



CONCEPTUALIZATION AND OPERATIONALISATION OF SPECIFIC VARIABLES IN EXPLORATORY RESEARCHES – AN EXAMPLE FOR BUSINESS NEGOTIATION

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Abstract

In exploratory researches we are looking for clues, trying to get a better picture of the research variables and relationships. Besides variables already studied, identified in the literature review, we might deal with specific variables – for the investigated subject and socio-cultural region – the ones that might lead us to new explanations and theories. These new variables can be depicted from in-depth interviews and informal discussions with intervening actors, through a process of identification, conceptualization (obtaining theoretical definitions), and operationalisation (suggesting ways for the measurement of the identified variables). The present paper offers an example of such a process for a particular subject – identifying potential specific influences on the business negotiation behaviour. The focus is on the methodological aspects of such a research endeavour.

Keywords: variable conceptualization, operationalisation, exploratory research, research methodology, business negotiation, cultural factors

JEL classification: L22, L25, M10, M14, M16

1. INTRODUCTION

The outcomes of business negotiation processes – often summarized as either failure or success – were intensely studied, in various fields and cultures. (Adair and Brett, 2005; Bendersky and Curhan, 2009; Kapoutsis *et al.*, 2013; Lin and Miller, 2003; Luomala *et al.*, 2015; Reynolds *et al.*, 2003; Shi, 2001; Simintiras and Thomas, 1998; Song *et al.*, 2004; Stoshikj, 2014; Zhu and Gao, 2013). Researchers, especially emic ones (those who are part of the investigated culture and emotionally involved) are usually looking for particular influence factors, those who are culturally sensitive and might explain local specificities. This was the starting point of the present paper – identify variables that might influence the negotiation behavior and that are specific for Romanians, from the perspective of Romanians. In order to refine this initial research question, we went through a process of discussing business experiences, with different intervening factors (of Romanian

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nationality) – business people, consultants, local administrators and academics. We looked at perceived success and failure factors in different types of negotiations and business consulting activities, in order to find out why there are difficulties in negotiating, what could explain the behavior of Romanian negotiators (in merging, acquisitions, consulting) and the negative outcomes - failures. If these factors are identified, then we can get better results in negotiations, working on the influence variables. There could be many outcome or dependent variables considered for what we could call negotiation success or effectiveness – closing the deal or signing of the contract, obtaining a specific price or particular advantageous conditions, the adoption of a specific negotiation style – in particular a problem-solving negotiating (which from both common sense and the literature review seems to be a desired style). Stoshikj simplifies things by introducing two categories of outcomes or measures – economic ones and social-psychological ones. (Stoshikj, 2014) If economic measures are usually clear (one either signed the deal or not, obtained a certain price or not etc.), the social-psychological ones are fuzzier, they depend on social and individual perceptions and could be quite relative. There are, also, many possible influence factors (independent variables) or other intervening variables (mediators and moderators). The literature – developed mainly on Western countries and Asian ones and less on Eastern European countries, as Romania – suggests different ways of analyzing business negotiations, with a focus on the different issues of the process – type of business (sales, mergers, acquisitions, direct investments, etc.), type of partners (public-private, national-international, etc.), type of negotiation style (integrative versus distributive), etc. When speaking about influence factors, the palette is really large. Shi (2001) identifies, besides demographic characteristics, factors as economic conditions, etiquette, social harmony, political pervasiveness and constituent shadows (due to multiple parties involved Song *et al.* (2004) found different factors for success – attitude and product characteristics, cultural awareness, counterpart's attitude and past experience – and for failure – differences in style and cultural differences, lack of sincerity and competition. A significant number of researchers suggest that the main influence factors are of cultural type: Lin and Miller (2003) analyzed the direct and indirect influences of culture, Tu and Chih (2011) the religious beliefs, as part of culture, Sarkar (2010) suggested cultural values, ethnocentricity, diplomacy, social intelligence and corporate ethics as being crucial. Cultural dimensions are an important category of factors for many other studies, as well (Reynolds *et al.*, 2003; Simintiras and Thomas, 1998; Warter and Warter, 2015; Zaiț *et al.*, 2014). Even when other factors are identified – as emotions and behavioral tendencies, suggested by Luomala *et al.* (2015) – they are also influenced by national culture. This is why it makes sense to try to identify factors of influence for the business negotiation process specific for the Romanian culture – first through an exploratory approach – the objective of our study. Such an exploratory research for conceptualizing and operationalizing specific variables is appropriate and in line with several literature recommendations (Hall and Lee, 2012; Scherbaum and Meade, 2013; Zaiț *et al.*, 2015; Zaiț and Zaiț, 2009).

2. METHODOLOGY

We conducted a series of in-depth discussions with four types of Romanian actors. The sample was a convenience and reduced one – seven persons, from which two business people, two consultants, two local administrators (local council and local technological park) and one university professor. Each discussion (with one exception, where two people

participated at the same time) was individual and took between 30 minutes and one hour, was rather informal and not structured, but specifically addressed the perceived difficulties in negotiation for Romanians. Four meetings took place at the working office of the interviewed people and three in the office of the investigator. Data was collected within a two weeks interval of time. There were no recorded transcripts, but the investigator took written notes, in agreement with each of the participants. As already mentioned, the accent was on those factors with potential negative influence, explaining negative perceptions during and after the negotiation process. All notes were analyzed shortly after the last meeting took place. A content analysis technique (Zaiț *et al.*, 2015) was used, with an emergent coding procedure – no pre-established codes, all notes were read three times and categories were identified based on the logical belonging of the concepts, following their implicit and explicit meanings.

3. MAIN RESULTS

The categories were identified based on the main characteristics that were retained from the analysis of the discussions' notes, and these were: people are not listening; they don't have the patience to really listen to the other/ to their negotiation partner, they interrupt a lot and want to pass their own opinion; people have preconceptions (for example, consultants are jerks, foreigners want to obtain a better deal for them, Germans are rigid, etc.); people are not interested to find out and respect certain procedures or etiquettes; Romanian partners consider public data as confidential and secret, they don't want to communicate basic necessary information for the negotiation process; they don't prepare for the meeting, having as guiding principle "we'll see what happens"; they care too much about what the other one/the foreign partner could win, even if they would win, too, they have the impression that the other one would be in advantage; they are greedy, they want more, even if at the beginning they were settled for less; they prefer ambiguity and vagueness, not well established rules, procedures; they seem to be lead by frustrations from their personal life and so they are not able not to take things personally; they don't trust and are not open with their partners; they restart a negotiation after the process seemed to be concluded and agreed.

From these main issues we extracted the main possible categories and concepts – the conceptualization took into consideration previous articles in the literature (both on negotiation and methodological issues) and the emic experience of the author. Therefore, the main concepts or variables of interest, specific for Romanians, would be the following (we retained all issues that appeared at least once):

- listening ability (with possible different dimensions – active listening, empathetic listening etc.); this would explain the non-listening behavior, interruptions and lack of patience;
- materialism (as a substitute variable for greed – a study of Ger and Belk (1996) suggests Romanians are the most materialistic nation from those studied in 1999); dispositional greed could be also used as variable, being positively related with materialism, yet different (Krekels and Pandelaere, 2015);
- ethnocentrism and cultural intelligence or other cultural dimensions as cultural awareness, sensitivity and adroitness (which could explain stereotypes and labeling, and then the refuse to listen and talk to those already labeled);

- trust (either as personality trait, dependent on the individual and/or influenced by culture - or as temporary state – the last one including cooperative motivational orientation, patterns of predictable behavior, problem solving orientation);
 - Machiavellianism or manipulative behavior as the opposite of trust;
 - risk aversion (as personality trait) or uncertainty avoidance (as cultural dimension) (could explain fear of giving basic, public information; the risk aversion is measured at individual level, based on personality, while the uncertainty avoidance could be explained by national culture influences and the past communist experience);
 - post negotiation dissonance (which could explain the tendency to restart the whole negotiation);
 - pride and vanity (could explain why people value more their own opinion, consider themselves more intelligent or better than the others, etc.).

After identifying potential influence variables, from a conceptual point of view, we need to know how these variables can be operationalised or measured. Two situations are possible:

- there are previous studies in which similar variables were measured, which means that specific scales were developed, tested and validated; in this case we can use those scales, either in their original form, or adapted for the specific investigated subject and/or region;
- specific, brand new scales have to be constructed for the investigated variables, because they were not measured before.

The choice of one of these solutions depends on the results of the literature review conducted on the issue of measurement for the particular variables of interest. In our case, a quick review shown that there are scales already validated for the measurement of our variables. Some of the scales were already tested for cross-cultural validation (on multiple nations or countries), others were developed and tested on one or two countries and can be further be adapted for Romanians. Based on the results of the literature review, we suggest the following scales:

- listening ability – scale developed by [Drollinger et al. \(2006\)](#);
- materialism – scale suggested by [Ger and Belk \(1996\)](#);
- dispositional greed – scale suggested by [Krekels and Pandelaere \(2015\)](#);
- ethnocentrism – scale suggested and tested by [Teo et al. \(2011\)](#), further adapted for the Romanian market;
- cultural intelligence or cultural competence –scales developed by [Moyano et al. \(2015\)](#) or by [Perng and Watson \(2012\)](#);
- trust – scales used by [Gheorghiu et al. \(2009\)](#), at individual level, or by [Möllering et al. \(2004\)](#) at organizational level;
- Machiavellianism/manipulative behavior – scale developed by [Kapoutsis et al. \(2013\)](#) and by [Dahling et al. \(2009\)](#);
- risk aversion / uncertainty avoidance – scales developed by [Rohrmann \(2005\)](#) or by [Rapp et al. \(2011\)](#);
- post negotiation dissonance – scales suggested by [Bendersky and Curhan \(2009\)](#) and [Caputo \(2013\)](#);
- vanity – scale developed and cross-cultural validated by [Durvasula et al. \(2001\)](#), [Durvasula and Lysonski \(2008\)](#).

Through such an approach, specific variables for the business negotiation process from the perspective of Romanian business negotiators were suggested, at an exploratory level, together with their potential operationalisation – measures.

4. CONCLUSIONS

We used a pilot (small sample) exploratory research in order to conceptualize and to operationalise potential specific variables of influence for Romanian negotiators in different business negotiation processes (internal and international, sales, mergers, acquisitions or foreign direct investments). We focused on the methodological process – the steps for identifying and defining the potential variables, followed by suggestions for their measurement (previously used measurement scales).

Certain limits exist – the small sample (although it is still acceptable for an exploratory research), the convenience selection procedure for interviewed people, the lack of recording of discussions, the coding done by just one investigator.

Our approach could serve as a methodological example, from this point of view. On a different perspective, even if on a very small sample, the findings are interesting and could have important managerial implications for business negotiators, through the specific variables identified at this point: listening ability, materialism, ethnocentrism, cultural intelligence/competence, trust, Machiavellianism, risk aversion/uncertainty avoidance, post negotiation dissonance and vanity. If some of these variables were already largely studied in negotiations, especially international ones – listening, ethnocentrism, cultural values, trust, risk aversion and uncertainty avoidance, and cognitive dissonance, other are rather rarely analyzed in business negotiation processes – ethnocentrism and Machiavellianism – or never studied before in business negotiations – this being the case for materialism and vanity. Future researches on these newly identified variables from the perspective of Romanian actors might bring new insights for the success of business negotiations, especially cross-cultural ones.

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