Expats perceptions of integrative/ distributive negotiation strategies: a latent class analysis in Latin America

ABSTRACT

This study examines the validity of negotiation theories developed in the United States within a Latin American context. The study examines the relevancy of two negotiation strategies: distributive and integrative. Questionnaire data were used for identifying different prototypes of negotiators reported by 104 foreign residents doing business in Costa Rica. Latent class analysis was used for the data analysis. The results show a pattern of negotiation similar to the one prevalent in US negotiation theory. Cultural values and emotions are also found to be significant.

Structured Abstract:

Purpose: To test the universality of the theory of negotiation developed in the United States. To find negotiators types in international negotiations of a Latin American country.

Design/methodology/approach: We integrated qualitative and quantitative methods. We developed a questionnaire about negotiation "culture" and collected the experiences reported by 104 resident foreigners doing business in Costa Rica. We developed a code book of 50 variables, coded the 104 questionnaires, calculated an inter-rater reliability coefficient (Fleis Kappa K=0,65). We selected 10 variables stemming from the behavioral theory of negotiations. We used latent class analysis to explain the latent structure of data, the patterns associations observed among manifest variables, and to classify individuals.

Findings: 1) Negotiation practices in Costa Rica are not uniform: two negotiation cultures coexist within the country (distributive and integrative). 2) There are important elements of culture within the negotiation patterns, particularly in the use of emotions.

Research limitations/implications: We are investigating latent class analysis "letting the data speak" as grounded theory. We are enlarging sample size to validate the results. We have to study the emotional side of negotiation behavior.

Originality/value: Not much research has been conducted about the process of international negotiations in most developing nations, particularly Latin America. The quantitative distributive/integrative theory is a key focus to start.

Keywords: Negotiation theory, Latin America, Latent class analysis, distributive negotiations, integrative negotiations, Costa Rica, qualitative/quantitative methods mix

International negotiations increased with globalization and are important for both developing and developed countries. Is the theory of distributive/integrative negotiations, developed in the US, valid in other cultures of the world, particularly in Latin America? What are the negotiation patterns in the region? What is the perception of foreigners working there? These research questions are the focus of this study, attempting to fill a gap in the literature. We are looking for the latent structure of negotiator types in a Latin American country using the theory of integrative and distributive negotiations.

OBJECTIVE

To test the universality of negotiation theory developed in the United States. To identify negotiator types in international negotiations within a Latin American country.

Negotiation theory

The most widely accepted theory of negotiations distinguish between a distributive (or positional) strategy and an integrative (win-win, interests´ based, principled, joint gains) strategy (Walton and McKersie, 1965; Fisher and Ury, 1981; Williams, 1983; Lewicki and Litterer, 1985; Ury, Brett and Goldberg, 1988; Neale and Bazerman, 1991; Brett, Weingart and Olekalns, 2003; Brett, Gunia and Teucher, 2017). The distributive negotiation strategy is bargaining, a zero-sum game in which the win is achieved from the other's loss. The limitations of the focus on distributing value (at the expense of the other side) are lack of efficiency in value creation, relationship deterioration, and a higher probability of no agreements. The integrative negotiation is oriented to mutual value creation, and then to a fair distribution using objective criteria rather than haggling.

Individuals choose distributive or integrative negotiation strategies based on different social motivations (Lügger et al, 2015). If their motives are egotistic or competitive, people will try to maximize their outcomes and will engage in distributive behavior to obtain their goal. If motives are, on the other hand, socially driven, people will try to maximize outcomes both for themselves as well as the other party and therefore will engage in more integrative behaviors. Motives, as it seems evident, have a strong social component, hence cultural background is one the most important variables in a negotiation context.

Cultures and negotiation

Hofstede (1980, p. 21) defines culture as “the collective programming of the mind which distinguishes the members of one human group from another”. Culture affects how people behave, communicate and interpret reality according to well-defined mental schemes and social systems (Lytle et al., 1995). Similarly, Gelfand and Brett, (2004) define culture as “a group members’ shared beliefs, attitudes, norms, and behaviors, and the group’s social, political, economic, and religious institutional structures” (p. 158). Culture, as well as negotiations, are learned behavior.

The cultural geography of the world is made up of about a dozen cultural clusters (Ronen and Shankar, 1985; Inglehart and Carballo, 1997; Schwartz, 1999; the Globe study, House et al, 2004); there is a significant coincidence about the Latin American countries cluster. Ogliastri, McMillen, Altschul, Arias, de Bustamante, Dávila, Dorfman, dela Coletta, Fimmen, Ickis, and Martínez. (1999) calculated the variation coefficient for the Globe study cultural data, and found a common cultural pattern in the 10 Latam countries of the study (including Costa Rica).

Culture affects the way people find a solution to problems of social interaction, which include negotiation; as a consequence, different cultural backgrounds can provide different tools and strategies for dealing with such situations (Brett, 2017). It is not startling, therefore, that culture and its relation with negotiations has been widely studied over the decades, spanning a rich and multidisciplinary body of research, with different frameworks proposed (Leung and Cohen, 2011). However, there is still a gap to fill, especially in Latin America, a region understudied in regards to negotiations. Gelfand and Brett (2004, p. 419) lamented that “much theoretical work remains to be done […] to identify which aspects of negotiation theory are universal and which are culture-specific”. Stemming from globalization, intercultural negotiations have been an increased area of research and interest (Brett, 2000, Adair, 2004; Brett and Gelfand, 2016). Cultural values are often used to explain differences in negotiations behavior (Gunia, Brett, & Gelfand, 2016; Brett, 2017).

Culture plays a central role in the way integrative and distributive negotiations strategies are used Lügger et al (2015). Adair & Brett, (2004), for example, posit that cultural identity affects both beliefs and social norms, which in turn affect negotiation process, by changing goals and behaviors in each of the two main strategies. Eastern cultures, for instance, tend to be interdependent self-construal (collectivist), while western cultures are individualistic self-construal (individualist). The former, therefore, are more socially oriented than the latter. They believe that negotiations should focus on relationship building, hence will be more likely to engage in behaviors that will foster trust when using an integrative approach and behaviors that will secure group dominance when using a distributive approach. Western cultures, on the other hand, believe negotiations are about distribution of resources; therefore, people from these cultures will tend to behave in ways in which they can increase joint gains when using an integrative approach and behaviors oriented to maximizing gains when the approach is distributive. Cheng, Huang and Su (2017) in a review of negotiations literature point to the need to understand relationality in negotiations. Usunier (2019) highlight two different rationalities in negotiation: economic and relational. Latin America is a relationship oriented culture; it has a low social collectivism but a high family and in-group collectivism (Chokkar et al, 2006)

Another important distinction has to do with the value each culture gives to the context and the impact it has on information sharing (Hall 1974, Adair & Brett, 2004, Lügger et al, 2015). Eastern cultures give a high value to contextual information. Meaning for them is communicated not only through words, but also by subtle implicit hints, non verbal communication, actions, interpreted by the context in which they take place. Western cultures are the opposite. For them, context has low value and meaning is communicated only through explicit words and actions. High – context cultures therefore are more indirect and emotional, while low-context cultures are more rational and direct. Latin America is a high context culture.

Finally, power is another dimension that its important when it comes to the effect culture has on negotiation. Power in negotiation "is the basis of one party’s ability to gain advantage over the other party through positional, distributive, or influence tactics" (Adair et al, 2004, p. 90). Cultures that value egalitarianism stress sameness, equal opportunity and achievement and tend not to engage in behaviors that enforce or imply power, while cultures that value hierarchy stress the importance of status and power and behave consequently. Latin America is a high power distance country (Ogliastri et al, 1999).

Adair et al (2004) measure the effect that cultural differences have on information sharing and the use of power strategies. They compared six different cultural profiles (France, Russia, Japan, Hong Kong Chinese, Brazil and the United States). They found that the people from US, a country with a culture that is both individualistic and egalitarian, indeed where more direct in their communication (low-context) and avoided power base influence behavior. On the contrary, countries with cultures of collective and hierarchical nature, such as Japan and Russia, were indirect in their communications and engaged in power base influence behavior, such as informational persuasion and informational persuasion with sanctions.

Leung and Cohen (2011) have proposed a new cultural framework that extends cultural theorizing beyond the east-west distinction that had dominated research in the past decades. This framework establishes three types of culture based on the difference of socially confered worth each one defines. These three cultural types are dignity, face and honor. Each one represent different motivational systems from which then behaviors are created.

Yao et al (2017) proposed a model that measures and validates Leung and Cohen's (2011) work. In dignity culture, self-worth is based on an intrinsic evaluation. It is, therefore, grounded on social independence. Western cultures, which are traditionaly viewed as individualistic and egalitarian, can be considered to be a good fit for the dignity culture. Individuals in this societies are given great autonomy and their identities are mainly defined by their individual achievements.

In Face culture self worth is assigned by the social group individuals belong to and, contrary to dignity cultures, it is based on extrinsic self assesment. Recognition from others is then of capital importance in this cultures. Eastern cultures, which are typically collectivist, are an example of face cultures. According to Yao et al (2017), this culture is grounded in social interdependence, that is, people are driven to maintain social harmony.

Lastly, in Honor cultures self worth is based on individual reputation. In that sense, even though it is an individual estimation of his or her worth, it has validation from the social group.

Leung and Cohen (2011) model is important because it's useful to explain cultural differences in the use of negotiation strategies. As demonstrated by Yao et (2017), dignity culture negotiators are likely to engage in a integrative negotation strategies, because in such cultures the negotiatiors self-worth is not threatened in the case that the other part turns out to be neither benevolent nor willing to share information. In other words, negotiators from dignity cultures are willing to take risks, be less defensive and therefore feel confortable with integrative strategies. In Face and Honor cultures, on the other hand, there is a strong motivation to defend and promote self-worth in social interactions such as negotiations. Because of that, distributive strategies are more approapiate, since they are more consistent with a socially defensive logic.

Cultures in the current world can be categorized using this model. Specifically, "western European, North American, and Oceanian cultures can be characterized as dignity cultures; East Asian cultures can be characterized as face cultures; Middle Eastern, North African, South Asian, Latin American, and Russian cultures can be characterized as honor cultures" (Yao et al, 2017, p 6). However, Latin European cultures are not clearly associated to the dignity concept (Fosse, Ogliastri and Rendon, 2017). To summarize, the dignity, face and honor model allow to clasifify cultures based on the norms the social groups use to confere value to individuals. Each culture defines a motivational system with specific set of behaviours associated to each one, wich in turn can be used to predict which negotiation strategy (integrative or distributive) they are more likely to use.

Negotiations in Latin America

There are not too many studies about negotiation patterns in the Latin American region. Using qualitative methodologies, Ogliastri (1992, 1993) studied Latin America and Japan negotiations; he later compared Latin American negotiation patterns to France, Japan, the Middle East and the US (Ogliastri 1997), and to Germany (Ogliastri, 2010, 2011). In a similar way Costa studied Brazil (2006), and Van Hoof, et al (2005), did a comparison between Colombian and Dutch negotiation cultures. Most of these contributions are available in Spanish or Portuguese and in regional journals. Ogliastri and Quintanilla (2016) found two prototypes of negotiators in Costa Rica: an emotional/personal cluster (accounting for 72% of Costa Ricans) and a rational/formal/professional type, accounting for 28% of business negotiators. According to the dignity, face and honor model, Latin American countries would more likely be classified in the honor category and expected to engage in distributive negotiation strategies.

Our paper has the intention to further understand how people in Latin America negotiates. More specifically, we wanted to examine the validity and relevancy of negotiation strategies developed in economically advanced countries within a Latin American context. Is there a unique or distinctive prototype of negotiator in Latin America? Our contention is that even though Latin American countries share a cultural background, within the region there is also heterogeneity that calls for a deeper understanding of how these models apply in specific countries. In sum, most studies show a pattern close to the distributive negotiation strategy in the region. However, no specific study has been published about the validity of integrative/distributive theories of negotiation in the region.

RESEARCH

We developed a questionnaire consisting of 20 sets of open-ended questions about negotiation "culture". A negotiating culture is a conjoining of behaviors, customs, internal logic, expectations, values, and typical sequences or processes used to resolve a difference in interests, which are common to a group of people with similar backgrounds; it is related, but not equal to, national culture and is propagated by family relationships and education. The questionnaire was used for collecting data about the normal practices used by Costa Ricans in negotiating with expats. All the students in our MBA and Executive MBA obligatory negotiation courses were requested to interview a foreigner living in their country of origin. Using this questionnaire, we collected 104 written questionnaires about the experiences of these resident foreigners doing business in Costa Rica. We developed a code book of 52 variables, coded the 104 questionnaires, calculated an inter-rater reliability coefficient (Fleis Kappa K=0,65), and used the data with recent latent class analysis software.

The questionnaire has 20 sets of open-ended questions related to the behavior of negotiators, such as use of time (punctuality, pressed, polychromic), use of threats, of objective criteria, and a wide array of negotiation behaviors. The framework for the questionnaire had been prepared by Weiss & Strip (1987), and revised by Ogliastri (1997) for his comparison of Latin American, Japanese, French, Angloamerican and Middle Eastern negotiation cultures. The questionnaire had been later revised by Van Hoof et al (2005) in their comparison of Dutch and Colombian negotiation cultures (see Appendix 1 for a summary of the questionnaire). The foreigners reported how the Costa Ricans they dealt with usually behave. That way we collected 104 reports of the foreigners about their experience and perception of negotiation patterns in Costa Rica. APPENDIX 1 ABOUT HERE

In order to turn the qualitative data into numbers we developed a codebook. We used content analysis techniques for some questions; however most replies were directly reported in the answer. As an example of the coding, Appendix 2 presents the questions for section 11 of the questionnaire, and the corresponding coding as quantitative variables. This way we turned every open questionnaire into a set of 52 variables; most of the variables were discrete Yes or No answers.

Three MBA students worked as research assistants for the study in developing the codebook and coding questionnaires. We calculated a reliability coefficient for the three coders. Each rater coded 5 variables for the same 20 questionnaires. The Reliability Index of Fleis Kappa resulted in K=0,65, meaning "substantial agreement". The data set consists of 104 foreigners who reported in 52 variables the way they have actually experienced negotiating patterns of Costa Rica.

APPENDIX 2 ABOUT HERE

Latent Class Analysis: The Theory

Latent Class Analysis is a special case of a more general class of models known as *Latent Variable Models* (Bartholomew, Knott, & Moustaki, 2011). The distinctive feature of these models is that some of variables of the model are not directly observed by the researcher either because they are very difficult to measure, because they are constructs that can never be measured, or simply because they were not measured at all. These *latent* variables, nonetheless, are considered critical in the model and are expected to have a strong influence on the behavior of individuals. Consider, for instance, the effect of variables like wealth, political stance, lifestyles, etc., all of which can be considered examples of latent variables. Although this set of variables cannot be observed, the researcher does have access to another set of observed, *manifest variables,* which are "correlated" among themselves and potentially "correlated" with the latent variables. These variables, for instance, are the answers to survey questionnaires or variables that are considerably easier to measure.

One can understand better what Latent Class Analysis is by comparing it to other better known techniques in Multivariate Analysis in the context of the goals we want to achieve by using the technique. We can identify two key, complementary goals of LCA:

- To explain the patterns associations observed among manifest variables.

- To classify individuals/observations into homogeneous groups or classes where all the members of a group behave in similar way.

In Latent Class Analysis we are given a collection of categorical variables that exhibit various degrees of association between them. A question arises: Can this association be explained away by the existence of another group of unobserved variables. This is, of course, how we think about Factor Analysis, probably the best-known case of an LVM. With Factor Analysis, the manifest variables are correlated among themselves, but most of these correlations can be explained away by the existence of a relatively small number of factors. It turns out that we can think of Latent Class Analysis exactly in the same way. The existence of a reduced number of *classes*, instead of factors, is what induces or explains most of the association among the manifest variables. These associations can be measured, for instance, by Chi-square-type tests. What distinguishes Latent Class Analysis from Factor Analysis is the nature of both the latent and the manifest variables and, closely related, the distributional assumptions we make about them. In Factor Analysis, both the latent and manifest variables are assumed to be continuous variables. Typically, it is also assumed that these variables follow a multivariate normal distribution. In Latent Class Analysis both the latent variables (the latent classes/groups) and the manifest variables (the survey questions designed to elicit information about these classes) are categorical variables that take on only a finite number of "values". Conditional on the latent classes, these variables are assumed to follow a Multinomial Distribution.

Alternatively, we could emphasize the end product of the technique and think of Latent Class Analysis as an attempt to uncover groups, to identify "clusters which group together persons (cases) who share similar interests/values/characteristics/behavior." Seen from this perspective, LCA is similar to Cluster Analysis—another well-known technique of Multivariate Analysis. The fundamental idea in Cluster Analysis is to classify the observations of a sample as belonging to a small number of (previously unknown) classes such that observations in a given cluster are similar among themselves, but different from observations in other clusters. Technically Cluster Analysis seeks to maximize inter-cluster variability while reducing intra-cluster variability. As a matter of fact, at an abstract level, LCA and Model-Based Clustering (Dean and Raftery, 2010) are indistinguishable.

The model

We assume the existence of a latent categorical variable *g* that can take on G possible values:

$$g = \{1, 2, ... , G\}.$$

The values themselves do not mean anything; they are just labels. In our paper, they are going to refer to negotiation styles (1=Distributive, 2=Integrative). We do not observe these variables, but we observe *J* categorical variables--the answers to the questions in our survey. These are the manifest variables of the model. Each categorical variable can take on *Kj* possible values. In our survey, all the variables can take on exactly 3 different values

$$Xj = \{1,2,3\} = \{\text{Yes, Don't Know, No}\}$$

so Kj=3 for all, but the model can accommodate different number of possible responses for each variable. Conditional on being a member of group g, the probability density of each manifest variable is

$$x \mid g \sim \prod_{j=1}^{3} P_{jg}^{1\{x=j\}}$$

where 1{x=j} is just an indicator variable that is equal to 1 when x is equal to the j possible answer and 0 otherwise. Pjg is the probability that the categorical variable will take on the jth value. For instance, for a question about time perspective in negotiation, respondent can pick three possible answers: 1=Short Run, 2=Don't Know and 3=Long Run. The Pjg are the probabilities for each possible response. The index g makes explicit that these probabilities are going to be different for different groups.

If we assume that, conditional on class membership, the manifest variables are mutually independent of each other, we can take advantage of the product rule[1] and write the joint probability density in a very convenient way

$$x \mid g \sim \prod_{i=1}^{J} * \prod_{j=1}^{3} P_{ijg}^{1\{x=j\}}$$

This local independence assumption is what makes LCA a relatively simple model to estimate. Finally, when we take into account that membership to the different groups is another random variable, we can write the full joint probability distribution.

[1] If two random variables A and B are independent, their joint probability distribution can be written as the product of its marginal distributions: P(A and B) = P(A)*P(B).

$$x \sim \sum_{g=1}^{G} \pi_g \prod_{i=1}^{J} * \prod_{j=1}^{3} P_{ijg}^{1\{x=j\}}$$

where π_g is the probability of belonging to group g. These are called the mixing proportions in Cluster Analysis. The notation of this section is standard, but can be difficult to follow at first sight. Collins & Lanza, (2010) do an excellent job at dissecting it and explaining the meaning of each step. The reader is referred to those pages. The parameters of the model are estimated by Maximum Likelihood. We are interested in two parts of the output of this estimation:

- The π_gs. These are the probabilities of membership in the different groups. They measure how important or prevalent are the different groups in the population.
- The Pijg. For each group and for each question in the survey, we have a vector of probabilities that measure how likely members of a group are to give a particular answer (Yes, Don't Know, No) to the different questions. The difference in the way they answer is precisely what will permit us to profile the different classes.

All formulas above are conditional on knowing the number of latent classes. Estimation proceeds by fitting models with different number classes. We start fitting a model with no cluster structure whatsoever; that is, with number of classes equal to 1. If this model is rejected, we fit more complicated models with 2, 3, 4… classes until the model is not rejected by the data. Model selection is done using the Bayesian Information Criterion (BIC) which is a transformation (a penalized version) of the log-likelihood statistic:

$$\text{BIC} = -2*\text{LL} + \text{Log}(\text{N})*\text{M}$$

Where LL is the log likelihood stat, M is the number of parameters in the model, and N is the sample size. The best model is the model that achieves the smallest BIC.

Variable Selection

A problem we faced initially was that our sample size was small compared to the number of questions asked in the survey questionnaire. A total of 52 questions were asked and each question typically had 3 possible responses. We ended up with 104 valid responses. This immediately ruled out the possibility of using all variables to perform our analysis. We were faced with the problem of selecting which variables to use to try to identify meaningful clusters of respondents. We selected the set of variables which we thought, based on theoretical arguments, would provide the best separation between the different groups or types of negotiators.

We had to select a maximum of 10 variables that we considered to be the most representatives of the larger set, considering the behavioral theory of negotiations. The selected variables were: Temporal Perspective (Long vs. Short Term), Preparation before Negotiation, Use of Objective Criteria to Justify Offers, Process of Negotiation Seen as Merely Haggling, Use of Threats, Discussion of Concrete Facts, What is understood as Negotiation: Creation and/or Distribution of Value; Process of Negotiation: Emotional or Rational; Separation of Business and Personal Life; First offers are Extreme. Appendix 3 shows the correspondence of this set of variables to the widely known "principles" of negotiation by Fischer, Ury and Patton (1991)

This set of variables attempted to measure different dimensions of the process of negotiation according to the behavioral theory of negotiations developed in the US (Walton & McKersie, 1964). We look for clusters which group together persons (cases) who share similar behavior. LCA will explain the latent structure of data, the patterns associations observed among manifest variables, and to classify individuals/observations into homogeneous groups or classes where all the members of a group behave in similar way.

The hypothesis is that negotiators types in Costa Rica will have similarities to those found in the United States.

DATA ANALYSIS

Table 1 reports the model selection of two clusters.

INSERT TABLE 1 HERE

Table 2 presents details of the estimation for the 2-latent class model. The distribution of membership across the two classes is unequal. Most of the observations (about 70%) belong to the first cluster, *distributive or traditional negotiator,* and the rest (30%) belong to the second, the *integrative negotiators.* The rationale for these labels will be apparent once we provide a detailed profile for each class. Table 2 also reports, for each question selected in the questionnaire, the probability a member of a given class (distributive vs integrative negotiator) acts this way in each alternative (Yes, Don't Know, No). These are conditional probabilities--conditioned on class membership. For instance, for the first variable in Table 2, Temporal Perspective, members of the distributive/traditional class of negotiator are more likely to act "Short Term" (75.19%) than its alternatives “Long Term” (11.60%) and “Don’t Know” (13.21%). By contrast, the members of the class of integrative negotiator have a probability of 45.59%, 25.32% and 29.09% to act “Short Term”, “Don’t’ Know” and “Long Term” respectively. So, there seems to be a tendency for members of the integrative class to move away from the “Short Term” perspective, even though it is still high. We will come back to this result later in the analysis. It is by comparing the way the two groups act or behave that we arrive at their separate profiles.

INSERT TABLE 2 HERE

Figure 1 presents graphically the same information and facilitates the construction of the profiles. Each graph represents one question. For each question we have three possible answers (typically ‘yes’, ‘don’t know’ and ‘no’). The two lines represent the way the two identified clusters respond the question. The red line (class 1) refers to the group of distributive negotiators. The green line (class 2) refers to the group of integrative negotiators. For instance, the first question (upper left graph) asks about the time perspective in the process of negotiation. Members of class 1 are more likely to act with a short-term orientation than class 2 (75% vs. 46%).

INSERT FIGURE 1 HERE

RESULTS

The results show two distinct groups of negotiators in Costa Rica. The latent class analysis program found just two sets of negotiator classes in the sample. The two negotiator types fall within the negotiation theories used widely by scholars and practitioners alike. One type is close to the “distributive” category found in the United States, and the other one resembles the “integrative” negotiation strategy category. However, significant cultural differences were also found. Table 3 is a summary of results.

INSERT TABLE 3 HERE

Cluster 1 is distinctively a distributive type of negotiator. The first proposal they make is extreme; it is not based on objective criteria and the negotiators don´t seem to be well prepared; generalities are discussed rather than concrete data. They use threats and emotions, mixes business and personal relations, and the process is described as haggling based on the first anchoring proposal. They are reported to understand negotiation as just distributing value.

The core of the second cluster is integrative negotiation. The process is not haggling (64.61%), first proposal is not excessive (43.71%), it is unlikely for people in this cluster to not use objective criteria to distribute value (13%) and less than a quarter of them are perceived as understanding negotiation as purely distributing value (23.89%). Moreover, if we interpret the No Information/Don´t know values as intermediate steps, the results are strongly confirming the integrative negotiator type of Cluster 2, as presented in Table 2.

Adding the No Data/Don´t Know category presented in Table 2, in the integrative cluster 89% are not improvising; 55% are not just concerned with short term benefits; 69% are not confrontational (i.e. no threats); 74% are not just talking generalities during the negotiation; 63% are not reported as emotional; 56% are not mixing business and personal life in negotiations. Most of these behaviors are considered more "professional", correlated to better results and considered good practice in the literature.

Additionally, these issues overlap cultural values. For example, mixing business and pleasure (44% of the integrative cluster), and using emotions in negotiations (37% of the integrative negotiators cluster) is the normal way of doing business in Latin America, and it may be basically a cultural trait. Also, the use of threats is unusually high for members of the integrative class (30%) as it is the tendency to favor short term results, which as we say earlier, even when this tendency is not as strong as it is in the distributive class.

The overlap that was found is consistent with Leung and Cohen categorization: Latin American cultures have predominantly honor cultural norms (Yao et al, 2017). In these cultures, the use of distributive or integrative strategies depend on whether people's reputation is threatened. If a negotiation provides an opportunity to either gain or lose reputation, negotiators might act more aggressively and competitively. The way negotiators manage their reputation in the presence of threats depends on the strength of hierarchical social structures, which are less stable than in face cultures (Aslani et al, 2016). This leaves space for negotiators to move from one strategy to the other, depending on the context in which the negotiation is taking place. It is therefore possible that even when negotiators are using an integrative strategy, some behaviors consistent with a distributive strategy could also be present. These behaviors are probably triggered in a defensive way, to protect reputation of the parties involved.

Also, these defensive behaviors have a more emotional origin, which is consistent with Ogliastri and Quintanilla (2016) findings about two basic prototypes of negotiators in Costa Rica: emotional and rational. In that study, the authors question whether the rational and emotional types overlap with the more traditional categories of integrative and distributive. According to our results, such an overlap exist. The emotional side of negotiation behavior is a trendy subject in the practitioner community (Fischer & Shapiro, 2006, Diamond, 2010), as well as in the academic community (Brett & Gelfand, 2005; Kopelman & Rosette, 2008; Druckman & Olekalus, 2008, Posthuma, 2012). Our finding confirm ideas presented by Yao et al (2017) and Aslani et al (2016) by providing evidence that when honor norms are present in a culture, negotiators may behave in ways that combine integrative and distributive strategies, as oppose to what is expected of cultures with predominant face or dignity cultural norms in which distributive and integrative strategies are more distinctly used. Nevertheless, more research is needed to evaluate the interaction between emotions, negotiation strategies and culture.

CONCLUSIONS

Negotiation practices in Costa Rica are not uniform: two negotiation cultures coexist within the country. There are only two types of international negotiators in Costa Rica (distributive and integrative). The results confirm negotiation theory developed in the United States and suggest that distributive negotiation is the most common pattern in Latin America. There are important cultural elements within the negotiation patterns that are consistent with the dignity, face and honor framework proposed by Leung and Cohen (2011). For example: dichotomies between rational and emotional, separating personal issues from business dealings and negotiating general terms or very concrete and detailed agreements in a culture with a predominant honor cultural norm.

The emotional side of negotiations is an important element in the country, which goes beyond distributive negotiation theory. Emotions probably are more predominant in a context in which reputation is threatened. This study of actual negotiator patterns mixed with cultural values is a significant contribution to the existing literature on international negotiations. Several limitations we found require further research: the effectiveness of each negotiation method remains to be measured. A larger sample size is needed to validate results and data from other countries in the region should be included. Finally, the theory of negotiations based on factors other than neutrality and the ideal of rationality should be studied

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APPENDIX 1. Questionnaire Summary
INTERCULTURAL NEGOTIATION: QUESTIONS ABOUT 20 VARIABLES
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1- Negotiation culture Summing up: how do they negotiate?

2 *Perception of the other party* Do they conceive the counterpart as a friend, a colleague, a rival, or neutrally impersonal?

4. Trust base Is their trust based on the person, the legal system and the written contract, or previous experience?

5. Risk taking Do they take risks and may fail to deliver compliance?

6. Who are the negotiators What criteria do they use to select negotiators?

7. Decision making How do they decide and who makes decisions?

8. Formality Are they informal/formal, do they follow a protocol, how close is interpersonal treatment?

9. Informal negotiations Do they use out of the office negotiations?

10. Pre-negotiations (and negotiation preparation) Do they have previous meetings, do they come prepared?

11. Opening Do they open with extreme offers, use objective criteria to justify offers, haggling?

12. Arguments Do they use persuasion, emotionally moving, hard data, threats, rational debate?

13. Emotionality Do they induce a rational or emotional process, expressive or instrumental use of feelings?

14. Power tactics Threats, intimidation, fake lack of interest, aggressiveness, confrontational?

15. Discussion level Do they discuss details or generalities?

16. Time during negotiation Are they punctual, polychronic, slow, agenda focused?

17. Type of agreement Verbal, in writing, legal, official agreements?

18. Commitment and fulfillment Are agreements binding?

19. Perception flexibility Are they rigid or flexible about changes?

20. Ways of expression Interpersonally friendly, courteous, confrontational, diplomatic, imposing, evasive, neutral?

APPRENDIX 2: Codebook example.

Question 11. Opening of the negotiation.

How do they open the negotiation: through an inflated position or closer to the final result? Is opening based on objective criteria or standards, or is it defined through subjective criteria? How important is the opening demand in the overall negotiation process? Is it done at the beginning or is an offer presented after getting information? Is their negotiation process focused on bargaining for the initial offer?

CODING OF THE ANSWERS:

11. Negotiation opening	
11,1	**Is their first proposal generally excesive, tough**
11.1.1	Yes (extreme, ask too much/ offer too little)
11.1.2	No (Reasonable, close to reality)
11.1.3	Don´t know, not sure, no information, no data
11,2	**Do they use objective criteria to justify first offer?**
11.2.1	Yes (they use data to base first proposal)
11.2.2	No (they just use subjective bargaining, haggling)
11.2.3	Don´t know, not sure, no information, no data
11,3	**Do they make offer after information exchange?**
11.3.1	Yes (Exchange of information to redefine problem)
11.3.2	No (offer too early at the start of negotiating)
11.3.3	Don´t know, not sure, no information, no data
11,4	**First proposal involves mutual interests?**
11.4.1	Yes
11.4.2	No (just their self interests)
11.4.3	Don´t know, not sure, no information, no data
11,5	**Is the negotiation essentially a bargaining/haggling process based of first proposal?**
11.5.1	Yes (they insist on first proposal)
11.5.2	No (they try to integrate interests, mutual value creation)
11.5.3	Don´t know, not sure, no information, no data

APPENDIX 3:
Four Principles of Fisher, Ury & Patton (1981) and ten selected Questionnaire items

1- Separate the people from the problem.
Is negotiation a rational or an emotional process?
Do they separate business from personal issues?
Do they use threats?

2- Insist on using objective criteria.
Do they use objective criteria?
Are concrete facts discussed?

3- **Focus on interests not positions.**
Do they use extreme first offers?
Are they long/short term oriented?
Do they come well prepared to the negotiation table?

4- **Invent options for mutual gain.**
Are they focused mainly on creating, or on distributing value?
Do they usually follow a haggling/bargaining process?

Table 1: Model Selection 1, 2, 3, or 4 Clusters

Model	*LL*	*BIC (LL)*	*Number of Parameters*	*Degrees of Freedom*
1-Cluster	-970.53	2033.36	20	81
2-Cluster	-899.0394	**1987.29***	41	60
3-Cluster	-856.82	1999.79	62	39
4-Cluster	-829.10	2041.26	83	18

*This is preferred model according to the BIC criterion (lowest BIC value).

Table 2: Parameter Estimates for 2-Class Model

Variable	*No. of Levels*	*Levels*	*Class 1*	*Class 2*
Temporal Perspective	3	Short Term	0.7519	0.4559
		Don't Know	0.1321	0.2532
		Long Term	0.1160	0.2909
Do they come prepared to the negotiation table?	3	Yes	0.3117	0.2723
		Don't Know	0.2615	0.6121
		No (Improvise)	0.4168	0.1156
Do they use objective criteria to justify your proposal?	3	Yes	0.1693	0.2983
		Don't Know	0.1542	0.5654
		No (haggling)	0.6764	0.1363
Is it essentially a process of haggling of initial proposal?	3	Yes (Insistence in initial proposal)	0.8880	0.0377
		Don't Know	0.0774	0.3162
		No haggling (Integrate interests, Create Value)	0.0345	0.6461

Do they use Threats?	3	Yes (normal, direct, pragmatic)	0.4176	0.3124
		Don't Know	0.1563	0.1303
		No (Avoid confrontation)	0.4261	0.5573
Are Concrete Facts Discussed?	3	Yes	0.2497	0.4411
		Don't Know	0.1290	0.2935
		No (Generalities)	0.6213	0.2655
What is their understanding about negotiation?	3	Distribute Value	0.8163	0.2389
		Don't Know	0.1553	0.5690
		Create Value	0.0284	0.1651
Process of Negotiation is emotional o rational?	3	Emotional	0.6048	0.3704
		Don't Know	0.1861	0.4245
		Rational	0.2091	0.2051
Do they separate between Business/Personal Life in negotiations?	3	Yes (two different worlds)	0.0890	0.1887
		Don't Know	0.2903	0.3789
		No (they intermix)	0.6207	0.4324
Is First Proposal Extreme?	3	Yes (hard, extreme)	0.8315	0.0710
		Don't Know	0.0011	0.4938
		No (reasonable, close to reality)	0.1674	0.4351
Frequency of Class			0.7009 (Class 1)	0.2991 (Class 2)

Table 3. The coexistence of two negotiation cultures in Costa Rica

Variable/latent cluster found (LCA 1)	*Class 1: Distributive (75 out of 104)*	*Class 2: Integrative (29 out of 104)*
Not well prepared (improvisation)	41%	10%
First proposal is excessive, extreme	82%	3%
Essentially a haggling process based on first proposal	88%	0%
Don´t use objective criteria, standards.	66%	13%
Use threats	42%	30%
Negotiation process is basically emotional	60%	37%
Understand negotiating as just distributing value	80%	23%
Generalities are discussed, rather than concrete data	62%	23%
Mix business and personal relations	61%	44%
Short term perspective	75%	43%

Source: prepared by the authors based on Latent Class Analysis of 104 questionnaires to expats who described the Costa Rican negotiation strategy.

Figure 1: Class Conditional Probabilities