part of professional discourse. They expect Negotiators to say what they mean and persuasive language is used to convey logic or urgency.

All this means is that these traits would suggest Italian students may favour clear positions, open discussion, faster decision making and to negotiate assertively. This is particularly when time and results are prioritised. They will introduce offers early

on and judge the success of negotiation based on the profitability of the outcome rather than the relationship harmony.

The Chinese cultural profile

Chinese participants come from an Asian, high-context cultural background that is influenced by Confucian values. In Hofstede's model, China scores low on individualism and high on collectivism. What does this imply? This implies an emphasis on group cohesion, mutual responsibility and avoiding conflict. In negotiation, this often means a preferring harmony over assertive individual gain. It is a style that emphasises relational diplomacy over assertive advocacy.

Power distance is high in China, while university students may not replicate the rigid hierarchical behaviours as many of them have not worked, cultural respect for authority and social roles still influence how they communicate. Even in peer-to-peer interactions the Chinese participants could potentially show caution and indirectness especially in moments of disagreement.

China ranks very high in long-term orientation. This is associated with careful planning, patience and prioritising the long-term relationships over that of short-term gains. They will approach decisions slowly, weighing all the possible outcomes and the impact this may have on the relationship. The strategic ambiguity and delayed resolution can be accepted if it means this will protect future cooperation.

Uncertainty avoidance is moderate. This means there is a cultural tolerance for ambiguity. This is true when it supports social stability or allows time for them to build trust. Rather than rushing to close deals as fast as possible, the negotiators may choose to sit with discomfort a bit longer, if choosing a premature agreement could potentially upset the balance or cause a loss of face (miàanzi).

China is a high context culture (Hall, 1976). Their messages are delivered indirectly and much of the meaning is understood by relational cues. Conversations are carried not by the words themselves but by the tone, gestures and shared understanding of

individuals. *Guānxi* and *miànzi* influence how Chinese participants approach negotiations. These notions reinforce the need to preserve one's dignity, trust and the continuity of relationships. This could affect how conflict is navigated and concessions are made by Chinese.

These cultural norms say that Chinese students may exhibit indirect communication, longer decision-making times and apply an emphasis on building trust before reaching an agreement. Their communication may be more tentative and concessions may be expressed in terms that prioritise the mutual benefit. Their negotiation may take longer which to a Westerner might appear slow or indecisive. It actually reflects a deep cultural logic of balance, trust and social respect.

Dimension	Italy (Western)	China (Eastern)
Communication Style	Low context and direct	High context and indirect
Individualism versus collectivism	Individualist	Collectivist
Power distance	Moderate	High
Time orientation	Short to mid-term	Long-term
Emotional expression	Open and expressive	Reserved and emotionally restrained
Trust building	Through openness and rapport	Through <i>Guānxi</i> and relationship history
Decision making	Faster and more independent	Slower, group orientated and authority driven

Image 2 - Italy versus China comparison table

3.3 Methodology

This section describes the methodology used to conduct the experiment, including the participants' demographics, experimental design, data collection and the data analysis strategy. The study was designed to stimulate a realistic, two-person negotiation context while keeping controlled conditions for cross-cultural comparison between Italian and Chinese university students.

Participants

The study involved 14 participants, all university students between the ages of 19 and 25 year old. All the Italian participants were enrolled in bachelor's or master's degree programs at Ca' Foscari University, Venice, Italy. The Chinese students were either doing a bachelor's or master's at Ca' Foscari University or were in Venice on exchange programs from their University. Participants were divided into seven negotiation pairs there were four Italian pairs and three Chinese pairs. The sample size is small; it is suitable for the small-scale experimental study design that is needed for my thesis. It helps get in depth with the analysis rather than producing generalised results.

All the participants had to have a high level of English proficiency as the experiment was done entirely in English to ensure consistency and minimise linguistic bias when it came to analysing the results. The instructions of the simulation were all given in their native tongue to ensure that both parties fully understood rules of the experiment and what was expected of them.

The student's anonymity was preserved throughout. Participants were all recruited voluntarily through them contacting me to do the experiment. The recruiting was done through publishing a message on the University of Venice's student page on Instagram and also by contacting the Ca' Foscari's International offices' welcome unit and their outreach and recruitment office. The names and identities of the participants were not revealed to their partner at any stage and they were asked to

keep their cameras off throughout the experiment. This anonymity was intended to reduce social pressures and stereotype behaviours that might arise from visible cultural markers such as appearance or gender. A minimum compensation of 5 euros was guaranteed to each participant even in the case of failed negotiation.

Research design

The experiment was done by placing culturally homogeneous pairs (either two Italians or two Chinese participants) in a negotiation simulation. The simulation was conducted online with Google Meet, as this seemed the most accessible online platform for all the participants. Participants had to have their camera turned off and their name set to player A or player B to be anonymous. Each session lasts a maximum of 40 minutes. 10 minutes was given for reading the role specific instructions and a maximum of 30 minutes for the negotiation. Participants could communicate freely during the task but not allowed to share visual proof of their payoff structure or turn their camera on, otherwise they would be immediately disqualified.

Each participant received via email their individual instructions that included their role specific information, their profit matrix and negotiation task details. The instructions for Player A and Player B were similar in structure but they had different payoffs. The same numbers were used throughout, but they were just flipped and placed in different orders. This was done on purpose to create a scenario of asymmetry. The instructions were given to the participants in their mother tongue. In this case this would be Italian or Mandarin. However, the live negotiation was conducted entirely in English. The instructions in their native language were done to ensure full understanding of the task.

The structure of the simulation is based on a previous study done by Rocco Elena (2001), but unlike the original version the experiment has been adapted to be easier to comprehend, realistic and relatable. Rocco's variation dealt with a big pharmaceutical company and the conflict was between two managers from different

divisions. Although it is a realistic scenario that could arise in a company, the overly technical and business specific simulation could potentially lead to skewed results, favouring certain cultural knowledge or personal professional experiences. The design used in this thesis instead focuses on a more mundane conflict that is easier to understand for every possible participant.

Participants had to negotiate in three areas of joint investment. The scenario was that two tenants were living in the same apartment building. They must negotiate how to allocate the costs for three shared renovations: noise isolation, elevator maintenance and roof maintenance. These categories were chosen because they could affect one party more than the other, depending on the role they were playing (player A ground floor or player B top floor). For example, Player A is less likely to care about roof maintenance as it doesn't directly affect them and they may prefer to spend more money on noise isolation as that is something that does actually affect them. This introduced the asymmetric interests that would mirror a real world negotiation.

Each participant was randomly assigned the role of Player A (ground floor tenant) or Player B (top floor tenant) based on a coin flip done by me before the experiments. Player A was heads and Player B was tails. The participants were each given a unique payoff structure for each renovation category. They could disclose or withhold their information. They were allowed to negotiate freely and settle on any combination they agreed on.

The task structure was flexible with participants being able to agree on any combination of renovation costs. They had to choose from the five present options per each section. The payoff matrix hopefully introduced enough tension to require the participants to trade between them. They were free to share, exaggerate, or withhold their information during the negotiation. The one condition was that they could not present any physical proof of their claims that were made by them or their partner.

This allowed for the observation of strategic behaviour. Including that of trust building, persuasion, bluffing and concession making. To complete the task each pair had to agree on a price point for each renovation and submit the agreed-upon outcomes via the Google Meet chat.

The instruction sheets are in Appendix A in English and the translated language in Appendix B at the end of the thesis.

PLAYER A

Price	Noise profit	Price	Elevator profit	Price	Roof profit
R1	-400	R2	2100	R3	-800
S1	-100	S2	1500	S3	-600
V1	800	V2	300	V3	0
Y1	1700	Y2	1000	Y3	600
Z1	2000	Z2	1200	Z3	800

Matrix 1 – Payoffs of Player A

PLAYER B

Price	Noise profit	Price	Elevator profit	Price	Roof profit
R1	800	R2	1200	R3	2000
S1	600	S2	1000	S3	1700
V1	0	V2	300	V3	800
Y1	-600	Y2	1500	Y3	-100
Z1	-800	Z2	2100	Z3	-400

Matrix 2 – Payoffs of Player B

Note that the payoff tables may look different for each player but the numerical values were the same. They were just mirrored to create tension and polarisation between the pairs. For instance, Player A's values for "Noise" are identical to Player B's values for "Roof" but just in a reverse order. The "Elevator" tables were identical in values but just flipped between the two players. This created structured asymmetry so that both players had opposing optimal outcomes. This ensured that the total value in the system was consistent across all sessions. This mirroring forced players to think about trades and practise either a distributive, integrative or mixed strategies to reach an agreement.

The agreement was reached once both players had agreed on a price for each of the three renovations and wrote it in the google meeting chat (for example, V1, Z2, R3). If they didn't reach an agreement in 30 minutes, or if one/both participants wanted to withdraw voluntarily, the experiment ended with the default reward of 5 euros per person. This was never the case though as all seven group met an agreement. Agreements that were completed were given a monetary reward anywhere from 5 euros to 14 euros. These were performance based incentives to make the simulation seem more real, since there was money at stake for the participants.

Out of the 125 possible sets of choices, a table (Table 1) with the potential Zone of Potential Agreement (ZOPA) was created. This table was chose based on what was believed to be the minimal Best Alternative to a negotiated agreement for each player, which was set at 2,200 profit points. This was identified from what I considered as a fair and efficient result.

Choice	Payoff A	Payoff B	Total Payoff	Prize A	Prize B
Z1,Y2,R3	2200	2700	4900	5	10
V1,R2,S3	2300	2900	5200	6	11
Y1,Z2,S3	2300	3200	5500	5	14
Y1,S2,R3	2400	2400	4800	7	7
Z1,Y2,S3	2400	2400	4800	7	7
Z1,Z2,R3	2400	3300	5700	6	14
Z1,Z2,S3	2600	3000	5600	8	12
Z1,S2,R3	2700	2200	4900	10	5
Y1,Z2,V3	2900	2300	5200	11	6
Y1,R2,R3	3000	2600	5600	12	8
Y1,R2,S3	3200	2300	5500	14	5
Z1,R2,R3	3300	2400	5700	14	6

Table 1 – 12 Optimal Agreement options

The Data Collection and Analysis

Data was collected through a combination of structured observation, recorded audios, which was then made into full session transcripts of the negotiations. The transcripts captured the full sequence of interactions. They show the proposals, strategic arguments and hesitations of each player. Each negotiation was documented in detail capturing not only the verbal exchange but also the timings. The moderator also took observational notes during each session, focusing on the pacing, the speaker dominance and the tone of each player. For each pair the final selected solution, the total profit, individual profit scores and the time to reach agreement were recorded. This formed the basis of the qualitative and quantitative data for analysis of participant behaviour.

After data collection, a mixed methods approach was applied to the analysis. On the quantitative side each pair's final agreement was compared to a reference set of twelve optimal outcome combinations (see table 1). The final profits of each player was then assessed in terms of individual gain and balance between the players. It was then seen how these aligned against the one of the twelve predefined 'optimal agreement' that reflected high efficiency and fairness. These were then compiled into an overview of actual outcomes, including option combinations selected by each pair and their associated payoffs (see Table 2).

Choice	Player A	Player B	Total	Prize A	Prize B	Participants	Experiment
V1,Z2,V3	2000	2900	4900	4	11	PlayerA/PlayerB	Italian experiment 1
V1,Y2,V3	1800	2300	4100	3	7	PlayerA/PlayerB	Italian experiment 2
V1,S2,V3	2300	1800	4100	7	3	PlayerA/PlayerB	Italian experiment 3
Z1,Z2,Y3	3800	1200	5000	15	0	PlayerA/PlayerB	Italian experiment 4
V1,R2,V3	2900	2000	4900	11	4	PlayerA/PlayerB	Chinese experiment 1
Y1,S2,S3	2600	2100	4700	9	5	PlayerA/PlayerB	Chinese experiment 2
Z1,S2,R3	2700	2200	4900	10	5	PlayerA/PlayerB	Chinese experiment 3

Table 2 – Actual Outcomes and Associated Payoffs

Outcomes were then classified as “balanced”, “fair”, “imbalanced” or “highly imbalanced” depending on the numerical difference between participants’ payoffs (see Table 3).

Pair	Directness	Concessions Made	Trust Building	Time to Agreement (min)	Emotional Tone	Agreement Reached	Outcome Type
Italian 1	Moderate	Medium	Clear mutual alignment	4	Neutral	Yes	Moderately imbalanced
Italian 2	High	Medium	Efficient turn-taking	6	Polite	Yes	Imbalanced
Italian 3	Moderate	High	Reciprocal	10	Cooperative	Yes	Imbalanced
Italian 4	High	High	Open and collaborative	6	Supportive	Yes	Highly imbalanced
Chinese 1	Moderate	Medium	Some hesitation	15	Cautious	Yes	Imbalanced
Chinese 2	Low	High	Compromising tone	12	Gentle	Yes	Fair
Chinese 3	Moderate	Medium	Early cooperative framing	29	Polite, escalating tension	Yes	Fair

Table 3 – Analysis of the Experiment

On the qualitative side, transcripts and observation notes were analysed with the use of cross-cultural theory to identify patterns in the communication style, the use of concessions, emotional tone, trust building and conflict resolution style. Attention was paid to the strategic behaviours displayed during moments of disagreement or alignment. The time required to reach an agreement was also noted as a factor of negotiation dynamics. These variables were coded and organised into a comparative summary matrix across all seven pairs (see Table 3); this shows cross-cultural behavioural trends.

To ensure the ethical integrity of the experiment a minimum reward of 5 euros was guaranteed to all participants regardless of the outcome. This was done to compensate them for their time. While the safety net was in place all participants decided to finish the experiments with successful negotiation. Quotes were anonymised and all personal identifiers were removed to ensure the participants confidentiality.

3.4 The Results

I will present the results of the experimental negotiation task conducted with seven pairs of university students. The goal was to see how participants from different cultural backgrounds negotiated under a controlled, role-based experiment which had an asymmetric payoff structure. The data includes quantitative outcomes and qualitative behavioural insights drawn from transcripts, recordings and observations.

Individual case findings

All pairs completed the task and reached a mutual agreement within the 30-minute limit. The way they communicated, strategized and balanced varied between the Italian and Chinese groups. Each negotiation pair will be briefly described to show these differences more in depth.

Italian experiment 1

This first Italian pair was fast and efficient. Completing the task in less than 5 minutes. Player A started proposing options based on personal profit ranking “starting from the noise profit the first two options are not okay for me”. Player B responded with a clear and direct comment “Okay well I would actually prefer the first two options,” Early on the pair understood that the noise profits were not aligned and had a brief non-confrontational disagreement. They swiftly agreed to move on and return to the noise profit later.

The negotiation had quick shifts between issues and with little repetition. Concessions were framed as compromises and “middle-ground” which is a common running theme throughout the different Italian experiments. Participants were open to sharing their preferences. Player A’s proposals were usually for personal benefit.

They agreed on V1, Z2, V3 in approximately 4 minutes. The agreement fell outside the twelve pre-identified optimal outcomes. The result was a moderately imbalanced distribution of profit in favour of Player A. The total profit was the second highest in all the Italian experiments.

Italian experiment 2

The second Italian pair opened the negotiation in a collaborative way. Player A asked for Player B's preferences, "Which one would be best for you?". Despite some minor disagreements on noise profit, they navigated those differences smoothly through polite exchanges and firm logical proposals.

When they disagreed on elevator and roof profits both participants were semi-transparent. They would mention whether their profit was positive, negative or zero and even occasionally mention the numerical value. The discussion was focused on finding mutually acceptable options, "you can choose whatever you like."

The pair settles on V1, Y2, V3. The negotiation was done in approximately 5 minutes. The outcome imbalanced but remained within an acceptable fairness range, it also had one of the two lowest total profits with 4,100. The conversation had clear verbal communication, assertive proposals and minimal emotional tension.

Italian experiment 3

The negotiation followed a structured pattern, with Player A starting most topic transitions and leading the discussion with clear proposals. Both parties exchanged their preferred outcomes and would try to use numbers to justify their positions.

Disagreements arose over noise and elevator profits but were resolved through compromise or what would be considered the "middle-ground", saying things such as "it's the same for me, so. It's, like, a middle point." Throughout, Player A took charge and Player B was cooperative and offered alternative solution. Both players

agreed to compromises when presented with what to them was considered acceptable options.

The pair reached an agreement with V1, S2, V3 in 10 minutes. The deal resulted in an imbalanced solution. The total profit was one of the two lowest total profits at 4,100. Typical Italian of directness, assertiveness and emphasis on task completion was seen throughout.

Italian experiment 4

Italian pair 4 showed the clearest example of assertive value claiming behaviour. Player A immediately started the experiment explaining their logic and intentions when going into this negotiation. Player B was willing to compromise early on, saying things such as “want to find a middle ground.”

Throughout the negotiation, Player A controlled the discussion, proposing combinations that were in their own favour while playing it off as trying to look for the ‘best option’ for both of them. Player B offered little resistance and agreed to Player A’s framing of acceptable outcomes. Discussions over elevator and roof profits had occasionally moments of negotiation Player B deferred to Player A’s proposals.

The pair agreed on Z1, Z2, Y3, this caused an extremely imbalanced outcome with player A getting 2,600 more in profit points. Even when talking about total profit, it was the highest result out of all the experiments at 5000. This was the most extreme imbalance out of all the pairs in the study. This strongly reflected a strong individualistic, achievement-oriented tendency that is consistent with Italy’s cultural profile. The negotiation was done in around 5 minutes.

Chinese experiment 1

Chinese pair 1 started with a polite and harmonious tone. Both participants framed their preferences carefully, often using language that was indirect to propose alternatives or even test the other's willingness to adjust their choice. Initial disagreements arose over noise and roof profits but these were handled through patient clarification "Maybe we can have a discussion to choose one from them."

Both players showed concern for one another's satisfaction, saying things such as "I have too much profit, I don't think it's applicable, so I think maybe V1 is better for both of us." They also frequently sought mutual confirmation before proceeding. Trust building was visible throughout the conversations, with both people checking whether suggestions were acceptable. At one point the negotiation stalled over the different preferences for roof profit, but both participants engaged in problem solving to solve the problem.

The pair agreed on V1, R2, V3 in around 15 minutes. This combination produced an imbalanced outcome as the total result was high but the individual scores were slightly imbalanced. The fact that the experiment took around 15 minutes demonstrated Chinese participants' preference for careful and face-preserving interaction.

Chinese experiment 2

Chinese pair 2 negotiated in a collaborative way. The experiment began with the expressions of mutual understanding, both players emphasised their concerns and acknowledged that of the other player. Player A was initially uncomfortable with some noise options, while Player suggested alternatives for roof profit.

Throughout the experiment both participants actively proposed compromises, they often rephrased offers to ensure mutual comfort. Trust building language such as "how about this?", "What do you think about..." and "What is your opinion about..."

appeared. Small misunderstandings over specific profit options were addressed calmly and quickly.

The pair ended up with Y1, S2, S3, resulting in a fair outcome with minimal profit disparity. It may be the lowest total profit out of the Chinese experiments with 4700 profit points however, it is not the lowest in all the experiments, with Italian experiments 2 and 3 being at 4100. The total negotiation time was around 12 minutes.

Chinese experiment 3

Chinese pair 3 conversation started with cooperative intentions, with both players expressing a desire to do the experiment as partners rather than opponents, "try to make an outcome that's good for both of us". Even though expressing cooperative terms player A lied and bluffed about their numbers. At one point they are even caught by player B, to which player B expresses dissatisfaction and unhappiness with Player A. As the negotiation progressed, issues emerged over elevator profit, where both players had opposite optimal interests. This due to the fact that in both noise and roof maintenance, both the players had agreed to receive in one section the absolute lowest profit (even in the negatives) and to receive the absolute highest profit in the other section. They were able to see that compromising in one section would give them the highest personal profit while also giving the highest profit to their partner. The issue actually started when it came to deciding on the elevator price because now the profits were all positive and it was just a discussion on who in their opinion deserved more than the other in this section. Even if they were both going to benefit in this section as they both had only positive numbers, they just had to decide who deserved it more.

Moments of emotional tension were visible particularly when Player B expressed frustration during discussions. Accusations of unfairness arose briefly, with Player B suggesting that Player A was being uncooperative. Player B even threatened at one point to just let the time run out so they would both get the minimum if Player A

didn't choose the option which was less for them and more for Player B. Even with all this emotional tension they ultimately recommitted to finding a solution.

The negotiation ended with only 3 seconds to spare off the 30-minute time limit, this was the longest experiment of any pair. They concluded with Z1, S2, R3. The final outcome was fair, balancing the common interests without extreme advantage for either side. Despite the temporary escalation, the negotiation remained relational, with a total profit score of 4,900. This was also the only pair that fell into the 12 optimal solutions categories.

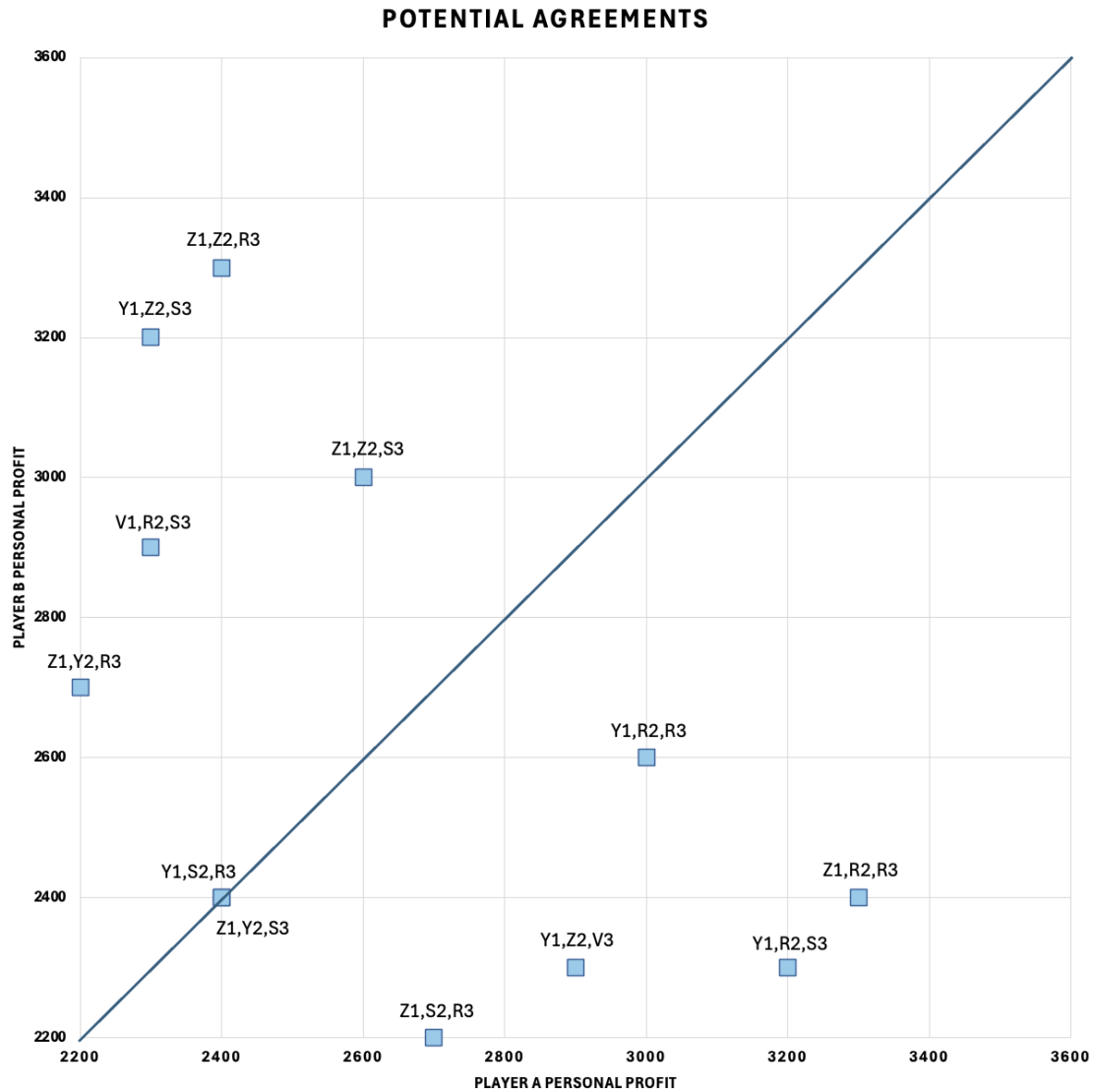
Summary of the patterns from individual experiments

Across all negotiations, cultural patterns emerged. Italian pairs tended to prioritise efficiency, clarity and personal outcome maximisation, reaching agreement within ten minutes however this was usually at the expense of equity. Chinese pairs displayed relational caution, indirect communication and a steady focus on mutual satisfaction. This resulted in longer negotiations that produced more equal outcomes. These consistent patterns of communication, concession strategy and outcome equity support the hypotheses while also aligning with theoretical expectations.

Overview of Outcome

The participants negotiated how to divide the cost of three shared renovations (noise, elevator and roof). The task was built on from the mirrored payoff structures, where players A and B faced inverted profile tables. This hopefully encouraged strategic decision making, concessions and trade-offs between the players.

As mentioned before these twelve outcome combinations were identified in advance as theoretically efficient based on their fairness and joint profit (see Table 1). These potential outcomes were then plotted in a graph (see Graph 2) and will be used as a benchmark this results of the experiment section.



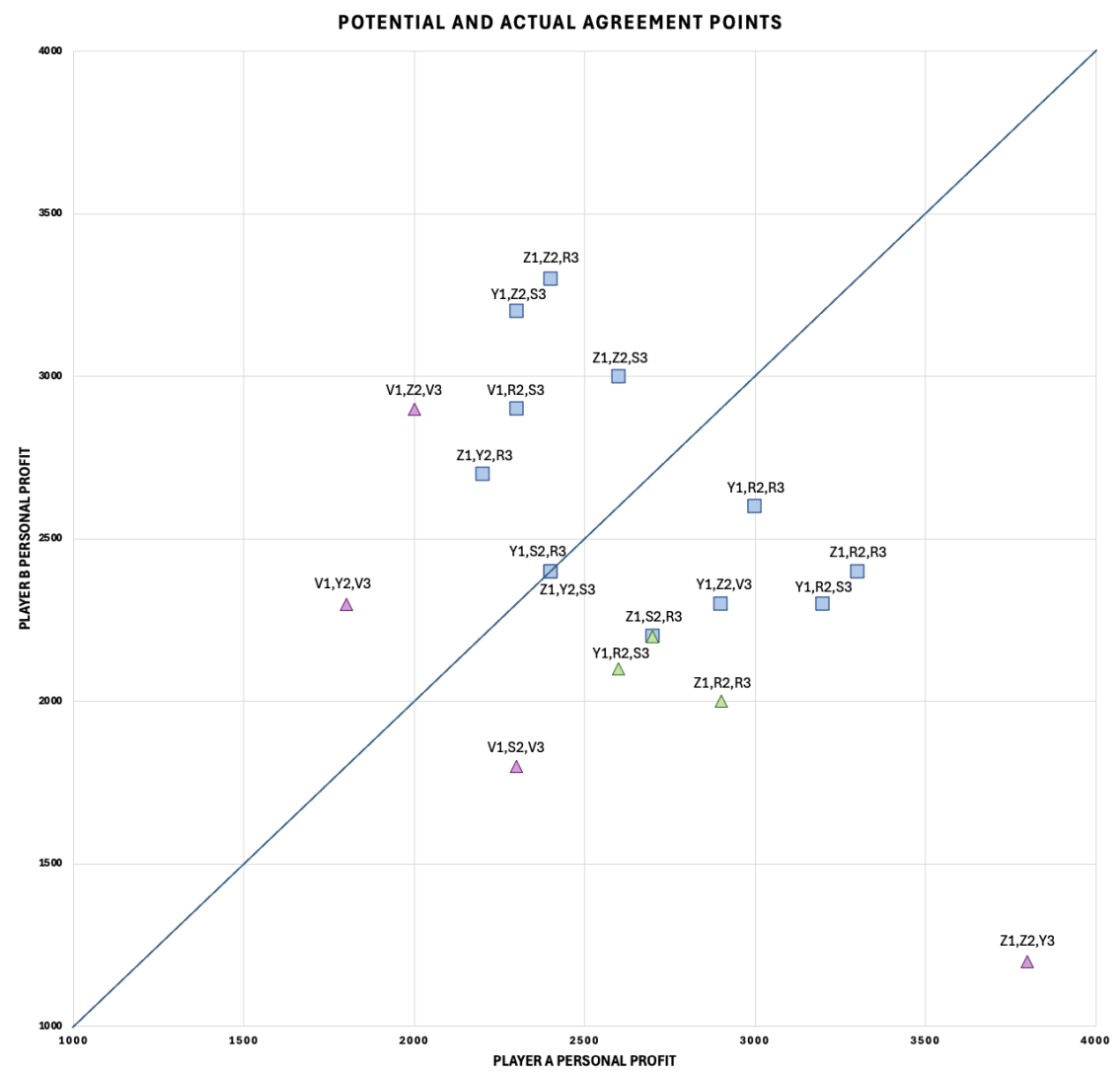
Graph 2 – Potential Agreement Options

The Actual outcomes and cultural comparison

All seven pairs were able to successfully reach an agreement with no one defaulting to the fallback prize. Table 2 shows the final option combinations, profit distribution and the prize for each pair. Some results were close to the predicted optimal zones however most agreements were just slightly off in balance, efficiency or both.

To see this, Graph 3 shows the actual agreements (green triangles for Chinese pairs, purple triangles for Italian pairs) and the predicted efficient outcomes (blue squares). Out of all of the experiments, only one fell into the optimal category of the

12 that were already established efficient outcomes (this can be seen by the green triangle on top of the blue squares). This visual comparison reveals a clear cultural divide.



Graph 3 – Potential and Actual Agreement Options

Italian pairs had a higher average imbalance between Player A and B with a mean difference of 1,125 profit per pair. Chinese pairs had a smaller gap of 633 profit per pair, indicating stronger equity in distribution.

Despite being more assertive with their approach the Italian pairs did not achieve higher total profits than their Chinese counterparts. They sometimes got less efficient outcomes despite being faster and more decisive. These trends suggest that Chinese pairs were able to be fairer without sacrificing too much efficiency.

A comparison of the main differences

The behavioural trends seen in each negotiation pair can be found in Table 3. It reveals clear differences in communication and negotiation styles between the two cultural groups. Italian participants tend to be more direct in their communication. They propose options assertively and move quickly through their decisions. Chinese participants use language which is more indirect and consensus seeking phrases. Which they believe softens their suggestions to hopefully preserve harmony between the pair.

Concession patterns also different. Chinese pairs make gradual and subtle compromises. Participants adjust their positions slowly in response to the tone or framing of the other. Italian pairs made firmer counteroffers or proposed trade-offs with less back and forth, they rely more on efficiency.

Trust building is present in all the pairs but it manifests differently. Trust is built through logic and clarity in the Italian group. The Chinese participants on the other hand-built trust through affirming language, repeated confirmation and alignment before making their final choices.

The emotional tone follows similar cultural lines. Italians' conversations were neutral to cooperative. They had moments of expressiveness but it was mainly focused on task completion. Chinese conversations were cautious and polite. In one case, they showed escalating emotional tension but still remained respectful throughout the entire experiment.

Time to agreement also varies between the groups. Italian pairs reached an agreement in 4 to 10 minutes, which was very quick. Chinese pairs took longer

taking anywhere from 12 to 29 minutes, which could potentially indicate a more deliberate and relational approach to consensus building.

Patterns in outcome types

Each agreement was classified as balanced, fair, imbalanced or highly imbalanced. This was based on the distribution of profit between Player A and Player B, it also looked at the prize money that they won at the end, that took into consideration the personal and total profit. A balanced outcome was when there were almost equal benefits for of both participants. A fair outcome was when there was disparity but could still be considered as mutually acceptable. An imbalanced outcome was when one participant got much more than the other and the highly imbalanced outcomes was when there was an extreme disparity.

As shown in Table 2, outcome types were clearly linked to the cultural group of each pair. The Italian experiment 4 was highly imbalanced as Player A got 3,800 points and Player B only 1,200 points. Also other Italian pairs were imbalance but this was to varying degrees. The Chinese pairs 2 and 3 were able to negotiate agreements that were fair or balanced. This emphasised equity and mutual gain throughout groups. One thing to take note of is the fact that only one pair selected an agreement that matched one of the twelve pre-identified optimal outcomes and this was Chinese experiment 3.

These results show that Italian participants tend to focus on their own personal outcomes and sometimes proposing splits that were more favourable to one side which was usually their own side. Chinese participants, on the other hand emphasised the relational balance and shared satisfaction of the participants even if it meant less profit for themselves.

Summary of key findings

All seven of the negotiation pairs were able to successfully reach an agreement. This reflected a high engagement and shared willingness to complete the task. However,

the outcomes and negotiation processes varied across the different cultural groups. The Italian pairs were task-oriented and outcome driven. Their negotiations were quick, usually taking anywhere from 4 to 10 minutes. Italian participants tried to be more efficient, they quickly proposed and accepted different options. They rarely revisited the already rejected offers. Most concessions were actually framed as logical trade-offs and 'middle-grounds'. Player A frequently initiated proposals and Player B responded rationally. This assertive and low-context style actually resulted in many unequal profit distributions. This is most clearly seen in Italian pair 4, where Player A had a much higher profit than Player B.

Chinese pairs were relational and 'face' sensitive. Discussions were about partnerships and mutual confirmation. Negotiators made incremental concessions, which were often phrased indirectly to try preserve the harmony and avoid conflict. Phrases like "I'm thinking I would like to listen to your opinion" and "Which one do you prefer?" were common throughout the transcript. Negotiation time among Chinese pairs was anywhere from 12 to 29 minutes, just showing that they spent more time to build consensus.

Quantitative analysis confirmed these cultural patterns. Only one pair achieved an outcome that matched the twelve pre-identified 'optimal' solutions. Among the Italian pairs the most common solutions were imbalanced and highly imbalanced outcomes, they had an average profit gap of over 1,100 profit points. Chinese pairs had scores which could be defined as more equal with them averaging just around 600 in profit point gap. Italians prioritised speed and outcome maximisation, the Chinese participants showed more patience, with an emphasis on fairness and joint satisfaction even when it meant that the negotiation would take longer.

Italians operated under assumed trust, they would quickly move between proposals without really any emotional negotiation. Their trust was seen as more transactional, embedded in logic and outcome progression. Chinese participants managed to build trust gradually, using relational language to try invite collaboration and verify their mutual understanding. They tried to ensure shared comfort at each negotiation stage.

These findings show a fundamental cultural negotiation logic divide. Italians tried to pursue a more efficient outcome-oriented strategy. The Chinese participants went for harmony and equity. This just further confirms the broader theoretical distinction between individualist, low-context cultures and collectivistic, high-context.

3.5 Discussion of the findings

Revisiting research objectives and hypotheses

The thesis tried to investigate how cultural backgrounds can influence negotiation behaviour. It also tried to see how outcome orientation and interpersonal dynamics change in a structured but flexible experimental setting. The scope was to examine whether participants from two culturally distinct groups, Italy and China would demonstrate real, significant differences in how they approached and resolved negotiation tasks. Four hypotheses were proposed to guide this analysis.

Hypothesis 1: Italian participants would be more direct in their communication style and decision making than the Chinese participants.

The results support this hypothesis, the Italian participants consistently used assertive and clear language, they often initiated proposals and drove the discussion towards agreement. Their dialogue was characterised by explicit offers, stating clearly their preferences and a minimal use of indirect or face-saving language. Their negotiations were shorter under 10 minutes and their tone was typically practical or expressive. Chinese participants used a more reserved and tentative language, looking for confirmation and consensus before moving forward. They used open-ended suggestions and repeated verbal confirmation to manage harmony. Negotiations in Chinese pairs took longer, as participants showed more caution. These communication differences actually match with prior research on low-context (Western) versus high-context (East Asian) communication styles that were

theorised by Hall (1976) and reinforced by Hofstede's (1980) on individualism versus collectivism.

Hypothesis 2: Chinese participants would be more outcome orientated towards fairness and relational balance than their Italian counterparts.

This hypothesis is also confirmed, Chinese participants preferred when outcomes produced a more balanced distributions of profit between the players, they had an average difference of just 633 points. Chinese couples chose solutions that they believed to be fair, even when the overall profit could have been slightly larger. Italian pairs actually showed a higher average imbalance with 1,125 points, with player A often taking a larger share of the total profit. This supports the idea that Italian participants were more comfortable with accepting unequal outcomes if that meant that the total benefit was maximised, this is consistent with an individualist and performance-driven cultural logic.

Hypothesis 3: Italian participants would be more outcome orientated, even at the cost of equity.

This hypothesis was only partially supported. Italian pairs were pushier in negotiation but this didn't mean their outcomes were more efficient when talking about total joint profit. In fact, some Chinese pairs achieved similar or higher total value while maintaining equity. The Italian tendency to prioritise speed and self-advantage may have actually limited their ability to reach optimal solutions, as it was seen that the outcomes all fell outside the most efficient solution space. While the Italians were more focused on value claiming, this did not always translate into most outcome orientated agreements.

Hypothesis 4: The Cultural background would influence concession behaviour and the use of trust building strategies.

This hypothesis was supported by the data. Chinese participants did more implicit and gradual forms of concession, often using softening language or relational signalling. They would ask questions such as “Is that okay for you?” or “Should we try this one?” They also frequently acknowledged the other’s perspective before offering alternatives. Trust was built much more slowly through ongoing alignment and verbal confirmations. Italian participants did more transactional concession behaviour. They usually offered one option, then shifted quickly if it was rejected, usually without extended discussion. Trust was more assumed than built and the interaction was mainly task focused.

We are able to see that these findings confirm that culture plays a big role in shaping the outcomes of negotiation and the very strategies or behaviours negotiators use to get there.

Cross-cultural interpretation of key findings

The patterns seen in this study, both in behaviour and results, fit well with some known cross-cultural theories, especially the ones from Hofstede, Hall, and Trompenaars and Hampden-Turner. These theories help to understand the different ways Italians and Chinese people negotiated, showing how culture influences how people think, what they value, and how they make decisions when talking to others.

Following Hofstede’s cultural dimensions one of the most important differences between Italy and China is their Individualism vs Collectivism score. Italy is a very individualistic country, where people care a lot about personal success and speak directly. Italians are culturally inclined to follow their own goals. This could be seen during the negotiations: Italians often accepted or proposed deals that were not very equal, especially if it was good for them or helped to close the deal faster. Their way of talking was focused on the task, and negotiations went faster, without spending too much time on creating any relationship.

China, on the other hand, ranks high on collectivism. They emphasise group harmony, long-term relationship building and the careful management of relational dynamics. Chinese participants in this study demonstrated a strong inclination towards fairness and balance. Even when higher total profits were attainable, Chinese pairs often selected options that ensured a slightly more equal distribution between the players. These behaviours show a collectivistic cultural predisposition that values social equilibrium and mutual respect over individual maximisation.

These behavioural trends also show Hall's 1976 high context versus low context communication theory. Italian participants exhibited traits of low context cultures; their communication was explicit, meaning was conveyed largely through words and negotiations were characterised by clarity and directness. Unknowingly proving that China is a high context culture, Chinese participants used a more indirect and context-based way to communicate. They often made proposals in a soft way, using suggestions instead of direct offers. Trust was not shown through clear words, but more through respect, harmony, and indirect confirmation. The fact that Chinese groups needed more time to negotiate shows how important it is for them to avoid conflict, protect face, and make decisions by reading small social signals.

Trompenaars and Hampden-Turner's cultural dimensions also help to better understand these differences, especially the part about achievement-oriented and ascription-oriented cultures. The Italian participants acted more like people from achievement cultures, where status depends on performance, being confident, and controlling the results. You could see this in the way Italians treated the negotiation as a task that should be solved fast, often explaining their reasoning to justify their proposals. On the other hand, the Chinese participants paid more attention to relationships and roles, following ascription-oriented values where the situation, mutual respect, and social harmony are more important than promoting oneself.

These theories help to explain the results of this study. Culture does not only change how people talk, but also how they see fairness, success, possible options, and the negotiation itself. For example, what might look like indecision in one culture (like

the Chinese way of looking for group agreement) might be seen in another culture as a sign of wisdom, diplomacy, or careful strategy. In the same way, behaviour that seems fast and focused on results (like some Italian groups) could be seen by others as too aggressive or selfish.

Looking at the results through these theories shows that negotiation is not just an exchange of offers and money. It is a cultural interaction where values, beliefs, and communication styles influence both how the negotiation goes and how it ends.

Cultural logic in negotiation outcomes

Beyond the communication styles and decision-making behaviour discussed above, the results of this study show deeper differences in the underlying cultural logic that guided how participants from each group approached the negotiation task. These logics go beyond style or strategy and reflect the broader cultural values and mental frameworks that define how people think about fairness, cooperation, risk and success.

For the Italian participants, negotiation was viewed as a goal-oriented exchange, where the main objective was to maximise individual or collective payoff through efficient interaction. Their behaviour used a logic that was rooted in assertiveness, clarity and task resolution. Offers were made quickly and directly and when accepted, the discussion concluded with little emphasis relational closure. Even when outcomes were unequal, Italian participants often accepted them without protest if they made sense to them or just had a strong rationale. This is a utilitarian cultural orientation, where the outcomes are evaluated based on logical merit and overall performance, rather than the emotional or relational criteria.

Chinese participants saw negotiation as a relational balancing act, a space where mutual understanding, face preservation and long-term social equilibrium mattered just as much, if not more, than the immediate outcomes. Their behaviour was guided by a cultural logic of interdependence, where fairness wasn't just about numerical

equality but also about harmony and trust between parties. Proposals were often more indirect than that of the Italians, framed as questions or soft suggestions. There was a clear effort to check for the other's comfort or agreement before moving forward onto the next point. This slower, more deliberate style was not due to indecision but it actually reflected a deliberate relational strategy based on values of patience and social sensitivity.

Importantly, this cultural logic was evident not just in what participants said but actually in what they prioritised. For example, Chinese pairs were more likely to reject high-profit combinations if they introduced large disparities between Player A and Player B. Italian pairs on the other hand, were more inclined to accept imbalances when they led to greater personal gain. These decisions reflect differing definitions of what constitutes as a "good" outcome in negotiation. For Italians, it was often about overall profit and logic, for Chinese participants, it was about balance and perceived fairness.

The mirrored design of the payoff tables was done to further amplify these contrasts. With each player starting from an unequal position, the task required participants to either compete, cooperate or negotiate around the imbalance. Italian pairs solved this by proposing their personal best option early, even occasionally pushing for acceptance without any lengthy discussion. Chinese pairs on the other hand engaged more in reciprocal adjustment, slowly proposing different alternatives that narrowed the profit gap and invited mutual gain.

These results show that cultural logic shaped not just the tactics used in negotiation, but the very meaning of success and strategy for each group. Italian participants went with a logic of efficiency and performance. Chinese participants followed a logic of relational equilibrium and shared dignity.

Relational vs outcome orientation

One of the most interesting contrasts in this study is the tension between relational orientation and outcome orientation, the two underlying motivations that drove the negotiation behaviour of Chinese and Italian participants. Both groups showed the ability to negotiate effectively and reach an agreement, but their approaches and priorities suggest fundamentally different understandings of what constitutes a good negotiation.

The Italian pairs were outcome orientated, focused on measurable results, logical proposals and quick resolution. Their main concern was to be able to get a high joint payoff or an individually good deal, even if this created an imbalance between the players. This performance orientated logic is in line with the Western notion of negotiation as a transaction, as an exchange where each party pursues their goals within a competitive or pragmatic framework. Italian participants felt more comfortable pushing for outcomes that they logically believed 'made sense', even if they meant significant disparities in profit. Success was often equated with getting the most out of the deal and resolving the task quickly

The Chinese participants were relational oriented. This behaviour meant that success in negotiation was not just about the numbers but also about how the process went. The way decisions were framed placed a strong value on mutual satisfaction and mutual agreement. Proposals were posed very carefully and concessions were often presented in ways that saved 'face' for both individuals. This strategy clearly aligns with broader Asian cultural norms, where interpersonal harmony, long-term relationships and social cohesion are seen as more important than immediate gain.

These divergent orientations also explain the trade-offs between efficiency and balance. While Chinese participants took longer to reach an agreement but results were more balanced. They didn't take longer because they were being inefficient with their time but actually because they were taking care to ensure alignment and

mutual comfort between the players. Italians reached agreements faster but often ended up with skewed profit distributions, as they prioritised closure over caution.

In real life international negotiations, these differences can potentially lead to misunderstanding or frustration if each side expects the other to operate under their same cultural logic. Outcome oriented negotiators may see relational behaviour as indecisiveness or as a lack of competitiveness, while a relationally oriented negotiator will see outcome-driven strategies as aggressive or even insensitive. Being able to recognise and adjust for these differences is key for building a mutual trust and sustainable agreements in cross-cultural contexts.

Ultimately, this study shows that negotiation is not a culturally neutral skill. The decision to prioritise things like harmony or efficiency, fairness or one's own gain, patience or speed is shaped by deeper cultural values that influence not just how we negotiate but what we believe negotiation is for.

Implications for cross-cultural negotiation practice

What can we learn from this study on cross cultural negotiation? As international collaboration becomes more and more common in business and everyday life, being able to recognise and adapt to cross cultural negotiation logics is very important. The differences between Italian and Chinese participants, rooted in individualism versus collectivism, low context versus high context communication and outcome versus relational orientation, shows that negotiation is not a universal skill, but actually a culturally contingent practice.

One of the most immediate implications is the importance of pre-negotiation cultural awareness. Entering a negotiation with the assumptions based on one's cultural norms can lead to misinterpretations or the misjudgement of the others intent. For example, when an Italian negotiator sees decisiveness or efficiency it might be seen by a Chinese counterpart as pressure or actually a lack of respect. Conversely, what a Chinese negotiator sees as respectful caution might be seen by

an Italian counterpart as hesitation or evasion. Having awareness of these differences can reduce friction and enhance mutual understanding.

This study also highlights the value of adaptive negotiation strategies. Effective cross-cultural negotiators must be able to adjust their style, this does not mean abandoning their cultural identity but actually being to develop intercultural flexibility. This might mean using more indirect language with high-context partners, being more willing to explain proposals in relational terms or pausing to reaffirm consensus before proceeding. Negotiators who tend to be oriented towards relations might benefit from recognising when outcome focused strategies are better and finding ways to assert their needs without undermining harmony.

Another key implication is how success is defined in a cross-cultural setting. Negotiators must understand that metrics such as speed or profit maximisation may not be as important in different cultures. In some contexts, success might mean leaving a negotiation with the relationship intact or having made progress in building trust for future engagements. A point of view focused only on the economic side of negotiation doesn't capture the complex social goals that many cultures see in the whole process.

Finally, this research points to the value of simulation-based learning in intercultural competence development. By engaging in structured negotiation tasks participants are not only challenged to perform but also to reflect on how their cultural instincts influence their behaviour. Such exercise can prepare professionals for the nuanced demands of global interaction and reduce the reliance on stereotypes or rigid cultural models.

In short, negotiating across cultures is not only about skill or preparation but also on the deeper ability to understand and respect different ways of thinking about fairness, communication and human interaction. As this study shows, when we don't have the understanding, negotiations can get out of balance or confusing. When we do, negotiation is more likely to reach agreements that are not only efficient but shared.

CONCLUSIONS

The study aimed to investigate how cultural frameworks influence negotiation behaviours, outcomes and interaction dynamics among Italian and Chinese university students in a structured negotiation simulation. While the results confirmed many existing cultural theories, they also showed subtle patterns that are useful for negotiation in an increasingly globalised, virtual and intercultural world.

Theoretical contributions

The research adds to the cross-cultural negotiation literature and extending our current understandings in meaningful ways. As Hofstede's model suggests there were strong contrasts that emerged between Italian and Chinese participants across the individualism-collectivism dimension. Italian negotiators approached the task with an individualistic, efficiency-driven mindset. Which prioritised personal outcomes, quick decision making and assertive proposal framing. Chinese participants were collectivistic, cautious, balanced and overall harmony orientated, where they prioritised fairness and face-saving over speed or maximum individual gain.

Hall's high-context versus low-context communication framework was evident in the negotiation dialogues. Italian participants communicate directly and explicitly, presenting their proposals as logical and final. Chinese participants used indirect suggestions, relational language and verbal reassurances. This was done in order to carefully navigate mutual agreement while managing the emotional comfort and keeping 'face'. Misunderstandings were resolved through clarification and collaborative phrasing rather than confrontation.

Trompenaars and Hampden-Turner's achievement-ascription dimension offered additional explanatory power. Italian participants saw negotiation as a performance exercise where success reflected their personal capability in argumentation,

outcome control and speed. The Chinese participants were more sensitive to role expectations, social balance and long-term relational stability indicating a greater emphasis on ascription-based values in their negotiation logic.

One of the more important things was that the study revealed that while these cultural frameworks accurately captured these broad trends and the big picture, negotiation behaviour is not determined by national culture. Several Italian participants were flexible and fair at times, while some Chinese participants, especially when under pressure, showed signs of emotional tension and assertiveness. This means that cultural values are guiding logics rather than fixed behaviours. This also means individual negotiation styles emerge from the interplay of cultural norms, one's personal experience, the context and the tasks demand. This nuance adds to the growing body of negotiation research that highlights the dynamic, context-sensitive nature of intercultural negotiation processes, especially that of the younger generation. Generations are more and more exposed to global education and interaction norms.

Practical implications

The practical implications of these findings are highly relevant for negotiators and organisations that operate within international environments. Firstly, one's cultural self-awareness is key. Negotiators who approach cross-cultural interactions without the understanding of their own cultural logic and that of their counterparts' risk misinterpreting negotiation behaviour. For example an Italian negotiator may see Chinese cautiousness and consensus building as indecisiveness or hesitation. While a Chinese negotiator may see the Italians assertiveness as insensitivity or impatience.

Secondly, adaptability is a key intercultural negotiation skill. Successful negotiators must be willing and able to learn to adjust their pacing, communication style and proposal framing based on cultural expectations. For Italian negotiators that are working with high-context partners, this may signify slowing the negotiation pace,

using more relational language and inviting feedback from their counterpart. For Chinese negotiators working with low-context partners, it may mean presenting clearer proposals earlier on in the negotiation and signalling their readiness to make decisions.

Thirdly, these findings have direct relevance for cross-cultural business training and international education programs. Simulation-based negotiation exercises, like the one used in this thesis, are effective learning environments for developing an intercultural competence. It could potentially provide participants not only with negotiation experience but with the opportunity to reflect on how cultural values influence their instinctive approaches to negotiation tasks.

Fourthly, a global company should integrate cultural sensitivity into negotiation preparation and team designs. Managers should recognise that different definitions of “successful negotiation” exist across each different culture. Where some cultures emphasise the rapid closure and outcome maximisation, other cultures may prioritise trust and long-term partnership stability. Cross-cultural teams benefit when negotiation protocols are designed to allow space for these different logics, reducing the friction and misunderstandings that can potentially derail collaboration.

Finally, the findings have practical implications for the increasingly digital nature of global negotiation. As more negotiations are conducted online, without the benefit of nonverbal cues or informal rapport-building, communication differences between high-context and low-context cultures may become even more pronounced. Digital platforms may inadvertently amplify misunderstandings if negotiators fail to adapt their language to compensate for the lack of nonverbal context. Future virtual negotiation environments should consider integrating features that encourage clarification, pacing control and relation check-ins to support more inclusive digital negotiation processes.

Limitations

While the study was valuable there are still several limitations that should be acknowledged. Firstly, the sample size was small, it only had seven negotiation pairs which limit the generalisation of the findings. While the sample size was deliberately kept small to allow for a more in-depth qualitative exploration for my thesis, this however does restrict the statistical generalisability of the data found.

Secondly, all participants were university students with a very similar age and educational background, which may not reflect the behaviour of professionals in the same real-world work negotiation scenario.

Thirdly, while the task was realistic it was still a simulation and participants may have behaved differently under an actual financial or reputational stakes. Another limitation would be the low reward structure that was used in my simulation. While participants could receive anywhere between €5 and €14 depending on the negotiation outcome, this amount may not have been enough to actually trigger the proper competitiveness in the players or simulate the tensions of a high-stakes negotiation. Decisions in the real world often involve bigger financial and also reputational consequences. The low stakes of this study may have influenced the way people negotiated and their risk-taking or resistance. Particularly among those for which the incentive meant little.

Lastly, since the negotiations took place completely in English, which was not the native language of most participants, some communication subtleties may have been lost or even potentially altered. Cultural differences on how fluent they were in English or their linguistic comfort could have affected how participants expressed themselves or interpreted the other participants.

Recommendations for future research

It would be recommended for future research to expand on this study in a couple different ways. Such as having a larger and more diverse sample would help increase the validity of the findings. This could allow for a more nuanced cultural comparison.

It would also help to be able to explore real-world negotiation settings, such as business partnerships to actually observe how cultural dynamics might play out when the stakes are higher. A more longitudinal study could possibly investigate if intercultural negotiation behaviours actually change over time as the individuals gain more international experience or have more cultural exposures.

The relatively low stakes may not accurately reflect the high pressure and real-world circumstances, even though the negotiation included real money incentives. Another good direction for future research could be to conduct cross-cultural negotiation experiments with mixed pairs, like one Italian and one Chinese participant negotiating against each other. This would allow for researchers to not only observe some cultural tendencies in the isolation of their own culture but also the ways individuals fight and/or align when engaging with individuals from across cultural boundaries. Having mixed cultural pairs could reveal whether the participants shift their behaviour in response to unfamiliar styles and how negotiation dynamics change when their cultural assumptions are not shared. This would significantly enrich the understanding of negotiation as a dynamic and intercultural practice that is extremely relevant in global business and international relationships.

Final reflections

The findings of this study confirm the point that negotiation is not only a purely technical process nor a universal skill set that is easily transferable across different contexts. Negotiation is a deeply cultural practice that is shaped by the invisible assumptions, communication habits and relational expectations that negotiators carry with them into these discussions.

In the case of the Italian participants, negotiation was treated as a more task-centred activity that was governed by efficiency, assertiveness and individual performance. The Chinese participants however approached the negotiation as a relational process, that emphasised harmony, balance and emotional sensitivity. Even when these priorities required the lengthening of the negotiation process or sacrificing the maximal outcomes.

Both cultural logics represent the successful but distinct forms of negotiation competence, these reflect the priorities and values that are within their cultural social frameworks. As global collaboration continues to expand, having the ability to recognise and adapt to these diverse negotiation logics will become an extremely essential leadership and management skill.

The goal of this thesis has been to actually contribute to the growing understanding that cultural competence is a dynamic and learnable skill and not only to analyse the different cultures in negotiation.

The future negotiators who develop both the technical negotiation expertise and intercultural sensitivity will be much better equipped to navigate the complexities of international cooperation and the challenges of cross-cultural leadership in an increasingly interconnected world.

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APPENDIX A ENGLISH RULES

Player A English experiment rules

You are about to participate in an experiment focused on negotiation. You are Player A. You will communicate via computer using (Google Meet) with your camera turned off. The camera must remain off for the entire duration of the experiment.

The experiment will be completely anonymous and player pairs will be randomly generated. The experiment will be conducted in English.

At the end of the experiment, both players will receive a monetary reward based on their results. The minimum prize is €5 and the maximum is €14. Any player who reveals their identity or disrupts the experiment in any way will be automatically disqualified and will lose the opportunity to receive their winnings.

"You are a tenant living on the ground floor of a five-story building (Player A) and you need to negotiate with your neighbour who lives on the top floor (Player B). Your building is planning to carry out some renovations and has yet to decide how to allocate the funds. You and Player B have been chosen to decide how much to spend on each of the planned renovations. The aspects to be negotiated are soundproofing, elevator maintenance and roof maintenance."

The cost (price) options for each renovation are labelled with letters from R to Z and the profit (benefit) you would obtain for each option is shown in the column next to the price.

Different amounts of money (price) spent on a renovation will yield different profits (profit) for each player since the benefits for Players A and B are not the same. Player A and Player B each have different returns for each price option.

You are free to negotiate with Player B and exchange any information you deem necessary. You are allowed to verbally communicate your profit, but you will not be able to provide any proof that what you are saying is true. Likewise, you will not be able to verify the accuracy of what Player B states.

The game will end when you reach an agreement. To officially conclude the experiment, both of you must write in the chat the agreed-upon price for each renovation (e.g., R1, V2, Z3).

The monetary reward you receive will be directly related to the results of the experiment: the higher the profit, the higher the cash prize.

You may withdraw from the experiment at any time without reaching an agreement; in this case, both players will automatically receive €5. If no agreement is reached within 30 minutes, the experiment will be considered inconclusive and the winnings will also be €5.

PLAYER A

Price	Noise profit	Price	Elevator profit	Price	Roof profit
R1	-400	R2	2100	R3	-800
S1	-100	S2	1500	S3	-600
V1	800	V2	300	V3	0
Y1	1700	Y2	1000	Y3	600
Z1	2000	Z2	1200	Z3	800

Player B English experiment rules

You are about to participate in an experiment focused on negotiation. You are Player B. You will communicate via computer using (Google meet) with your camera turned off. The camera must remain off for the entire duration of the experiment.

The experiment will be completely anonymous and player pairs will be randomly generated. The experiment will be conducted in English.

At the end of the experiment, both players will receive a monetary reward based on their results. The minimum prize is €5 and the maximum is €14. Any player who reveals their identity or disrupts the experiment in any way will be automatically disqualified and will lose the opportunity to receive their winnings.

"You are a tenant living on the top floor of a five-story building (Player B) and you need to negotiate with your neighbour who lives on the ground floor (Player A). Your building is planning to carry out some renovations and has yet to decide how to allocate the funds. You and Player A have been chosen to decide how much to spend on each of the planned renovations. The aspects to be negotiated are soundproofing, elevator maintenance and roof maintenance."

The cost (price) options for each renovation are labelled with letters from R to Z and the profit (benefit) you would obtain for each option is shown in the column next to the price.

Different amounts of money (price) spent on a renovation will yield different profits (profit) for each player since the benefits for Players A and B are not the same. Player A and Player B each have different returns for each price option.

You are free to negotiate with Player A and exchange any information you deem necessary. You are allowed to verbally communicate your profit, but you will not be able to provide any proof that what you are saying is true. Likewise, you will not be able to verify the accuracy of what Player A states.

The game will end when you reach an agreement. To officially conclude the experiment, both of you must write in the chat the agreed-upon price for each renovation (e.g., R1, V2, Z3).

The monetary reward you receive will be directly related to the results of the experiment: the higher the profit, the higher the cash prize.

You may withdraw from the experiment at any time without reaching an agreement; in this case, both players will automatically receive €5. If no agreement is reached within 30 minutes, the experiment will be considered inconclusive and the winnings will also be €5.

PLAYER B

Price	Noise profit
R1	800
S1	600
V1	0
Y1	-600
Z1	-800

Price	Elevator profit
R2	1200
S2	1000
V2	300
Y2	1500
Z2	2100

Price	Roof profit
R3	2000
S3	1700
V3	800
Y3	-100
Z3	-400

APPENDIX B ITALIAN AND CHINESE RULES

Player A Italian experiment rules

Stai per partecipare a un esperimento incentrato sulla negoziazione. Sei il giocatore A. Comunicherai via computer utilizzando (google meet) con la videocamera spenta. La videocamera deve rimanere spenta per tutta la durata dell'esperimento. L'esperimento sarà interamente anonimo e le coppie di giocatori saranno generate in maniera casuale.

Alla fine dell'esperimento entrambi i giocatori riceveranno un premio monetario in base ai risultati ottenuti. La vincita minima è di 5 euro e quella massima è di 14 euro. Qualsiasi giocatore che riveli la propria identità, non segua le regole o disturbi in qualunque modo l'esperimento sarà automaticamente squalificato e perderà la possibilità di ricevere la propria vincita.

“Sei un inquilino che vive al piano terra di un condominio (Giocatore A) e devi confrontarti con il tuo vicino che vive all'ultimo piano (Giocatore B). Il tuo condominio ha intenzione di fare dei lavori e deve ancora decidere come dividere i fondi. Tu ed il Giocatore B siete stati scelti per decidere quanto spendere su ognuno dei lavori da portare avanti. Gli aspetti da negoziare sono l'isolamento acustico, la manutenzione dell'ascensore e la manutenzione del tetto”.

Le opzioni di costo (prezzo) del lavoro sono indicate da una lettera da R a Z, il profitto (beneficio) che otterresti per ogni opzione è nella colonna accanto al prezzo. Diverse quantità di denaro spese per un lavoro avranno una retribuzione diversa per ogni persona, poiché i benefici per i giocatori A e B non sono gli stessi. Il giocatore A e il giocatore B hanno entrambi un ritorno diverso per ogni opzione di prezzo.

Puoi negoziare liberamente con il giocatore B e scambiare tutte le informazioni che ritieni utili. Poiché la telecamera dovrà essere sempre spenta, è possibile comunicare il proprio profitto, ma non si potrà in alcun modo dimostrare che ciò che si dice sia veritiero. Qualsiasi cosa diciate non potrà mai essere verificata dall'altro giocatore.

Il gioco terminerà quando avrete raggiunto un accordo; per terminare ufficialmente l'esperimento, dovrete entrambi scrivere in chat il prezzo concordato per ogni lavoro (esempio: R1,V2,Z3). Il premio monetario che riceverete sarà direttamente correlato ai risultati dell'esperimento: maggiore è il profitto totale che ottieni nel gioco, maggiore sarà il denaro che riceverai.

È possibile ritirarsi dall'esperimento senza accordo in qualsiasi momento; la vincita sarà automaticamente pari a 5 euro per entrambi i giocatori. Se non si raggiunge un accordo dopo 30 minuti, l'esperimento verrà considerato non concluso e la vincita sarà anch'essa pari a 5 euro.

PLAYER A

Price	Noise profit	Price	Elevator profit	Price	Roof profit
R1	-400	R2	2100	R3	-800
S1	-100	S2	1500	S3	-600
V1	800	V2	300	V3	0
Y1	1700	Y2	1000	Y3	600
Z1	2000	Z2	1200	Z3	800

Player B experiment rules

Stai per partecipare a un esperimento incentrato sulla negoziazione. Sei il Giocatore B.

Comunicherai via computer utilizzando (google meet) con la videocamera spenta. La videocamera deve rimanere spenta per tutta la durata dell'esperimento.

L'esperimento sarà interamente anonimo e le coppie di giocatori saranno generate in maniera casuale. L'esperimento sarà svolto in lingua Inglese.

Alla fine dell'esperimento entrambi i giocatori riceveranno un premio monetario in base ai risultati ottenuti. La vincita minima è di 5 euro e quella massima è di 14 euro. Qualsiasi giocatore che riveli la propria identità o disturbi in qualunque modo l'esperimento sarà automaticamente squalificato e perderà la possibilità di ricevere la propria vincita.

“Sei un inquilino che vive all'ultimo piano di un condominio di 5 piani (Giocatore B) e devi confrontarti con il tuo vicino che vive al piano terra (Giocatore A). Il tuo condominio ha intenzione di fare dei lavori e deve ancora decidere come dividere i fondi. Tu ed il Giocatore A siete stati scelti per decidere quanto spendere su ognuno dei lavori da portare avanti. Gli aspetti da negoziare sono l'isolamento acustico, la manutenzione dell'ascensore e la manutenzione del tetto”.

Le opzioni di costo (prezzo) del lavoro sono indicate da una lettera da R a Z, il profitto (beneficio) che otterresti per ogni opzione è nella colonna accanto al prezzo.

Diverse quantità di denaro (price) spese per un lavoro avranno un profitto (profit) diverso per ogni persona, poiché i benefici per i giocatori A e B non sono gli stessi. Il giocatore A e il giocatore B hanno entrambi un ritorno diverso per ogni opzione di prezzo.

Puoi negoziare liberamente con il Giocatore A e scambiare tutte le informazioni che ritieni necessarie. È consentito comunicare a voce il proprio profitto, ma non si potrà in alcun modo dimostrare che ciò che si dice sia veritiero. Qualsiasi cosa dici non potrà mai essere verificata dall'altro giocatore e, ugualmente, non potrai in alcun modo verificare ciò che afferma il Giocatore A.

Il gioco terminerà quando avrete raggiunto un accordo; per terminare ufficialmente l'esperimento, dovete entrambi scrivere in chat il prezzo concordato per ogni lavoro (esempio: R1,V2,Z3).

Il premio monetario che riceverete sarà direttamente correlato ai risultati dell'esperimento: più alto è il profitto, più alto sarà il premio in denaro.

È possibile ritirarsi dall'esperimento senza accordo in qualsiasi momento; la vincita sarà automaticamente pari a 5 euro per entrambi i giocatori. Se non si raggiunge un accordo dopo 30 minuti, l'esperimento verrà considerato non concluso e la vincita sarà anch'essa pari a 5 euro.

PLAYER B

Price	Noise profit
R1	800
S1	600
V1	0
Y1	-600
Z1	-800

Price	Elevator profit
R2	1200
S2	1000
V2	300
Y2	1500
Z2	2100

Price	Roof profit
R3	2000
S3	1700
V3	800
Y3	-100
Z3	-400

Player A Chinese experiment rules

玩家 A 实验规则

您即将参加一项以谈判为主题的实验。您是玩家 **A**。您将使用电脑 (Google Meet)进行交

流，并且必须关闭摄像头。实验期间，摄像头必须始终保持关闭状态。本实验完全匿名，玩家配对将随机生成。实验将以英语进行。

在实验结束时，两位玩家都将根据实验结果获得一笔现金奖励。最低奖励为**5** 欧元，最高可达**14** 欧元。任何泄露自己身份或干扰实验的玩家都将被自动取消资格，并失去获得奖励的机会。

"您是一个住在五层楼建筑的一楼的租户(玩家 A)，您需要与住在顶层的邻居(玩家 B) 进行谈判。您的公寓楼计划进行翻修，但尚未决定如何分配资金。您和玩家 B 被选中来决定每项翻修的支出金额。需要谈判的方面包括隔音、电梯维护和屋顶维护。"

每项翻修的成本(价格)选项用字母**R**到**Z**表示，每个选项能获得的**收益(利润)**在相应的价格旁边列出。

在翻修项目上投入不同的金额(价格)将给每位玩家带来不同的收益(利润)，因为玩家 A 和玩家 B 的利益不同。每个价格选项对于玩家 **A** 和玩家 **B** 的收益都是不同的。

您可以自由与玩家 **B** 进行谈判，并交换您认为必要的任何信息。您可以口头告知您的收益，但无法证明您所说的内容是真实的。同样，您也无法验证玩家 **B** 说的信息是否属实。

当你们达成协议时，游戏即结束。为了正式完成实验，你们都必须在聊天中写下商定的每项翻修价格(例如:R1, V2, Z3)。

您的现金奖励将直接取决于实验结果:收益越高，奖金越高。

如果您在未达成协议的情况下退出实验，则双方玩家都将自动获得 **5** 欧元。如果在**30** 分钟内未能达成协议，实验将被视为未完成，奖金仍为 **5** 欧元。

PLAYER A

Price	Noise profit	Price	Elevator profit	Price	Roof profit
R1	-400	R2	2100	R3	-800
S1	-100	S2	1500	S3	-600
V1	800	V2	300	V3	0
Y1	1700	Y2	1000	Y3	600
Z1	2000	Z2	1200	Z3	800

Player B Chinese experiment rules

玩家 B 实验规则

您即将参加一项以谈判为主题的实验。您是玩家 **B**。您将使用电脑 (Google Meet) 进行交

流，并且必须关闭摄像头。实验期间，摄像头必须始终保持关闭状态。本实验完全匿名，玩家配对将随机生成。实验将以英语进行。

在实验结束时，两位玩家都将根据实验结果获得一笔现金奖励。最低奖励为**5** 欧元，最高可达**14** 欧元。任何泄露自己身份或干扰实验的玩家都将被自动取消资格，并失去获得奖励的机会。

"您是一个住在五层楼建筑顶层的租户(玩家 **B**)，您需要与住在一楼的邻居(玩家 **A**)进行谈判。您的公寓楼计划进行翻修，但尚未决定如何分配资金。您和玩家 **A** 被选中来决定每项翻修的支出金额。需要谈判的方面包括隔音、电梯维护和屋顶维护。"

每项翻修的成本(价格)选项用字母**R**到**Z**表示，每个选项能获得的**收益(利润)**在相应的价格旁边列出。

在翻修项目上投入不同的金额(价格)将给每位玩家带来不同的收益(利润)，因为玩家 **A** 和玩家 **B** 的利益不同。每个价格选项对于玩家 **A** 和玩家 **B** 的收益都是不同的。

您可以自由与玩家 **A** 进行谈判，并交换您认为必要的任何信息。您可以又头告知您的收益，但无法证明您所说的内容是真实的。同样，您也无法验证玩家 **A** 说的信息是否属实。

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如果您在未达成协议的情况下退出实验，则双方玩家都将自动获得 **5** 欧元。如果在**30** 分钟内未能达成协议，实验将被视为未完成，奖金仍为 **5** 欧元。

PLAYER B

Price	Noise profit
R1	800
S1	600
V1	0
Y1	-600
Z1	-800

Price	Elevator profit
R2	1200
S2	1000
V2	300
Y2	1500
Z2	2100

Price	Roof profit
R3	2000
S3	1700
V3	800
Y3	-100
Z3	-400