

What shapes cross-border merger and acquisition negotiations in the automotive industry?

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June 2021

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Abstract

The research evaluated the impact of contextual, structural, and behavioural factors in shaping cross-border merger and acquisition (CBMA) negotiations between automobile manufacturers. Recent years have seen an increase in CBMA activity in the automotive industry, advanced by the necessity to share investments in alternative power sources for engines and realise economies of scale and scope. The significance of the topic is reflected by the essential role played by the automotive industry in the global economy. According to Fortune (2020), the combined revenue of the top 10 automakers exceeded \$1.70 trillion in 2019. PricewaterhouseCoopers (2020) reported that Global Automotive M&A activity accounted for \$100 billion and approximately 800 deals in 2018, and over \$77 billion and around 850 deals in 2019. Despite the substantial deal value and volume, research has repeatedly determined that over 70 per cent of CBMAs fail to deliver the promised results due to the ineffective management of the negotiation process. Moreover, while the different stages of the M&A process have been extensively investigated, research on the M&A negotiation phase has been limited, and very few studies have attempted to incorporate contextual, structural, and behavioural factors in analysing inherently complex CBMA negotiations.

The study followed a pragmatist standpoint and adopted a sequential mixed-method design integrating the macro-strategic and micro-behavioural levels of analysis. The first phase based on a qualitative small-N focused comparative analysis case study on identifying the type of precipitant originating turning points in CBMA negotiations between automobile manufacturers. The second quantitative phase entailed a factorial experimental design and questionnaires to evaluate motivational and relational factors' role in shaping the negotiators' response to the previously identified precipitants. The simulations extensively conformed to a real case, and the sample of experimental participants consisted of executives with at least seven years of negotiation experience. The findings indicate that negotiation outcomes are significantly influenced by elements internal to the negotiation process, with contextual factors (including culture) exhibiting only a marginal influence. The conclusions also highlight the critical role of coalition-building in shaping the negotiation process. The results supplement current literature and provide a roadmap for managers to better prepare, identifying the three crucial behavioural factors that shape negotiators' response to precipitants and significantly influence the outcome of CBMA negotiations between automobile manufacturers: the seller's motivation and power perception and the buyer's affective trust.

DEDICATION

First and foremost, this thesis is dedicated to my parents,

Avtar and Param.

And to Amita, Nadish and Rita.

ACKNOWLEDGMENTS

I wish to thank my thesis supervisor, Professor Jesus Canduela, for his guidance throughout the research and his precious and timely feedback.

I also want to thank Professor Daniel Druckman for his advice during the early stages of the process and Professor Michael Morris for his assistance in drafting the case study that formed the foundation for developing the experimental simulation.

Additionally, even though they cannot be named here due to anonymity assurance, I am very thankful to the participants in the second phase of the research.

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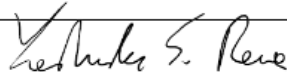
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Glossary of Terms

Complex Negotiations. Negotiations involving multiple actors in a multiple-issue and multiple-stage context in the presence of uncertainty, ambiguity, and information asymmetry.

Cross-Border Merger and Acquisition. In a cross-border merger, two firms' assets and operations belonging to two different countries are combined to establish a new legal entity. In a cross-border acquisition, the control of assets and operations is transferred from a local to a foreign company, the former becoming an affiliate of the latter.

Macro-strategic level of analysis. It explores the impact of contextual and structural factors on negotiation outcomes.

Micro-behavioural level of analysis. It explores the influence of negotiators' behaviour on negotiation outcomes.

Turning points. Critical moments in the process that lead to a change in the course of the negotiation. The terms turning points and departures are used interchangeably in the thesis.

List of Abbreviations

BATNA	Best Alternative to a Negotiated Agreement
CBMA	Cross-Border Merger and Acquisition
DMNC	Developed Market Multinational Corporation
EMNC	Emerging Market Multinational Corporation
FDI	Foreign Direct Investment
IB	International Business
M&A	Merger and Acquisition
OICA	International Organization of Motor Vehicle Manufacturers
OEM	Original Equipment Manufacturer

Chapter 1. Introduction

1.1 Research background

The global automotive industry is a vital sector of the world economy. According to Fortune (2020), the top 10 automakers' combined revenue amounted to nearly \$1.73 trillion in 2019. Consistent with the International Organization of Motor Vehicle Manufacturers (OICA), if the auto industry were a country, it would be the world's 6th largest economy.

With a global production in 2019 of 97 million light vehicles and sales of about 91 million light vehicles (Zaleski & Nespolo, 2020), the automotive industry creates 2.5 million direct and 13.3 million indirect jobs in the European Union (Jonnaert, 2018). Furthermore, it is the largest manufacturing sector in the US concerning the value of products and direct employees: over 16% of US businesses are involved in the manufacturing, selling, servicing, or management of cars (Bell Rae & Binder, 2018; Bureau of Labor Statistics, 2019). According to the OICA, the auto industry employs over 9 million direct and almost 50 million indirect workers globally.

Despite being a fundamental element of the global economy, the automotive industry has been experiencing several challenges over the past decades: chronic overcapacity, high product and technology development costs, regional business cycles. Original Equipment Manufacturers (OEMs) have engaged in Merger and Acquisitions (M&As) as the primary driver for attaining economies of scale and scope, entering untapped markets and new product lines, acquiring technology, design, and processes, reducing costs and risks in new product development and gaining fiscal advantages (Capron, 1999; Kang & Johansson, 2000).

Global Automotive M&A activity accounted for \$100 billion and approximately 800 deals in 2018 and over \$77 billion and around 850 deals in 2019 (Zaleski & Nespolo, 2020), with an average deal size of \$269 million. As reported by the Institute for Mergers, Acquisitions, and Alliances, worldwide Automotive M&As represent 15% of the total global industrial M&As since 1985. Figures 1.1 and 1.2 display the total value of M&As and the total number of deals in the automotive industry since 1999.

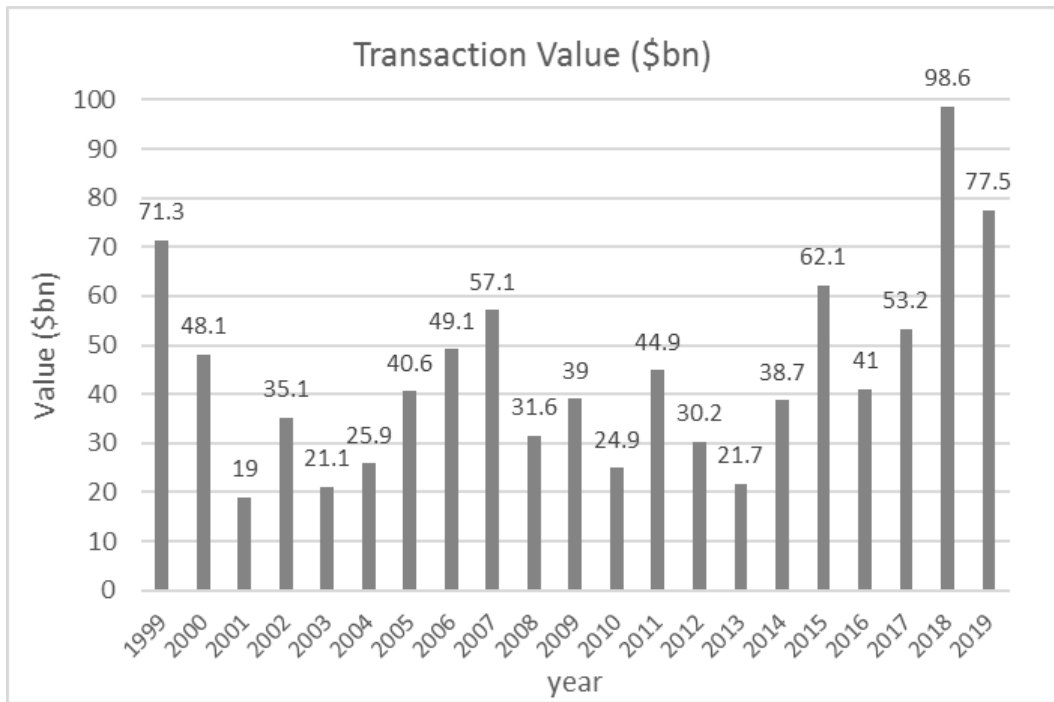


Figure 1.1 - Auto Industry M&As value. Adapted from Zaleski & Nespolo, 2020: 2.

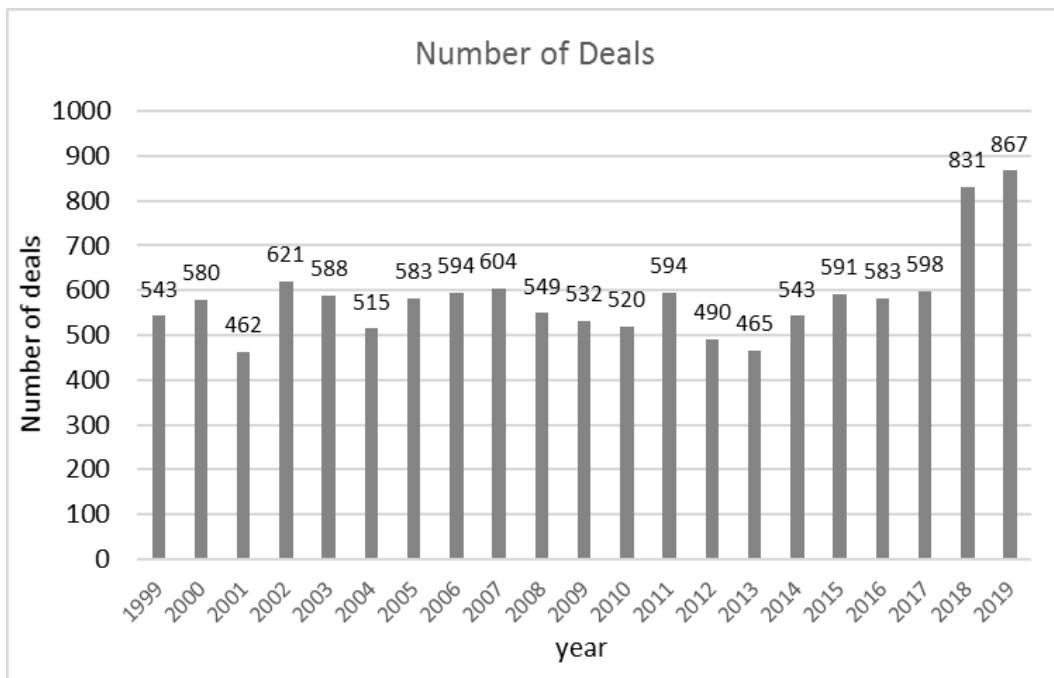


Figure 1.2 - Auto Industry M&As Volume. Adapted from Zaleski & Nespolo, 2020: 2.

A wave of consolidation involving OEMs is even more likely today, advanced by the need to share significant investments required to meet regulatory changes and develop new mobility models and new technologies, such as electric engines and connected and self-driving cars (Campbell, 2019).

Despite the substantial deal value and volume, research has recurrently established that more than 70 per cent of M&As and Cross-Border Mergers and Acquisitions (CBMAs)

fail to deliver the desired outcomes (Distler, 2018; Joshi et al., 2018). The evidence points to three crucial factors explaining CBMA failure: an incorrect evaluation of financial and operational synergies, inadequate planning of the post-merger integration phase, and ineffective management of the negotiation process (Cartwright & Shoenberg, 2006; Joshi et al., 2018).

Several studies contend the profound relationship between the negotiation process and CBMA performance, providing a compelling rationale for this research: a few contentious issues can lead to failure if not adequately addressed during the negotiation process (Datta, 1991; DePamphilis, 2013; Distler, 2017; Gomes et al., 2013; Graebner et al., 2016; Hart & Schweitzer, 2020; Lander & Kooning, 2013; Mignerat & Marmenout, 2017; Steigenberger, 2017). However, while the different stages of the CBMA process have been extensively investigated, research on CBMA negotiations is limited. As a result of the complexity inherent in CBMA negotiations, the causal relationship between the negotiation process and its outcomes remains to be thoroughly examined (Lander & Kooning, 2013; Parola & Ellis, 2013; Underdal, 2002; Weber et al., 2011; Welch et al., 2019).

CBMA negotiations, regarded as a subcategory of international negotiations, are usually complex because they involve multiple actors in a multiple-issue and multiple-stage setting (Dupont & Faure, 2002; Mermet, 2012). Multiple actors lead to several potential dyadic relationships, greatly accelerating the negotiation process's complexity and subsequently rendering theory development problematic (Bazerman et al., 2000; Crump & Glendon, 2003; Gray, 2011; Sood & Pattinson, 2011).

CBMA negotiations have been examined through two distinct levels of analysis, the macro-strategic, focused on structural and contextual factors influencing strategic decisions, and the micro-behavioural, centred on negotiators' behaviour and relationship (Reynolds et al., 2003; Druckman, 2020; Weiss, 2006). Nevertheless, given the complex relationships among the different factors influencing the negotiation process, few studies have successfully developed a coherent framework integrating the two approaches (Ghauri, 1986, 2003; Khakhar, 2007; Skuna, 2000; Weiss, 1993). Furthermore, none of these studies has focused on CBMA negotiations in the automotive industry. The integration of the two-level analysis is critical in comprehending the complexity of the CBMA negotiation process by merging contextual and structural factors distinctive of the macro-strategic and motivational and relational factors influencing negotiators' behaviour, typical of the micro-behavioural level of analysis.

Lastly but not less relevant, studies on CBMA negotiations, both under the macro-strategic and the micro-behavioural approaches, have primarily focused on the impact of cultural distance on the negotiation process. The predominant stream of research maintains that culture fundamentally influences international business negotiations (Faure, 2002; Gelfand & Dyer, 2001; Liu, 2019; Olekalns, 2002; Ramirez et al., 2019). Nonetheless, a different avenue of research claims that culture is only one of the many variables influencing the negotiation process (Carnevale, 1995; Dinkevych et al., 2017; Elgström, 1994; Kern et al., 2012; Ribbink & Grimm, 2014), and when experienced negotiators are involved, its impact is further reduced (Adair & Brett, 2004; Bandura, 2002; Pressey & Selassie, 2006; Watkins, 2002).

The subject is highly significant to the author because of his previous professional experience in the automotive sector and his current profession as a corporate trainer and business school professor in International Business (IB) negotiations.

1.2 Research aim and objectives

The primary purpose of the thesis is to integrate the macro-strategic and micro-behavioural approaches in analysing CBMA negotiations in the automotive industry, with the following research aim:

To evaluate the impact of contextual and behavioural factors in shaping negotiators' response to precipitants in cross-border merger and acquisition negotiations between automobile manufacturers.

The resulting objectives provide a roadmap of the research:

1. To identify the appropriate framework to analyse complex negotiations integrating the macro-strategic and micro-behavioural levels of analysis.
2. To explore the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers.
3. To evaluate the role of motivational factors in shaping the CBMA negotiation process.
4. To evaluate the role of relational factors in shaping the CBMA negotiation process.
5. To provide managers and practitioners with a model for conceptualising complex negotiations, a methodology for determining the key drivers of international

business negotiations, guidelines to better prepare for M&A negotiations, a roadmap to predict turning points during the negotiation process, and levers to shape the negotiation outcomes.

The selected model, the turning points framework, based on the causal relationship between three factors (precipitants, departures, and consequences) (Druckman, 2001; Crump & Druckman, 2016), provides a solution to the weaknesses of current complex negotiation models as proposed by Watkins (2002).

Additionally, as suggested by Putnam (2017), the model enables the integration of the macro-strategic and micro-behavioural levels of analysis by simultaneously investigating the impact of contextual and structural factors and the influence of motivational and relational (expressly trust and power) variables on the CBMA negotiation process.

1.3 Approach to research

The thesis is conducted under a pragmatist philosophical perspective, combining the compatible advantages and limitations of positivism and constructivism. Despite the selected framework analyses negotiations in terms of critical variables and their causal relationship, and the research hypothesis is preliminarily operationalised as a series of operational hypotheses to be tested through empirical observation and measurement of variables, negotiators' behaviour significantly affects the negotiation process and its outcomes, requiring an intermediate position between the two paradigms. Quantitative data is given more emphasis because the first qualitative phase is performed to inform the second quantitative stage. The first phase consists of a small-N focused comparative analysis case study, with cases selected based on purposive sampling centred on eight specific criteria. The second phase entails quantitative laboratory experiments (negotiation simulations) with participants, selected by convenience sampling, randomly assigned to the conditions in a 2x2x2 factorial design, involving role, the type of precipitant (external and/or internal), and motivation (cooperative vs competitive) as independent variables. The degree of trust and perceived relative power act as mediating factors and are assessed through questionnaires at the beginning and end of the simulations (degree of trust and relative power are evaluated rather than manipulated in the research).

Concerning the second phase, negotiation analysis based on experimental negotiation simulations suffers from two critical external validity limitations (Druckman, 2005;

McDermott, 2002; Weiss, 2004): external validity due to students as participants and external validity to simulations based on simplified assumptions.

The experimental participants' sample will entail executives with at least seven years of negotiation experience to overcome the external validity limitation due to students as experimental participants. The second external validity threat due to simulations based on simplified assumptions will be minimised by adopting a simulation that will extensively conform to a real case (Tata's acquisition of Jaguar and Land Rover from Ford in 2008). The simulation will be set in the present day to enhance participant's engagement, and it will use fictitious names to avoid participant's personal biases.

The research is subject to at least four crucial shortcomings, besides limitations inherent to the chosen methods. First, data collection for the first phase is solely based on secondary sources. Additionally, purposive sampling's propensity to be susceptible to researcher bias and lack of representativeness is mitigated by employing eight specific predetermined criteria that provide a rationale for case selection. Moreover, the limitation of participants selected through convenience sampling in the second phase is moderated by adopting a sampling procedure that includes random assignment to conditions and random choice of negotiators among the team members with more than seven years of negotiation experience. Lastly, one of the essential requirements to ensure internal validity, replicating the experiments ideally ten times (Druckman, 2005), faces two crucial challenges. The necessity to conclude the research in a reasonable time and the availability of experienced managers during negotiation training courses, substantially affected by the COVID-19 pandemic.

1.4 Contributions of the thesis

Most studies on IB negotiations focus either on a strategic examination of the context and structure or on negotiators' behavioural analysis based on simulations built around conventional and simplifying assumptions, employing undergraduate or graduate students as participants. The thesis contributes to research by adopting a complex simulation that closely resembles a real-world scenario and by utilising experienced negotiators as participants. This research would further assess the causal relationship between the negotiation process and negotiation outcomes by integrating the macro-strategic and the micro-behavioural levels of analysis, an approach already adopted in the analysis of international conflicts and trade and security negotiations, but, to the best of our knowledge, never employed in the context of CBMA negotiations. This holistic

approach would contribute to the complex ongoing debate on negotiation theory by contrasting the research results with previous studies that had taken a single macro-strategic or micro-behavioural approach.

Additionally, the study aims to provide managers and practitioners with three distinct contributions: *Before the negotiation*: by offering priority guidelines based on specific precipitants, preparing and training for CBMA negotiations. *During the negotiation*: by proposing a roadmap to identify critical moments, predict possible responses to specific precipitants while the negotiation unfolds, and offer levers to shape the negotiation process in the desired outcome direction. *After the negotiation*: by presenting a comprehensive framework to understand the main factors that influence the outcome of CBMA negotiations between automobile manufacturers.

A final contribution is the opening of a plausible avenue for future research on complex business negotiations.

1.5 Content

Chapter 2, the literature review, is developed around three main themes: section 2.1 examines the classic negotiation analytical approaches and the two main approaches to international negotiation analysis: complexity and culture. Section 2.2 evaluates the two chief IB negotiation levels of analysis, leading in section 2.3 to CBMA negotiations in the auto industry, regarded as a subset of IB negotiations.

Chapter 3, the research methodology, will discuss alternative methods adopted in negotiation studies. The chapter will then develop the research design from the research question and objectives, outline the mixed-method choice, and present the research procedure. The pilot study findings will precede the sections discussing the research methodology's critical limitations and the study's main ethical issues.

Chapter 4, the macro-strategic analysis, will first present the data collection and analysis of the qualitative small-N focused comparative analysis case study assessing the role of contextual and structural factors in shaping the negotiation process by identifying the type of precipitant triggering turning points in CBMA negotiations. The chapter will then outline the first phase's findings to direct the second phase's focus towards one specific (internal or external) or both types (internal and external) of precipitants. The final section of phase one will present additional findings associated with coalition building and culture.

Chapter 5, the micro-behavioural analysis, will present the data collection and analysis of the experimental simulations and questionnaires assessing the impact of relational and motivational factors in shaping the negotiator's response to precipitants (as identified in phase one) in CBMA negotiations. The chapter will then delineate the second phase's findings, identifying the critical motivational and relational factors that influence the outcome of CBMA negotiations between automobile manufacturers.

Chapter 6 will integrate the study's main findings and outline their theoretical and methodological implications. The subsequent section will explore the contribution to practice, followed by the study's limitations and suggestions for future research.

Chapter 2. The Literature Review

CBMA negotiations, the focus of the thesis, represent a subset of IB negotiations, which, in turn, are contained within International Negotiations. The Euler diagram in Figure 2.1 represents the three sets and their relationship.



Figure 2.1 - Relationship between the three negotiation sets.

Accordingly, the literature review adopts a three-step funnel structure that progresses from international negotiation analysis to IB negotiations and then to CBMA negotiations in the auto industry. In each step, elements relevant to this research are identified and fed into the following sub-set.

Figure 2.2 exemplifies the structure of the chapter.

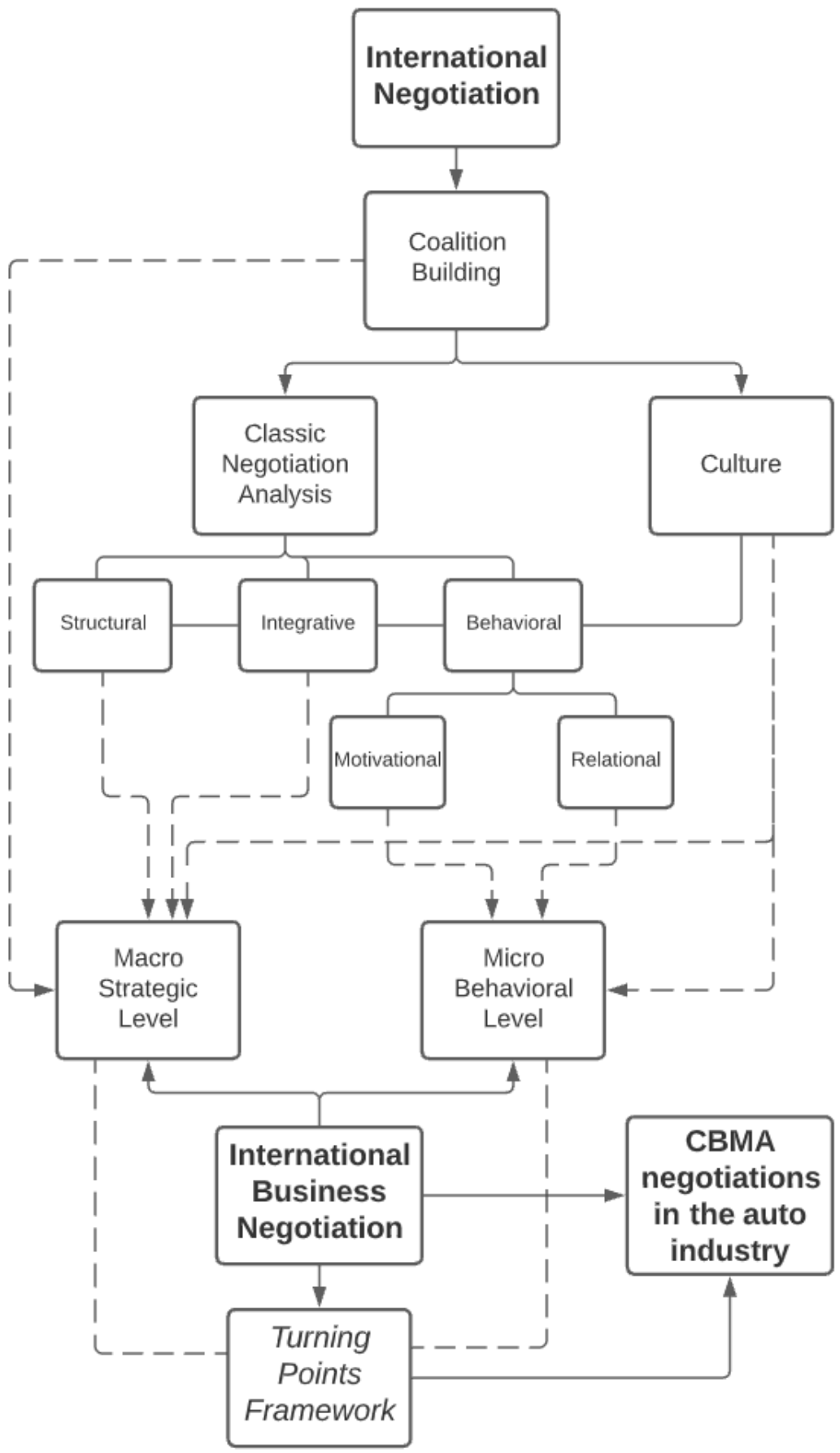


Figure 2.2 - Structure of the Literature Review

The chapter starts by defining international negotiations and outlining the three main complementary perspectives to international negotiations analysis: Power-Coalition, Classic Negotiation, and Culture. The following section introduces IB negotiations as a subset of international negotiations, defining two levels of analysis, the macro-strategic and the micro-behavioural, founded on the three complementary approaches to international negotiations analysis. The third section progresses towards CBMA negotiations, briefly defining the concept of CBMAs, and introducing the major studies concerning CBMA negotiations in the automotive industry, chiefly grounded on the macro-strategic perspective of IB negotiations.

The theoretical models adopted in IB negotiation analysis are then discussed, outlining the reasons behind the choice of the turning points framework. Finally, the critical review of the current literature will act as the basis for developing the research aim, question, and hypotheses outlined in the last section of the chapter.

2.1 International Negotiations Analysis

Kaufmann (1989) defines international negotiations as negotiations between governments, institutions, companies, and NGOs concerning individuals from different countries. Thus, international negotiations include, among others, trade, security, environmental, political, diplomatic, and business discussions. Significantly, most of the current international negotiation frameworks have been developed in the field of international relations and diplomacy (Odell & Tingley, 2013; Weiss, 2006).

International negotiations are often complex because increasing the number of parties at the negotiation table grows the number of potential dyadic (two-party) relationships between players exponentially (Dupont & Faure, 2002; Mermet, 2012). As a result, the complexity of the negotiation process escalates, rendering theory development problematic (Bazerman et al., 2000; Crump & Glendon, 2003; Gray, 2011).

International Negotiation Analysis is grounded on three major complementary approaches: Classic Negotiation, Power-Coalition, and Culture. Classic Negotiation Analysis attempts to uncover the relationship between specific factors of the negotiation process and its outcomes. All the different classic negotiation perspectives adopt dyadic (two-party) negotiations as a foundation for analysis (Dupont & Faure, 2002; Sebenius, 2009; Zartman, 1988, 2002a). Power-coalition analysis diminishes the complexity of international negotiations, converting a multiparty negotiation into a dyadic one by reducing the number of players through coalition building. Therefore, power-coalition

analysis is a prerequisite for classical negotiation analysis in international negotiations (Dupont, 1994, 1996). Finally, culture represents a cross-cutting concept associated with the different classic negotiation analytical approaches to international negotiations (Adair & Brett, 2005; Brett et al., 1998; Dinkevych et al., 2017; Graham, 1983, 1984, 1993; Ribbink & Grimm, 2014; Ramirez et al., 2019).

The three approaches to the analysis of international negotiations serve as the building blocks of the macro-strategic and micro-behavioural analysis levels of IB negotiations. Figure 2.3 represents the relationship between the three approaches to international negotiations.

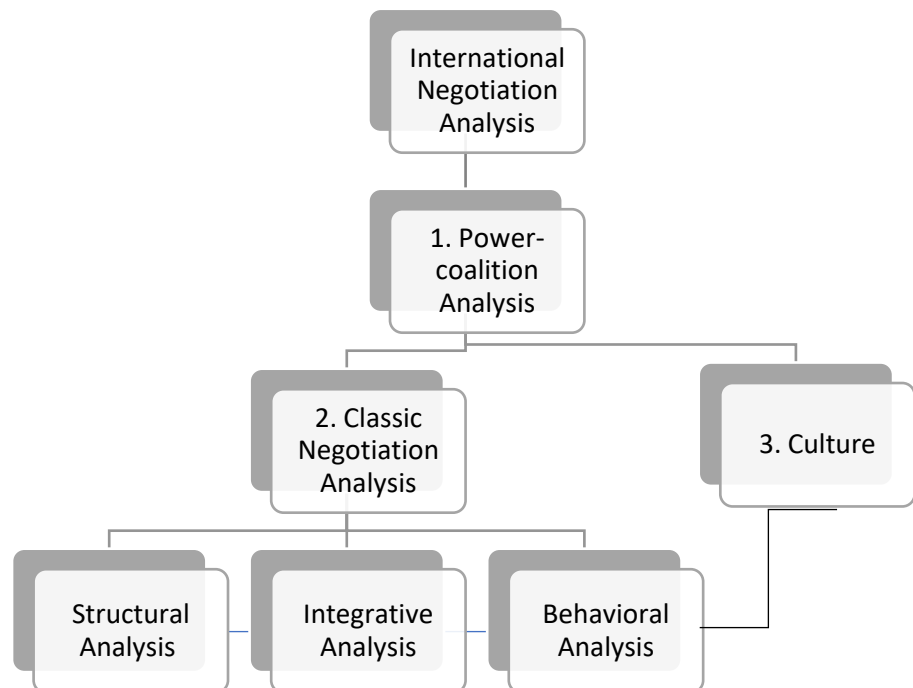


Figure 2.3 - Relationship between the three approaches to International Negotiation Analysis

Having exemplified in Figure 2.3 the transversal action played by culture combined with the three main classic negotiation analysis methods, the next section explores the crucial preliminary role of power-coalition analysis in reducing the complexity of international negotiations.

2.1.1 Power-Coalition Analysis

International negotiations involve multiple actors in a multiple-issue and multiple-stage context in the presence of uncertainty, ambiguity, and information asymmetry. (Bazerman et al., 2000; Crump & Glendon, 2003; Gray, 2011; Sood & Pattinson, 2011; Starkey et al., 2015).

Zartman (1994) argues that classic negotiation models, grounded on dyadic negotiations, cannot be straightforwardly applied to complex international negotiations. Furthermore, the understanding of the context (political, economic, social, institutional, legal, historical, cultural, legal, technological) in which the negotiation takes place is crucial in analysing complex negotiations and understanding critical shifts in the negotiation process over time (Crump, 2015; Downie, 2017; Gray, 2011; Jönsson, 2015). Watkins (2002) suggests that current models experience one or more of three essential inadequacies: Simplicity: they regard negotiations as isolated interactions among a few players on a small number of issues. Sterility: they disregard motivational and relational factors that increase the complexity of the interactions among different players. Passivity: they fail to portray the dynamic nature of the negotiation process.

Power-coalition analysis is grounded on structural analysis, further examined in section 2.1.2.1, exploring the parties involved in the negotiation, their interests, and their relative power. Dupont (1994) defines coalitions as collaborative endeavours for the achievement of short- and long-term goals. The primary aim of coalition building is to augment individual actors' power by combining different players with common interests to reduce the complexity of international negotiations (Chasek & Wagner, 2016; Dupont, 1996; Klöck, 2020).

Coalition theory is developed around three main topics (Dupont, 1994; Klöck, 2020; Zartman, 2002a): formation, stability, and effectiveness. Two different theories attempt to explain the development of coalitions: The first is payoff maximisation. Coalitions are formed to obtain a reward, otherwise not achievable by the individual actor (Caplow, 1956, Gamson, 1961). The second is the socio-psychological perspective. Cobb (1982) and Komorita & Kravitz (1983) present two theoretical models based on a socio-psychological approach that considers personal motivation, individual contribution, and trade of resources in coalition formation.

Coalition stability has been explored through two different approaches. Shapley (1953) applies game theoretical models to evaluate coalition stability based on members' continuous assessment of the value of remaining in the coalition. Lawler & Bacharach (1983) suggest a political perspective based on two conflicting forces, the first fostering the coalition members' relationship to pursue common interests. The second encouraging ties with actors outside the coalition. Concerning effectiveness, Higgott and Cooper (1990) argue that "middle-power" leadership, able to reduce tensions and conflicts among the major actors, can more effectively achieve coalition interests than a leader's power.

Another factor influencing effectiveness is the coalition's size, which should compromise between two concurrent and opposing aspirations: goal attainment and cohesion between members.

Coalition building is a fundamental stage in moving CBMA negotiations towards an agreement. Moreover, it represents a preliminary mode to evaluate the negotiation structure and a pivotal endeavour to reduce the complexity inherent to international negotiations by combining players with common interests before adopting the classic negotiation approaches to analyse the negotiation process, discussed in the next sections.

2.1.2 Classic Negotiation Analytical approaches

Classic negotiation analysis, grounded on dyadic negotiations, investigates the relationship between the negotiation process and its outcomes (Sebenius, 1992, 2009; Zartman, 1988, 2002a). The different analytical approaches to classic negotiation are overlapping and similar because they explore the same phenomenon and attempt to answer the same question, "How are negotiated outcomes explained?" under different field categorisations (Zartman, 1988: 33). Dupont & Faure (2002) underline the need to integrate the complementary analytical approaches to develop a predictive model that includes the relevant process, structural, and contextual factors. The following sections will discuss the merits and limits of the three classic analytical approaches most pertinent for the thesis: structural, integrative, and behavioural analysis.

2.1.2.1 Structural Analysis

Structural analysis deals with the negotiation's fundamental attributes (parties, interests, issues), with particular reference to the relative perceived symmetry or asymmetry of the negotiating parties along the dimension of power during time (Agndal et al., 2017; Zartman, 1988; 2002a).

Every negotiation involves at least three levels of participants (Cristal, 2008; Sebenius, 2009): Level one players are the actual negotiators and mediators at the negotiation table; level two players affect level one players but do not directly negotiate. Level three actors are the parties with interest in the outcome, which can indirectly affect the negotiations. Negotiators should identify the different players' varying interests concerning the issues on the table and assess the possible trade-offs among these interests. In the evaluation, less tangible concerns for self-image, fairness, process, precedents, and relationships can

have the same analytic standing as more objective interests (Crump & Glendon, 2003; Sebenius, 2009).

Regarding the relationship between power perception and negotiation outcome, Zartman (2002a) and Pfetsch (2011) propose four key findings: First, “symmetry is a necessary but not sufficient condition for successful outcomes” (Pfetsch, 2011: 54). Additionally, power is a dynamic concept that shifts during the negotiation process (Adler-Nissan & Pouliot, 2014). Moreover, power is associated with both available resources and liabilities of the other party. Lastly, fairness plays a fundamental role in obtaining satisfactory outcomes for both parties.

In structural analysis, relative perceived power is generally related to the value of the alternatives to a negotiated agreement of each negotiator. A strong Best Alternative to a Negotiated Agreement (BATNA) offers the option to walk away from an unattractive deal (Fisher et al., 1999). As a result, it is the best bargaining power source for a negotiator (De Dreu, 2005; Giebels et al., 2000; Yao et al., 2018; Zahariadis, 2017).

Zartman (2001), introducing the concept of mutually hurting stalemate (MHS), proposes a second analytical view of power, dividing structural analysis into two stages: First, the power to produce a negotiation when the parties perceive a negotiated solution is preferable to a unilateral resolution. Secondly, the power to deliver an outcome in negotiations when the parties understand that the negotiation has produced proposals that can satisfactorily meet both sides’ needs. According to MHS, negotiations’ timing is crucial in delivering an outcome as the issues at the negotiation table (Zartman, 2001).

Structural analysis provides the initial mapping of the critical elements of the negotiation and distribution of power among parties. However, it does not offer a comprehensive and dynamic standalone model to explore the impact of negotiators’ behaviour on the international negotiation process over time (Rubin & Brown, 1975; Zartman, 2002a, 2002b; Zartman & Rubin, 2000).

The negotiation structure represents the foundation for the development of coalitions and is a building block of the macro-strategic approach for analysing IB negotiations. The section that follows will present the second classic analytical approach, integrative analysis.

2.1.2.2 Integrative Analysis

Integrative analysis conceives the negotiation process as a series of linear and distinct stages separated by turning points. The review suggests a framework based on three distinct phases to analyse the negotiation process (Douglas, 1957; Fells et al., 2015; Holmes, 1992; Zartman, 1975). Initiation: it takes place before the encounter when each party plans for the negotiation. Problem-solving: the actual negotiation occurs by exchanging concessions until a point of agreement is reached. Conclusion: the agreement's details are specified.

The stage model presents a dynamic progression over time of interconnected and overlapping phases of uneven duration, in which negotiators alternate distributive and cooperative strategies (Adair & Brett, 2005; Dupont & Faure, 2002; Holmes, 1992; Pruitt, 1983, 2002; Preuss & van der Wijst, 2017). Progression from one stage to the next is exhibited by turning points that shift the direction of the negotiation process (Druckman, 1986; Zartman, 1975). Dupont & Faure (2002) and Holmes (1992) argue that identifying the sequence of the phases and their relative turning points is not sufficient. It is fundamental to define the causes that lead to the specific succession of events, identifying the factors that trigger specific turning points progressing the negotiation process towards the following stage.

Integrative analysis represents a fundamental element of both the macro-strategic and the micro-behavioural levels of analysis. Combined with structural analysis, it provides the basis for assessing the impact of contextual and structural factors on the negotiation process over time. Jointly with behavioural analysis, it identifies the causal relationship between motivational and relational factors and turning points leading to the subsequent negotiation stage.

The following section discusses the last classic analytical approach, behavioural analysis.

2.1.2.3 Behavioural Analysis

Bazerman et al. (2000), in their review of psychological approaches to negotiations, propose three categories of factors influencing negotiators' behaviour: The influence of the social context on negotiators. The influence of the organisational context on negotiators. The dyadic relationship within the negotiation process.

Kramer et al. (1993) argue that the social context influences the negotiation process and its outcomes by affecting negotiators' social identity and accountability.

Regarding the second factor, organisational context, individuals participating in the negotiations are part of a larger non-monolithic organisation composed of actors with different interests, perceptions, and constraints (Allison & Zelikow, 1999; Rubin, 2002). The review suggests the two-level game concept to describe the concomitant occurrence of intra-party and inter-party negotiations (Druckman, 1977; Kahn, 2002; Putnam, 1988).

Behavioural analysis research has recently focused on the third category proposed by Bazerman et al. (2000), the dyadic relationship within the negotiation process. Research supports the notion that motivational and relational (specifically trust and power) factors have a crucial influence on negotiators' behaviour and strategy choice (Brett & Thompson, 2016; De Dreu & Van Kleef, 2004; Weingart et al., 2007).

The next sections move on to explore the influence of motivational and relational factors on negotiators' behaviour and strategy.

Motivational factors

Motivations play a crucial role in shaping negotiators' behaviour. Social motives can be described as the negotiator's predisposition towards a specific outcome distribution between the parties (Beersma & De Dreu, 1999; De Dreu, 2004). As defined by De Dreu (2004) and Elfenbein (2015), social motives originate from the positive or negative apprehension about one's results and the positive or negative concern about the other party's outcomes. Whereas a cooperative or prosocial motive originates when a negotiator values both their own and the other party's results, a selfish (competitive or individualistic) motivation develops when a negotiator positively values only one's results while discounting or negatively valuing the other party's outcomes (Beersma & De Dreu, 1999; De Dreu, 2004; Sharma et al., 2018).

Two main theories, the Cooperation Theory (Deutsch, 1949, 2006) and the Dual Concern Model (Pruitt, 1983, 2002), suggest that motivational factors influence parties' strategy choice in negotiation: cooperative motivations favour information exchange, problem-solving behaviour, and foster a higher level of trust between negotiators, leading to integrative negotiations and higher joint gains. Competitive motives lead to lack of communication and concern for others, threats, pressures, positional, deceptive, and coercive tactics during the negotiation, resulting in distributive negotiations and lower joint gains. Pruitt (2002) argues that most negotiations are mixed-motive: negotiators face a continuous dilemma between competing to reach their own goals and cooperating to

ensure an agreement is attained, often employing both approaches during the same negotiation.

Research supports the Cooperation Theory and the Dual Concern Model, concluding that cooperative dyads promote a higher degree of trust, information exchange, and problem-solving behaviour. Furthermore, cooperative dyads lead to higher joint outcomes than competitive ones, mainly if the parties display high resistance to yielding, defined as the propensity to accommodate the other party's requests (Deutsch, 1958; Beersma & De Dreu, 1999; De Dreu & Van Lange, 1995). Namely, resistance to yielding acts as a moderator in the relationship between motivation and negotiation strategy. Competitive and cooperative negotiators adopt the same level of problem-solving behaviour and achieve similar joint gains when resistance to yielding is low; at the same time, they differ when resistance to yielding is high (De Dreu et al., 2000). In mixed-motive dyads, cooperative negotiators tend to be more aware of the context: As a result, they adapt their strategy (integrative or distributive) according to specific situations and the other party's motivation. On the other hand, competitive negotiators tend to implement only a distributive strategy. Studies concur that a competitive motive is expected to direct the negotiation more than a cooperative one (Weingart et al., 2007; Brett & Thompson, 2016).

Social motives are ingrained in individual differences. Some people are more disposed than others to adopt a prosocial or a selfish attitude, with the first emphasising shared principles and benefits and the latter based on competition and power. Nevertheless, social motives can be influenced by the context: research argues that triggers such as role, past interactions, culture, and first impressions can lead to different motivations (Amanatullah et al., 2008; Aslani et al., 2016; Beersma & De Dreu, 1999; Caputo et al., 2019; Elfenbein, 2015).

The following section will discuss the influence of relational factors on negotiators' behaviour and strategy choice.

Relational factors

Research suggests that initial impressions formed during the opening stages of the negotiation process can be predictive of the negotiation result (Druckman et al., 2009). Curhan & Pentland (2007) build on two previous experimental studies conducted by Ambady & Rosenthal (1992, 1993), suggesting that the activity occurring during the first five minutes of the negotiations generates first impressions highly predictive of the

negotiation outcome. Their findings are supported by Graham (1984) in his study of Japanese and American negotiators.

Pratto et al. (2008, 2010) provide a theoretical model of complex power dynamics in groups, suggesting that trust and power represent the critical factors of social perception upon which first impressions are formed. Donohue & Hoobler (2002), in their analysis of the 1995 Oslo Negotiations between Palestinians and Israelis, suggest that power and trust are the two primary factors to understand the negotiation process and outcomes. Gelfand & Jackson (2019) sustain the previous conclusions, arguing that power and trust are two crucial variables influencing the negotiation process.

Lewicki et al. (1998: 439) define trust as “confident, positive expectations regarding another’s conduct.” Trust entails a certain degree of risk and uncertainty: there is no absolute confidence that trust will be honoured (Bhattacharya et al., 1998; Mayer et al., 1995). Interpersonal trust is a dynamic concept that progresses through different stages, based on two elements (Lewicki & Polin, 2013): cognitive and affective. Cognitive trust is founded on the other party’s role-related dependability and capability. Affective trust is established on the other party’s perceived altruistic behaviour and contact rate between the parties (McAllister, 1995).

The relationship between trust and the negotiation process is suggested by the progression from cognitive to affective trust in negotiations leading to integrative outcomes (Druckman & Olekalns, 2013; Kong & Yao, 2019; Olekalns & Smith, 2005b). Trust operates as a filter that influences negotiators’ perceptions and behaviours and shapes negotiators’ strategy choices (Au & Wong, 2019; Donohue & Hoobler, 2002) and is a required precondition for integrative negotiation (Pruitt, 1983, 2002; Rubin & Brown, 1975; Walton & McKersie, 1965, 1991). Druckman & Wagner (2017) contend that a high degree of interpersonal trust at the beginning of the negotiation leads to more durable agreements in international conflicts.

Several studies establish a correlation between trust level among the negotiators, degree of information sharing, and integrative behaviour (Albin, 2019; Beersma & De Dreu, 1999; Lu et al., 2017; Weingart et al., 1993). Olekalns & Smith (2007) support the finding that high mutual trust leads to integrative behaviour, but only in cooperative dyads. Furthermore, trust influences behaviour, which affects the level of mutual trust between negotiators (Druckman & Olekalns, 2013; Olekalns & Smith, 2005b).

The second dimension of social perception is relative power. Power in negotiation is defined as “the probability that a negotiator will influence a negotiation outcome in the direction of his or her ideal outcome” (Galinsky et al., 2017: 606). Galinsky et al. (2017) and Schaerer et al. (2020) identify four power sources in negotiation: First, information, for example, evidence about the other party’s interests and preferences. Secondly, status: the relative professional and social position and the degree of respect associated. Third, social capital: the extent of the social and professional network. In conclusion, BATNA: the alternatives to a negotiated agreement influence the party’s dependence on the negotiation outcome.

Research on power in negotiations has mainly focused on alternatives to a negotiated agreement to measure individual-level power; all the reviewed studies agree that higher alternatives lead to more significant individual outcomes and that high-power negotiators tend to employ distributive strategies resulting in lower joint gains (Agndal et al., 2017; Brett et al., 1996; Butt & Choi, 2010; De Dreu, 2005; Giebels et al., 2000; Jäger et al., 2017; Kim et al., 2005; Pinkley et al., 1994; Pinkley, 1995; Wolfe & McGinn, 2005; Zahariadis, 2017). Conversely, research diverges on the impact of power balance on negotiation outcomes (Schaerer et al., 2020). De Dreu et al. (1998), Giebels et al. (2000), De Dreu (2005), Alavoine (2012), Alavoine and Estieu (2015), and Lopez-Fresno et al. (2018) infer that dyads with symmetric alternatives behave more cooperatively and reach higher joint gains. Moreover, Albin (2019) claims that equal power is a prerequisite for integrative negotiations; the hypothesis is further supported by the social exchange theory stating that unequal power between actors leads to an unbalanced exchange distribution (Molm, 1991). On the other hand, Roloff & Dailey (1987), Sondak & Bazerman (1991), and Wei & Luo (2012) argue that parties with unequal alternatives reach higher joint gains than negotiators with equal options.

The first possible explanation for the different findings is provided by Roloff & Dailey (1987), suggesting that when information on BATNA asymmetry is made available to the weaker negotiator, higher joint gains can be achieved. The second is given by Giebels et al. (2000) and Wei & Luo (2012) that infer that cooperative motivation can foster integrative behaviour in asymmetric power dyads leading to higher joint gains. A third account builds on the previous one, and it is based on the mutual connection between trust, power, and social motives: a cooperative motivation in high-power negotiators fosters mutual trust, leading to integrative behaviour and higher joint outcomes (Anderson & Thompson, 2004; Druckman & Olekalns, 2013; Kim et al., 2005; Olekalns & Smith,

2007, 2009). An additional justification is based on the situational and dynamic nature of power: alternatives gradually change in value to the parties according to the circumstances (Adler-Nissan & Pouliot, 2014; Starkey et al., 2015; Zartman, 2002a). Lastly, perceptions play a crucial role in power dynamics (Zartman & Rubin, 2000) because parties' assessments of their relative power in a negotiation do not always match objective conditions (Wolfe & McGinn, 2005).

2.1.2.4 Linkages between the Classic Negotiation Approaches

The section will summarise the linkages between the different classic negotiation methods and their connection with the two approaches to IB negotiations.

The dynamic nature of power and the relevance of alternatives in negotiations link structural and behavioural analysis, while the concept of the two-level game in negotiation provides a second connection between behavioural and structural analysis. In contrast, the shift between integrative and distributive strategies during the negotiation process connects integrative and behavioural analysis. Furthermore, by splitting the investigation into two steps through MHS theory, structural analysis overlaps with integrative analysis.

The combination of structural and integrative analysis represents the foundation of the macro-strategic approach to IB negotiations by examining the impact of contextual and structural factors on the negotiation process over time. On the other hand, the association between behavioural and integrative analysis forms the basis of the micro-behavioural perspective to IB negotiations by exploring the influence of motivational and relational factors on the negotiation process.

The following section will explore the third approach to the analysis of international negotiations, culture.

2.1.3 Culture and negotiation

Several authors contend that culture deeply affects negotiators' thinking, communication, and behaviour in international negotiations (Adair & Brett, 2004; Brett, 2017; Cohen, 1993; Faure, 2002; Gelfand & Dyer, 2001; Liu, 2019; Olekalns, 2002; Ramirez et al., 2019; Salacuse, 1999). Therefore, culture is a converging concept associated with the previously examined three classic negotiation analytical approaches to international negotiations and has been adopted under both the macro-strategic and the micro-

behavioural levels of analysis (Brett et al., 1998; Benoliel et al., 2020; Dinkevych et al., 2017; Graham, 1983, 1984, 1993; Ramirez et al., 2019).

The section will present a definition of culture, outline Hofstede's theory of cultural dimensions, and introduce the concept of cultural distance. The following segments will describe the strengths and limitations of international negotiation analysis based primarily on cultural differences and outline alternative research avenues.

Hofstede (1989), whose study on culture is the most broadly cited in existence (Bond, 2002; Jones, 2007), identifies culture as "the collective programming of the mind" (that shapes individuals' personality, behaviour, emotions, and cognition) (Hofstede, 1989: 193); he classifies national culture's bearing on individuals' behaviour, emotions, and thinking along four main dimensions:

1. Power Distance: the degree to which the frailest constituents of society acknowledge and envisage power to be allocated one-sidedly.
2. Individualism: as the opposite of collectivism, defines the extent to which people are integrated into groups and build ties based on shared interests or trust.
3. Masculinity: as the opposite of femininity, defines the distribution of roles between genders in society.
4. Uncertainty Avoidance: the degree to which constituents of a community tend to avoid undefined and unfamiliar circumstances.

Cultural distance is a multifactorial index that combines differences between countries concerning Hofstede's cultural dimensions (Kogut & Singh, 1988). It has been widely adopted in IB studies under a macro-strategic level of analysis. The findings suggest that cultural distance negatively impacts the negotiation process (Brouthers & Brouthers, 2001; Chakrabarti et al., 2009; Di Guardo et al., 2016a; Kogut & Singh, 1987; Morosini et al., 1998; Padmanabhan & Cho, 1995; Yeganeh, 2011).

All the reviewed experimental studies employing a micro-behavioural perspective suggest that intracultural negotiators (negotiators from the same country) achieve higher joint gains than intercultural negotiations (negotiators from different countries) (Adair et al., 2001, 2003; Adair & Brett, 2005; Cai et al., 2000; Brett et al., 1998; Brett & Okumura, 1998; Graham, 1983, 1984, 1993; Ribbink & Grimm, 2014; Dinkevych et al., 2017; Ramirez et al., 2019). Only one study (Kern et al., 2012) suggests the opposite, but their experiment employed one sample of bi-cultural Koreans (born in the US).

The main strength of cultural dimension models is that bipolar factors enable quantitative analysis and comparison across cultures (Williamson, 2002). Nevertheless, assessing the impact of culture on the negotiation process remains challenging for at least four reasons: First, culture is an ambiguous and abstract notion (Bandura, 2002; Poortinga & Hendriks; 1989; Zartman, 1993). Secondly, the use of nations as units for studying cultures has been criticised because geographic boundaries are often artificial. Even if nationality and culture are connected, any generalisation must consider within-nation variances (Caputo et al., 2019; McSweeney, 2002). Furthermore, besides national culture, other layers of culture can be identified: professional, social, ethnic, regional, and organisational (Sebenius, 2002; Groves, 2014). In conclusion, most micro-behavioural studies employ only a limited number of cultural dimensions, chiefly individualism and collectivism, while other variables have obtained little consideration (Bazerman et al., 2000; Jones, 2007; Liu, 2019).

While it is generally agreed that culture impacts negotiation outcomes, a different avenue of research argues that its influence is often overstated; first, cultural dimensions are not independent variables: most current studies still focus on cultural differences without taking situational and contextual factors into account and discount cultural change over time (Bond, 2002; Fu et al., 2007; Jones, 2007; Zhang et al., 2021). Moreover, culture is only one of the many variables that explain negotiation outcomes (Elgström, 1994; Rubin, 2002): Negotiators' behaviour is influenced not only by culture but also by contextual (Carnevale, 1995; Dinkevych et al., 2017; Ebner, 2019; Sebenius, 2002; Volkema & Fleury, 2002), organisational (Cai et al., 2000; Salacuse, 1998, 1999), professional (Salacuse, 1998), psychological (Carnevale, 1995; Bandura, 2002), motivational (De Dreu, 2004) and relational (Kern et al., 2012; Ribbink & Grimm, 2014) factors.

Some studies even claim that culture, in an age of globalisation, international interdependence, and a growing number of IB negotiations, has a minimal impact on complex international negotiations, specifically where organisations and negotiators undergo a learning process from previous CBMA experiences (Adair et al., 2009; Bandura; 2002; Dikova & Sahib, 2013; Ebner, 2019; Elango & Pattaik 2011; Li et al., 2016; Galavotti, 2019; Jemison & Sitkin, 1986; Pressey & Selassie, 2006; Teerikangas & Very, 2006; Watkins, 2002; Zartman, 1993). The thesis will regard culture as one of the several factors influencing IB negotiation processes.

2.1.4 Summary of International negotiation analysis

In summary, it has been shown from the review that International Negotiation Analysis is founded on three main complementary approaches: Power-coalition Analysis, Classic Negotiation Analysis, and Culture.

Power-coalition analysis represents a crucial step in exploring international negotiations by combining players with common interests into coalitions (Dupont, 1994, 1996; Zartman, 1994). Reducing the complexity of international negotiations paves the way for the three interconnected classic negotiation analysis approaches: structural, integrative, and behavioural.

Structural analysis is grounded on the negotiations' fundamental attributes: parties, issues, interests, and the relative perceived power symmetry or asymmetry (Zartman, 1988; 2002a). Integrative analysis explores the negotiation process as a sequence of linear and distinct phases separated by turning points (Douglas, 1957; Holmes, 1992; Zartman, 1975). Behavioural analysis focuses on the dyadic relationship within the negotiation process, exploring the influence of motivational and relational (specifically trust and power) factors on negotiators' behaviour and strategy choice (Brett & Thompson, 2016; De Dreu & Van Kleef, 2004; Weingart et al., 2007).

Finally, culture represents a converging concept across all the classic negotiation analytical approaches to international negotiations. Two main avenues of research have explored the impact of culture on the negotiation process: The first argues that culture deeply affects negotiators' behaviour and strategy (Adair & Brett, 2004; Cohen, 1993; Faure, 2002; Gelfand & Dyer, 2001; Liu, 2019; Olekalns, 2002; Ramirez et al., 2019; Salacuse, 1999). The second stream of research claims that while culture influences the negotiation process, its impact is often overstated: Culture is only one of the many variables explaining negotiation outcomes (Bond, 2002; Bandura, 2002; Elgström, 1994; Fu et al., 2007; Jones, 2007; Rubin, 2002; Zartman, 1993). Moreover, some studies even suggest that the current context of international business has concealed most of the differences between national cultural settings, and previous experiences in CBMAs further moderate the impact of culture on negotiation outcomes (Poortinga & Hendriks, 1989; Zartman, 1993).

The following section will move to the second step of the literature review, exploring international business negotiations, regarded as a subset of international negotiations.

2.2 International Business Negotiations

The section begins by defining IB negotiations and introducing the two complementary approaches to analysis; it will then go on to outline the main limitations of current research on IB negotiations and present possible remedies.

IB negotiations can be regarded as a subclass of international negotiations and defined as interactions between companies from different countries to attain economic benefits (Weiss, 1993; Dupont, 2002). According to Weiss (1993), when firms represent the main actors, negotiations are often complex. The complexity of IB negotiations is further exacerbated by the conventional involvement of second level-players such as political institutions and unions.

Weiss (2006) suggests two approaches to IB negotiations: The macro-strategic and the micro-behavioural. Figure 2.4 summarises the contrasting perspectives adopted by the two methods in analysing IB negotiations and their connections to the previously discussed international negotiation approaches.

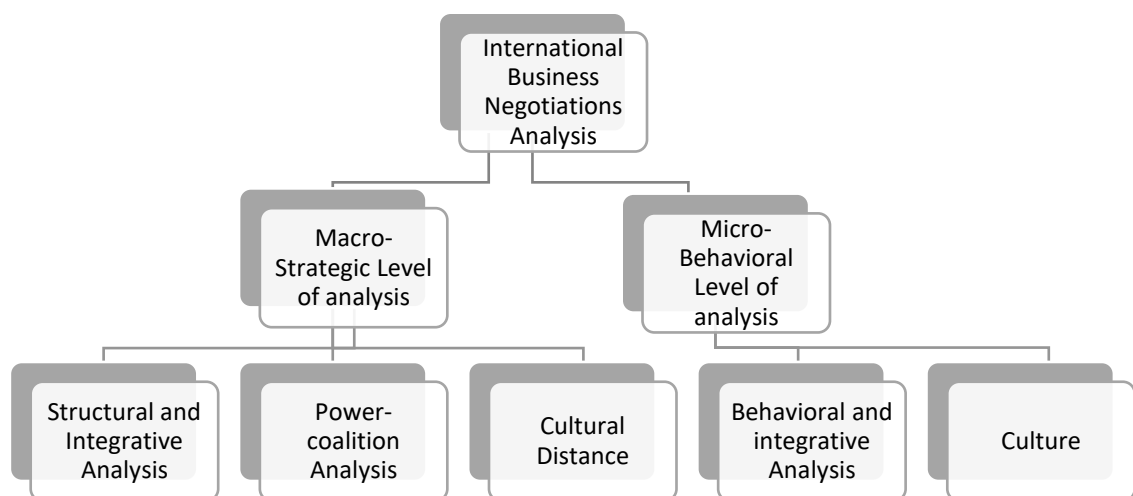


Figure 2.4 - IB Negotiation Analysis

2.2.1 The Macro-Strategic Level of analysis

The macro-strategic level of analysis explores the impact of contextual and structural factors on IB negotiations, integrating power-coalition and cultural distance with structural and integrative analytical approaches. It is mainly based on case studies focusing on cross-border joint ventures (JVs), alliances, and M&As.

Research on CBMA negotiations has mostly converged on cultural factors. Two recent studies, Ahammad et al. (2016) employing a self-administered questionnaire sent to 591 executives from UK firms involved in international M&As between 2000-2004, and Malik & Yazar (2016) integrating direct and indirect observation of 25 CBMA negotiations with informal panels during conflict management conferences, further support the first avenue of research on culture: cultural distance has a significant negative impact on the CBMA negotiation process.

Nevertheless, several studies contribute to the second stream of research on culture, suggesting that cultural distance is only one of the many variables that explain negotiations' outcomes. Weiss (1987, 1997) analysed the negotiations between General Motors and Toyota to establish a JV for car assembly, underlying how the involvement of the union and the Federal Trade Commission increased the complexity of the negotiations between the two companies. Yan & Gray (1994) compared four JVs involving US and Chinese manufacturing companies between 1982 and 1987, assessing the correlation between bargaining power and management control. Faure (2000) conducted 89 unstructured interviews in China between 1996 and 1999, finding sixteen contextual, cultural, and organisational factors that impact JV negotiations between US and Chinese companies. Fang et al. (2004) analysed the 1999 failed negotiations between the largest state-owned telecom companies in Sweden and Norway, finding that the historical context of Norwegian nationalism and its historic rivalry with the neighbour explain the unsuccessful negotiation outcome more than cultural factors. De Beaufort and Lempereur (2003), in their study of M&As in the European Union, suggest that the impact of culture on CBMA negotiation outcomes is subordinate to strategic, contextual, and company-specific factors. Yao et al. (2018), in their analysis of iron ore negotiations between 2005 and 2009, did not consider culture among the factors influencing the talks between the major steel (buyers) and mining (sellers) companies.

2.2.2 The Micro-Behavioural Level of analysis

The second area of IB negotiation research is the micro-behavioural level of analysis that explores negotiators' behaviour during buyer/seller experimental simulations integrating the classic negotiation behavioural and integrative analytical approaches with cultural differences (assessed through cultural dimensions). The micro-behavioural paradigm has already been discussed in section 2.1.2.3, analysing the influence of motivational and relational factors, and in section 2.1.3, investigating the impact of culture on the negotiation process.

2.2.3 Integrating the macro-strategic and micro-behavioural approaches

The section will introduce the main criticisms to studies on IB negotiations and outline why integrating the macro-strategic and micro-behavioural strategies provides a solution to current IB negotiation research limitations.

Reynolds et al. (2003) argue that research on IB negotiations is inconsistent and unable to converge on a consistent framework that can address the complex relationships among different factors. Moreover, according to Weiss (2006), current research on IB negotiations has not addressed their inherent complexity for two reasons: Both the approaches have mainly focused on bilateral negotiations, while IB negotiations often involve multiple actors. Correspondingly, they consider the parties as monolithic, disregarding the influence of the organizational context on negotiators' behaviour, specifically the two-level game exhibit by most IB negotiations.

Theory development requires combining the macro-strategic and micro-behavioural levels of analysis to address the complexity inherent to IB negotiations and provide a solution to the three critical limitations to complex negotiations suggested by Watkins (2002): simplicity, sterility, passivity. Druckman (2020) and Weiss (2006) propose a mixed-method strategy to integrate the two paradigms, combining case studies to explore the impact of contextual and structural factors on the negotiation process and experimental simulations to examine motivational and relational factors influencing negotiators' behaviour.

Several examples of successful integration between the two analysis levels exist. Research based on reviews (Ariño et al., 2005; De La Torre, 1981; Fayerweather & Kapoor, 1972; Khan & Baldini, 2019; Kumar & Worm, 2004; Phatak & Habib, 1996; Tinsley et al., 1999; Tjemkes et al., 2012; Tung, 1988), case studies (Ghauri, 1986, 2003; Skuna, 2000; Wang et al., 2020; Weiss, 1993, 1997), laboratory experiments (Druckman et al., 2009), interviews (Laubert & Geiger, 2018), and surveys (Khakhar, 2007; Skuna, 2000), link contextual factors with individual-level variables, such as previous experiences, cognitive, motivational, and relational variables. Still, when studies attempt to incorporate multiple variables in a framework, the complexity of the models exponentially increases, rendering their empirical application problematic.

2.2.4 Summary of International Business negotiation analysis

IB negotiations have been explored through two distinct perspectives: The macro-strategic and the micro-behavioural. The first explores the impact of contextual and structural factors on IB negotiations, while the latter investigates the influence of motivational and relational factors on negotiators' behaviour.

Theory development requires integrating the two levels of analysis to address the complexity inherent to IB negotiations and provide a solution to the three critical limitations to complex negotiations suggested by Watkins (2002). Moreover, identifying the appropriate framework to combine the two paradigms is crucial in fully understanding the IB negotiations process.

The following section will move to the third step of the literature review, examining CBMA negotiations, regarded as a subset of IB negotiations.

2.3 CBMAs in the auto industry

The section offers a context to the research before moving to CBMA negotiations by providing a working definition of M&A and CBMA, then by outlining the dominant theories explaining the motives for CBMAs and introducing the concept of waves, with a specific focus on the automotive industry. The final section discusses CBMA negotiations in the auto industry.

2.3.1 Definitions and relevance

DePamphilis (2013: 16, 17) defines M&A as follows: “A merger as a combination of two or more firms, often comparable in size, in which all but one ceases to exist legally” and “An acquisition when a company takes a controlling interest in another firm, a legal subsidiary of another firm, or selected assets of another firm. They may involve the purchase of another firm’s assets or stock, with the acquired firm continuing to exist as a legally owned subsidiary”.

The difference between a ‘merger’ and an ‘acquisition’ as defined above is mainly legal. Distler (2017) adopts the term ‘mergers and acquisitions’ to describe both activities, following the interpretation provided by Narver (1969: 2): “All types of acquisitions of assets or stock of part or all of another firm that result in operational control of the part or the whole of the other firm.”

Sauvant & Miroux (2000: 100) define CBMA as follows: “In a cross-border merger, the assets and operations of two firms belonging to two different countries are combined to establish a new legal entity. In a cross-border acquisition, the control of assets and operations is transferred from a local to a foreign company, the former becoming an affiliate of the latter.” Following Distler (2017), the thesis will adopt the term ‘cross-border merger and acquisition’ to define both types of enterprises.

CBMAs accounted for nearly 90 per cent of global foreign direct investments (FDIs) and 36 per cent of global M&A deals in 2018. Furthermore, the number and volume of acquisitions involving emerging market companies have sharply increased (about 40 per cent of the total global deal value) compared to previous years. Even more notable has been the rapid surge in the number and volume of acquisitions by emerging market acquirers (over 20 per cent of the total global deal value). Nevertheless, global uncertainty due to Brexit, trade conflicts, and increasing protectionist policies led to a decrease in CBMA activity in 2019, further aggravated in 2020 by COVID-19 (Distler, 2017; JP Morgan, 2020).

2.3.2 Motives leading to CBMAs.

The following sections will discuss the primary drivers determining FDIs, and, consequently, CBMAs, starting from internalisation theories before moving to the eclectic paradigm and finally, presenting two behavioural economic hypotheses. The last section will briefly discuss governance-related potential barriers to CBMAs.

2.3.2.1 Theories of Multinational Corporations

Several theories attempted to explain FDI and the existence of Multinational Corporations (MNC), defined as companies controlling assets in two or more countries.

Transaction cost theory (Buckley & Strange, 2011; Hennart, 2015; Williamson, 1991) posits that the costs of transferring goods or services in international markets determine the internalisation of activities within a company. When the transaction costs are high, internalising the transaction within a hierarchy is the most suitable option. On the other hand, when the transaction costs are low, acquiring the good or service on the market is the favoured choice.

The evolutionary perspective of the MNC argues that not transaction costs but the potential of value creation based on the internal development and efficient transfer across countries of specific knowledge are the best determinant of CBMAs. Furthermore, the

evolutionary view overcomes a limit of transaction cost theory, opportunism, claiming that organisations learn from internationalisation experiences, improving their ability to access new foreign countries (Kogut & Zander, 1993; Verbeke, 2003).

A third theory claims that the main drivers of internalisation are not transaction costs but organisational capabilities. Companies internalise activities that they perform with more excellent capability than the market (Teece, 2014). A recent line of research integrates the three theories, arguing that capabilities and transaction costs are dynamically interconnected and influenced by past experiences, where governance choices affect organisational capabilities and vice versa (Low & Ho, 2016).

The following section will examine the eclectic paradigm that builds on the critical elements of the previously described theories.

2.3.2.2 The Eclectic Paradigm

According to the eclectic or OLI paradigm developed by Dunning (2000), the decision of a company from one country to invest in businesses located in another country is contingent on three sets of advantages. Ownership advantages refer to proprietary assets, such as specific capabilities and knowledge, and the ability to obtain transactional benefits or reduce transactional costs compared to external markets. Locational advantages indicate the benefits provided by exploiting the proprietary assets in a specific market. The last advantage suggests that internalization will occur whenever transactions can be undertaken more competitively within the company than through the market.

Building on the OLI paradigm, Dunning (2000) determines four primary drivers for FDI and CBMAs:

Market Seeking: Companies enter higher-growth markets to improve performance through revenue synergies and mitigate risk through diversification (Akbulut & Matsusaka, 2010; Early, 2004; Graham et al., 2008; Herd et al., 2007; Megginson et al., 2004).

Resource Seeking: Companies enter new markets to access cheaper labour and natural resources (Caiazza & Volpe, 2015; Ruy & Hip, 2013; Triantis, 2008).

Synergy Seeking: Operating synergies entail a decrease in product development, production, and distribution costs that can be attained through economies of scale and scope (Chatterjee, 1986; DeLong, 2003; Eun et al., 1996; Gosh Ray & Gosh Ray, 2013; Singh & Montgomery, 1987). Financial synergies refer to the reduction of the cost of

capital (Chatterjee, 1986), to the ability to raise additional external financing (Fluck & Lynch, 1999; Gosh Ray & Gosh Ray, 2013), to tax benefits (Hayn, 1989; Kaplan, 1989; Overesch, 2009; Zodrow, 2010), and gains related to fluctuations in exchange rates (Georgopoulos, 2008; Schrijvers, 2002; Sharma, 2016).

Strategic Asset Seeking: Developed Market Multinational Corporations (DMNCs) may seek to leverage their competitive advantage through global scale and scope consolidation across the value chain to decrease competition and gain higher profits (Bhattacharyya & Nain, 2011; Chatterjee, 1986; Kim & Singal, 1993). On the other hand, the primary purpose of Emerging Market Multinational Corporations (EMNCs) is to acquire new intangible assets, such as brands, patents, copyrights, human resources, and technology (Cogman et al., 2015; Ferreira, 2007; Kang & Johansson, 2000; Li et al., 2016; Zheng et al., 2016).

Moghaddam et al. (2014) expand Dunning categorization, proposing a fifth motive behind CBMAs, geopolitical influence seeking: governments look at CBMAs as a vehicle for political influence in specific regions (Cui et al., 2011; Deng, 2009; Dunning et al., 2008; Morck et al., 2008).

The next section will discuss two drivers of CBMAs grounded on the behavioural economic theory: hubris and agency.

2.3.2.3 The hubris and agency motives

The hubris and agency motives incorporate psychological aspects to explain the occurrence of CBMAs. The former states that bidding companies overpay for targets when they overvalue financial returns due to unjustified managerial pride and self-confidence (Billett & Qian, 2008; Doukas & Petzemas, 2007; Malmendier & Tate, 2008; Roll, 1986). The latter claims that managers attempt to maximize their utility instead of their shareholders to gain power, increase compensation, and reduce employment risk (Fama, 1980; Fung et al., 2009; Masulis et al., 2009; Nguyen et al., 2013; Trautwein, 1990).

The eclectic paradigm comprises the agency motive but does not account for hubris.

2.3.2.4 Governance related factors as a hindrance to CBMAs

Weitzel & Berns (2006) analysed the impact of various characteristics of host country governance on FDIs. Among corruption, bureaucracy, political stability, and the national legal system, corruption exhibited the most significant negative impact on FDIs. Their

findings are confirmed by Xie et al. (2017) and by Di Guardo et al. (2016b), which argue that corruption also affects the mode of entry in a new market, with high levels of corruption related to a higher probability of acquisitions rather than mergers or JVs.

Having explored the motives leading to CBMAs, the next step is to examine how M&A and CBMA incidence fluctuates over time.

2.3.3 CBMA waves

A merger wave is defined as a series of time phases in which the prospect of merger occurrence is very high. Nelson (1959), in his analysis of US M&A activity in the mining and manufacturing industries between 1895 and 1920, introduced the concept of merger waves, suggesting that M&A occurrence varies over time. Research agrees that M&As in the US can be clustered into seven waves, starting from 1897 till today (Andrade et al. 2001; Gort, 1969; Distler, 2017; Gaughan, 2010; Gregoriou & Renneboog, 2007; Harford, 2005; Yaghoubi et al., 2016).

Correspondingly, also CBMAs occur in waves following US time clusters (Gugler, 2012). Interestingly the first waves in Japan, China, and India were all the result of economic reforms, while the first wave in EU paralleled the birth of the EU single market in 1992 (Arikawa & Miyajima, 2008; Duppati & Rao, 2015; Pandya, 2017; Si, 2014; Sun, 2018; Van Schaik, 2018; Vancea, 2013).

The first CBMA waves involved DMNCs both as acquirers and targets and occurred in the late 1980s (corresponding to the late fourth US wave). Between 1993 and 2001, the second wave saw DMNCs acquiring companies in emerging markets and EMNCs mainly pursuing companies from emerging countries. The last wave, since 2005, saw EMNCs aiming at targets from developed countries (Barkema et al., 2015; Sun, 2018).

The next section moves on to discuss motives and waves in the automotive industry.

2.3.4 Waves and motives in the automotive industry

Capron (1999) and Kang & Johansson (2000) suggest that the two main factors generating consolidation in the automotive industry are chronic overcapacity and high product and technology development costs and risks. As a result, all the four drivers proposed by Dunning (2000) are relevant in explaining M&As in the industry (Diehlmann & Häcker, 2016). Firstly, the need to achieve economies of scale and scope and gain fiscal advantages (synergy seeking). Second, the need to enter untapped markets and new

product lines (market seeking). Third, the need to acquire new technology, design, and processes (strategic asset seeking). Lastly, the need to decrease the product's cost by accessing cheaper labour (resource seeking). Besides, most OEMs in the automotive industry experience deep connections with their respective political institutions, rendering the achievement of synergies through plant closures and job cuts exceptionally challenging.

Additionally, as confirmed by several studies of M&As between car manufacturers (Bertoldi et al., 2015; Bruner et al., 2008a, 2008b; Donnelly et al., 2005; Lasserre et al., 2001), the hubris and agency motives, with managers overvaluing potential synergies between the companies and maximizing their benefits through M&As, represent two additional crucial factors leading to consolidation in the automotive industry,

The automotive industry has undergone three primary CBMA waves involving OEMs: in the late 90s, between 2008 and 2011, and from 2015 to today. The first wave of CBMAs in the auto industry has been mainly driven by the need to enter new segments and markets (market seeking), gain economies of scale and scope, and tax benefits (synergy seeking). The second wave has been intensified by the 2008 financial crisis and involved EMNCs primarily. It has been chiefly determined by the need to achieve economies of scale and scope, gain tax benefits (synergy seeking), enter new segments and markets (market seeking), and acquire brands, know-how, and technologies (strategic asset seeking). Beyond the market, synergy, and strategic asset seeking motives, the third wave is also driven by regulation changes, new mobility models, and the emergence of new technologies, such as electric engines, connected and self-driving cars.

In the late 90s, a wave of consolidation in the automotive industry was triggered by the 1998 merger between Daimler-Benz (German automaker) and Chrysler (US automaker), shortly followed by the alliance between Renault (French automaker) and Nissan (Japanese automaker) and the acquisitions of Volvo (Swedish automaker) and Land Rover (UK automaker) by Ford (US automaker). Regarding the first wave, Blasko et al. (2000), Vlastic and Stertz (2000), and Finkelstein (2002) explored the motivations for the DaimlerChrysler merger, which failed to deliver the promised product and market fit, and synergies from technology and platform sharing and economies of scale. Lasserre et al. (2001), Ghosn (2002), Donnelly et al. (2005), and Stevens (2008) analysed the reasons behind the alliance between Renault and Nissan's underlying market, product, and knowledge fit, and synergies delivered by platform sharing and economies of scale.

The 2008 financial crisis amplified the second wave of CBMAs in the industry, started by the acquisition of Jaguar and Land Rover (UK automakers) by Tata (Indian automaker). It was then followed by the merger between Chrysler (US automaker) and Fiat (Italian automaker), the acquisition of Ssang Yong (S. Korean automaker) by Mahindra & Mahindra (Indian automaker), and the acquisition of Volvo (Swedish automaker) by Geely (Chinese automaker) (Kumar, 2012). Concerning the second wave, Gupta & Indu (2009), Mani (2013), Mukherjee (2016), and Pathak (2016) analysed the reason leading Tata to acquire Jaguar and Land Rover in 2008, highlighting new market and segment expansion and technology transfer. Zanoni et al. (2014) and Bertoldi et al. (2015) explored the rationale behind Chrysler's Fiat acquisition in 2009, suggesting market and product fit and economies of scale. Fetscherin and Beuttenmuller (2012), Chandra and Widjojo (2012), and Chen et al. (2015) analysed Geely's acquisition of Volvo, highlighting the Chinese company's aim of expanding in new markets and segments and acquiring technology, providing in exchange Volvo with access to the largest automotive market in the world (China). Dastidar (2011) explored the reasons behind Ssang Yong's acquisition by Mahindra & Mahindra, particularly access to new markets, products, and technologies.

The significant transactions that occurred during the third wave are the acquisition of Opel (German automaker) by PSA (French) automaker (Zaleski et al., 2018) and the merger between FCA (Fiat-Chrysler) and PSA. The literature review identified only one piece of research concerning the third wave. The study highlights the reasons behind Opel's parent company, General Motors, withdrawal from Europe, and PSA's intention to gain synergies delivered by platform sharing, economies of scale, and new technology development (Jacobs, 2019).

In conclusion, it can be argued that while the first CBMA wave in the automotive industry exclusively involved DMNCs, to obtain synergies and economies of scale, the second wave chiefly involved EMNCs aiming at entering new markets and segments and acquiring technologies. The third wave currently involves both DMNCs and EMNCs.

The following section presents a discussion and review of the current literature on M&A negotiations before moving on to studies on CBMA negotiations in the automotive industry.

2.3.5 CBMA Negotiations in the Auto Industry

Research on M&As maintains the significant relationship between the negotiation process and CBMA performance: a few critical concerns can lead to failure if not effectively addressed during the negotiation process (Datta, 1991; DePamphilis, 2013; Distler, 2017; Gomes et al., 2013; Graebner et al., 2016; Hart & Schweitzer, 2020; Lander & Kooning, 2013; Mignerat & Marmenout, 2017; Steigenberger, 2017). Parola & Ellis (2013), developing a theoretical framework that integrates the M&A and the classic perspectives on negotiation, suggest that research on M&As has repeatedly underlined the importance of the negotiation stage. However, while the different stages of the CBMA process have been extensively investigated, research on CBMA negotiations is limited. As a result of the complexity inherent in CBMA negotiations, the key factors that can predict, describe, and shape negotiation outcomes remain to be determined (Lander & Kooning, 2013; Parola & Ellis, 2013; Underdal, 2002; Weber et al., 2011; Welch et al., 2019). The

Two streams of research have analysed M&A negotiations. The first is primarily based on the impact of cultural distance on the negotiation process (Ahammad et al., 2016; Warter, 2019; Weber et al., 2011). However, as argued in sections 2.1.3 and 2.2.1, culture is only one of the many variables influencing the negotiation process, alongside strategic, contextual, and company-specific factors. The second avenue of research, solely based on a financial and economic perspective, identifies specific factors explaining the final premium paid for the target company (Fich et al., 2011; Galpin, 2014; Officer, 2003; Wulf, 2004), partly disregarding crucial contextual, structural, motivational, and relational factors influencing the negotiation process. The review has identified very few studies focusing on the influence of relational and individual factors on M&A negotiations (Ariño et al., 2005; Cuypers et al., 2017; Lander & Kooning, 2013).

Studies concerning the first consolidation wave in the automotive industry focused on the CBMAs between Daimler and Chrysler (Blasko et al., 2000; Bruner et al., 2008a, 2008b; Vlastic & Stertz, 2000) and Nissan and Renault (Korine et al., 2002; Morosini, 2007; Weiss, 2011; Weiss et al., 2004). The relationship between the two CEOs profoundly influenced both negotiations. Still, while Daimler's CEO always concealed his real intention of acquiring Chrysler behind the merger of equals prospect, the trust-based relationship between the two CEOs was the main factor leading to the alliance between Nissan and Renault.

Research on the second consolidation wave in the automotive industry converged on the CBMAs between Fiat and Chrysler (Caputo, 2012, 2015; Foley et al., 2010; Harreld et al., 2010; Spekman & Fritz, 2009), Tata and Ford over Jaguar and Land Rover (Gupta & Indu, 2009), Geely and Ford over Volvo (Nueno & Shengjun, 2013), and Ssang Yong and Mahindra & Mahindra (Dastidar, 2011). The role of third parties was vital in shaping the outcome of the second wave CBMAs: unions played a crucial function in the negotiations between Tata and Ford, Fiat and Chrysler, and Ssang Yong and Mahindra & Mahindra. At the same time, Rothschild (the financial advisor) performed an essential role in providing both Geely and Mahindra & Mahindra with the necessary credibility to be considered suitable bidders for Volvo and Ssang Yong. The findings further support the importance of coalition-building in complex negotiations.

In summary, current research on CBMA negotiations, regarded as a subset of IB negotiations, is solely grounded on the macro-strategic paradigm and based on single case studies examining the motives behind the M&A rather than the factors influencing the negotiation process itself.

The following section summarizes the key findings of the literature review.

2.4 Synopsis of the literature review

The literature review has been developed around three main themes, using a three-step funnel approach to progress from international to IB negotiation analysis and finally move to CBMA negotiations in the auto industry. Each topic has been considered as a subset of the previous one.

International Negotiation Analysis is founded on three complementary methods: Power-coalition Analysis, Classic Negotiation Analysis, and Culture.

Complex negotiations analysis, reducing the complexity of international negotiations by combining players with common interests, represents a crucial preliminary step to analyse the international negotiation process when combined with the classic negotiation approaches (Dupont, 1994, 1996). The different analytical approaches to classic negotiation overlap and are comparable because they explore the same phenomenon, the negotiation process, using different independent variables: structural elements, turning points, and behavioural factors (Zartman, 1988; Sebenius, 2009). Culture represents a crossing concept integrating all the different approaches to classic negotiation analysis. Albeit the prevailing avenue of research contends that culture deeply affects international

negotiations (Adair & Brett, 2004; Cohen, 1993; Faure, 2002; Gelfand & Dyer, 2001; Liu, 2019; Olekalns, 2002; Ramirez et al., 2019; Salacuse, 1999), a different stream of research argues that while culture indeed affects negotiation outcomes, its influence is often overstated. The impact of culture on the negotiation process is even further reduced where organizations and negotiators undergo a learning process from previous CBMA experiences (Bond, 2002; Bandura, 2002; Elgström, 1994; Ebner, 2019; Fu et al., 2007; Jones, 2007; Li et al., 2016; Rubin, 2002; Zartman, 1993). The thesis will regard culture as one of the many variables that can influence negotiation outcomes.

Moving to IB negotiations, the review has identified two levels of analysis (Weiss, 2006). The macro-strategic paradigm explores the impact of structural and contextual factors on IB negotiations between companies, integrating power-coalition and cultural distance with structural and integrative analytical approaches. The micro-behavioural level of analysis is focused on negotiators' behaviour, combining the classic negotiation behavioural and integrative analytical approaches with culture. The integration of the two levels of analysis is crucial to overcome the three critical limitations of complex negotiations, as suggested by Watkins (2002): sterility, simplicity, passivity.

Lastly, research on the M&A negotiation phase is limited and chiefly focused on cultural distance and financial and economic factors affecting the premium price paid to the target firm (Lander & Kooning, 2013; Parola & Ellis, 2013; Welch et al., 2019). Consequently, to some extent, disregarding crucial contextual, structural, motivational, and relational factors influencing the negotiation process.

The review suggests the need to select the appropriate framework to integrate the macro-strategic and micro-behavioural approaches in understanding the relationship between the CBMA negotiation process and outcomes by combining contextual and structural factors of the negotiation with motivational and relational factors influencing negotiators' behaviour.

2.5 Theoretical framework

The section will present four alternative frameworks for analysing IB negotiations and summarize their strengths and limitations. Next, the discussion will converge on the turning points framework for negotiation. It will explore its relevance for analysing CBMA negotiations, describe the main variables and the different phases composing the model, and, finally, outline its main contributions and shortcomings.

2.5.1 Frameworks for IB negotiations

The four models integrating the macro-strategic and micro-behavioural paradigms in exploring IB negotiations are Ghauri (1986, 2003), Tung (1988), Weiss (1993), and Khakhar (2007).

Ghauri (1986, 2003) developed a model based on three sets of factors: Background variables, including objectives, context, market situation, third parties, and negotiators' personality, skills, and experience. The atmosphere, defining the relationship between the negotiators. Lastly, the process building on three dimensions, negotiation stages, cultural factors, and strategic elements. Figure 2.5 displays the connections between the three main sets of factors composing the framework.

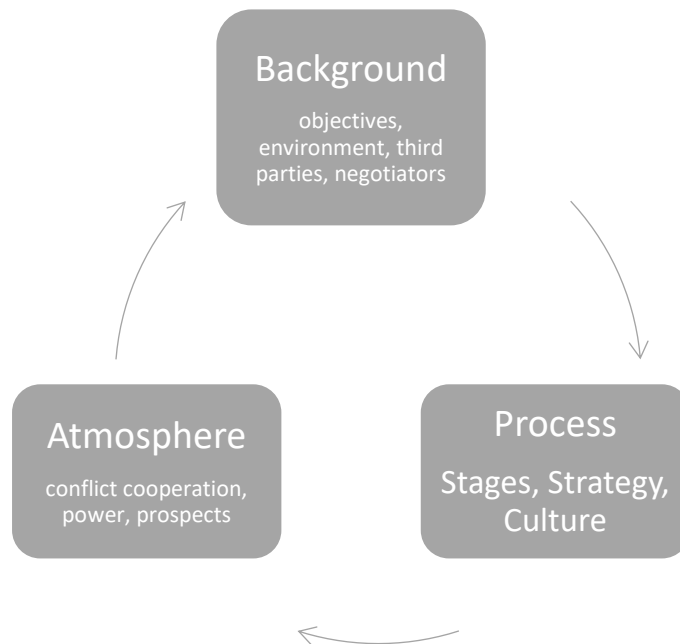


Figure 2.5 - Model for IB negotiations. Adapted from Ghauri, 2003: 9.

Tung (1988) advanced a framework based on five factors: Contextual variables, negotiation context (background factors, the relationship between negotiators), negotiator characteristics (competencies, experience, motivation, relational skills), strategy and process (competitive vs cooperative), negotiation outcomes. Figure 2.6 illustrates the linkages among the five factors.

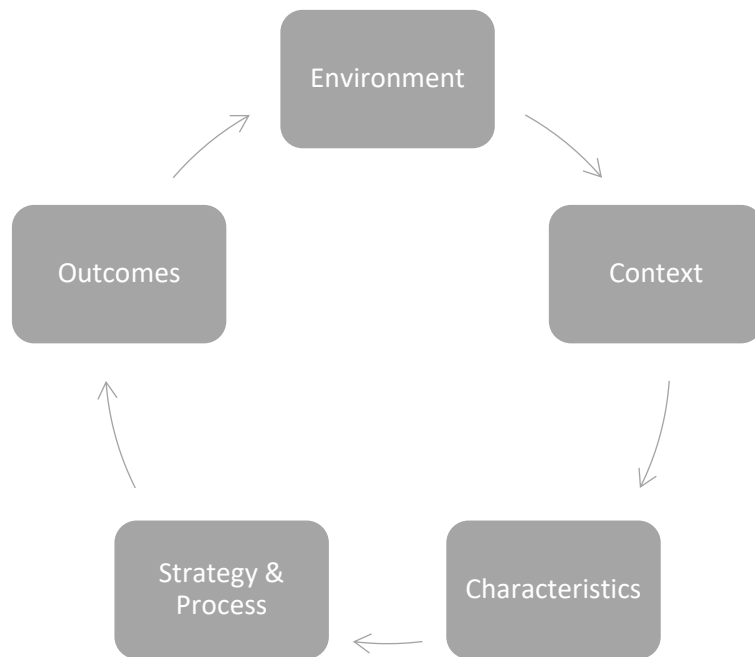


Figure 2.6 - Tung (1988) framework for IB negotiations

Weiss (1993) developed the RBC Framework based on three groups of variables, further split into three process stages: Relationships between leading players (motivational factors, degree of trust, perception of power). Behaviours of leading players (communication, decision-making, information processing). Conditions: third parties, cultural factors, contextual factors. The linkages among the four main groups of variables composing the framework are shown in Figure 2.7.

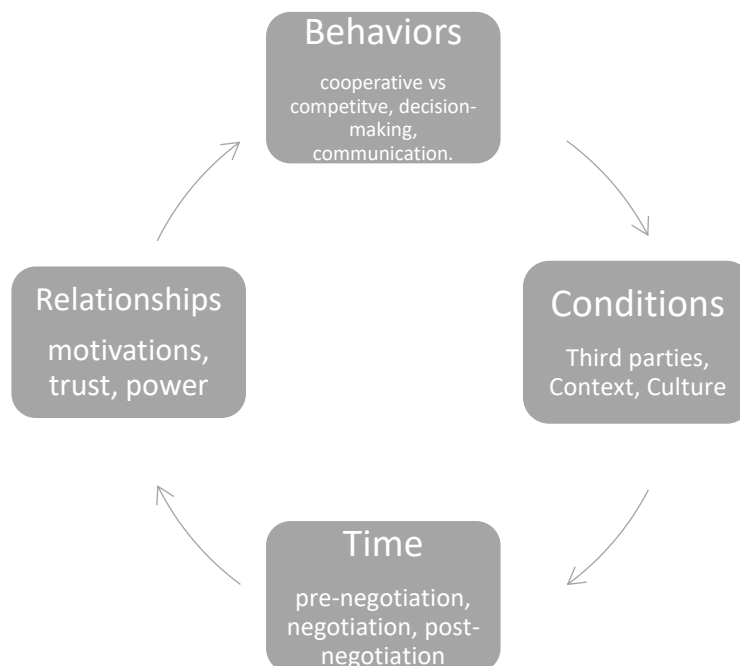


Figure 2.7 - The RBC perspective for IB negotiations

Khakhar (2007) builds on Ghauri (1986, 2003), developing a framework based on three sets of factors: Relative power, contextual factors, and negotiator's characteristics (competencies, experience, motivation, relational skills). Figure 2.8 displays the connection between the three leading independent variables composing the framework and the dependent variable: the negotiation process.

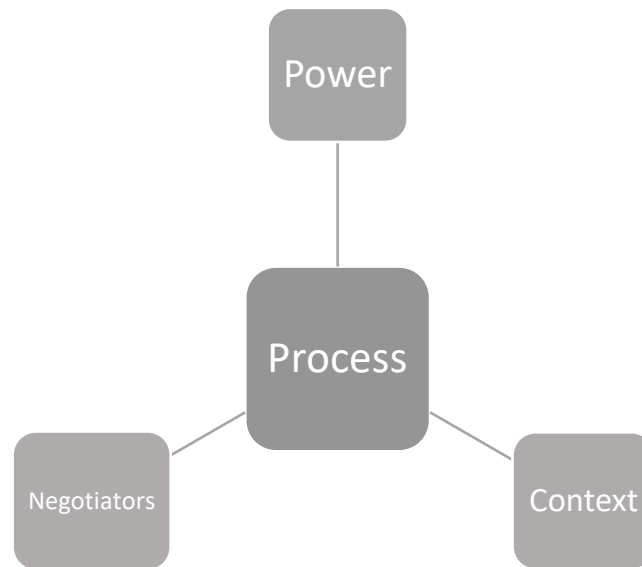


Figure 2.8 - Khakhar's (2007) framework for IB negotiations

Table 2.1 summarizes the commonalities among the four models according to the primary factors included in each framework.

Table 2.1 - Commonalities among the four models for IB negotiations

Variable	Ghauri 2003	Tung 1988	Weiss 1993	Khakhar 2007
Stage of the negotiation process	X	X	X	
Context & Market	X	X	X	X
Third parties	X		X	
Culture	X	X	X	X
Negotiators' skills and experience	X	X		X
Motivational factors	X	X	X	X
Relational factors	X	X	X	X

The four models integrate the two IB negotiation approaches by combining contextual and structural factors with negotiators' skills, experience, motivational, and relational factors. Additionally, three models separate the negotiation process into subsequent stages following the classic negotiation integrative analytical approach.

A negotiation theory should explain outcomes through a sequence of causal relations between variables developed from the negotiation process (Zartman, 2002b; Sawyer & Guetzkow, 1965). Moreover, it should be evaluated against three criteria: First, it must be coherent, rational, and internally reliable. Second, it must define a relationship among measurable variables that can be applied to different specific situations, and lastly, it must describe and explain real-world negotiations (Murray, 1986; Zartman, 1975). Popper (2005) suggests a fourth criterion, parsimony, claiming that the most straightforward theory, which employs the fewest factors and assumptions, should be chosen among competing explanations. According to the parsimony criteria, numerous variables and assumptions render the theory complex and undermine its empirical application and testing.

Despite being consistent, the four frameworks have failed to gain adequate empirical support and reveal the causal relationship between the negotiation process and outcome (Druckman, 2007; Weiss, 2004, 2006). On the one hand, the models would require additional studies to test their ability to explain real-world negotiations. On the other hand, the complexity of the theories, limiting their empirical application, brings challenges to testing (Bacharach, 1989; Popper, 2005). Consequently, none of the previous four models has gained widespread recognition (Reynolds et al., 2003; Weiss, 2006). Weiss (1993) applied the framework to a single case study, the 1986 merger between French CGE and American ITT. Ghauri (1986, 2003) employed his model in three case studies involving Swedish and international companies. Khakhar (2007) validated his framework through a survey administered to 1.213 international managers based in the UK. Due to their complexity, the models fulfil more organizing and classifying functions rather than analytical ones. Therefore, they neglect the dynamic and non-linear nature of IB negotiations, mainly focusing on bilateral talks and discounting boundary-role conflicts and agency issues within the parties. As a result, the four models cannot be adopted to analyse CBMA negotiations in the automotive industry for three main reasons:

First, the frameworks mainly focus on the seller and the buyer. They disregard other players highly relevant in CBMA negotiations in the auto industry, such as the unions in

the discussions between Tata and Ford, Geely and Ford, and SsangYong and Mahindra & Mahindra, and the governments in the negotiations between Renault and Nissan, Fiat and Chrysler, PSA and Opel, FCA and Renault, and FCA and PSA.

Second, the models disregard the two-level game conflicts and agency issues, considering each party as monolithic. However, the organizational context has a crucial impact on the negotiation process, as in the discussion between Daimler and Chrysler, Renault and Nissan, and FCA and PSA.

Lastly, the complexity of the models (the reviewed frameworks are based on a minimum of thirteen and a maximum of eighteen interrelated variables) challenges their applicability. CBMA negotiations in the automotive industry are prompted by diverse and multiple factors (synergy, market, and resource seeking combined by hubris and agency motives) and involve several distinctive actors. Therefore, they require a straightforward model for exploring a series of discontinuous events generated by different factors over time.

The turning points framework provides an answer to the four criteria against which a theory should be evaluated and overcomes the limitations of the previously described four models in analysing CBMA negotiations in the automotive industry.

2.5.2 The turning points framework

The section is organized into five main themes: First, the turning points framework, its linkages with the classic negotiation and power-coalition analytical approaches, and the integration between the macro-strategic and micro-behavioural paradigms. Subsequently, the three elements composing the turning points theoretical framework, followed by the five stages of the turning points analysis of the negotiation process. Then, the two main avenues of research based on the turning points framework and, finally, the contributions and limitations of the framework in the analysis of the negotiation process.

The notion of turning points has been adopted by researchers in both social and natural sciences, representing a change in the direction of a specific process. In negotiation, a turning point is defined as a critical moment that shifts the negotiation from one stage to the next (Crump & Druckman, 2012; Hall, 2017; Leary, 2004a; Putnam & Fuller, 2014).

2.5.2.1 Turning points in negotiation.

Zartman (1975, 1988, 2002a) suggests that the concept of turning points could represent the foundation in developing a theory to define the negotiation process as it unfolds in the real world, explain negotiation outcomes, and present prescriptive models and practical

guidance for negotiators. The turning points framework, identifying factors that influence the occurrence of turning points, provides a theoretical structure to categorize and analyse the different events and transitions that occur during the negotiation process (Druckman et al., 1991; Hall, 2008, 2017). Furthermore, it allows the analysis and description of negotiation dynamics, focusing on how events progress over time (Hall, 2017; Zartman, 1975). Lastly, the turning points framework provides a conceptual causal model that links theory and practice by analysing real-world negotiations through a framework founded on three elements.

The turning points framework, based on the notion of departure (turning point), separated by a preceding contiguous occurrence (precipitant), and by a subsequent adjacent event (consequence) (Druckman, 2001; Crump & Druckman, 2012, 2016), provides an answer to the three weaknesses of current complex negotiation models as suggested by Watkins (2002). Simplicity: the framework offers a theoretical structure to categorize and analyse the different events and transitions that occur during the negotiation process, regardless of the number of players and issues (Druckman, 2001; Crump & Druckman, 2012, 2016). Sterility: the model integrates the influence of structural, contextual, motivational, and relational factors on the negotiation process (Druckman & Olekalns, 2013). Passivity: the model explores and explains negotiation dynamics, focusing on how events progress over time (Hall, 2017; Zartman, 1975).

The framework identifies the type of precipitant that generates the discontinuity (turning point) in the negotiation process and establishes how negotiators react to these precipitants (Druckman, 2001; Green & Wheeler, 2004). As a result, the model determines the causal relationship between process and outcome and provides both a retrospective and a predictive analysis of the negotiation process.

Turning points analysis integrates power-coalition analysis by underlying the role of coalition-building in generating turning points that shape the negotiation process towards agreement (Crump, 2015). Regarding the different classic analytical approaches to international negotiations, the turning points framework underscores integrative analysis features, with turning points leading from one negotiation phase to the next, as suggested by Druckman (2004) and Parola & Ellis (2013). Additionally, it stresses structural analysis characteristics, where the negotiation's fundamental attributes lead to the generation of specific precipitants. Lastly, it emphasizes qualities of behavioural analysis when negotiators' relational and motivational factors explain negotiators' response to the previously identified precipitants (Druckman & Olekalns, 2013).

Most importantly, the turning points framework integrates the macro-strategic and the micro-behavioural paradigms (Druckman, 2003, 2004, 2020; Putnam, 2017). The model concurrently explores different levels of analysis, assessing the impact of contextual, structural, motivational, and relational (specifically trust and power) variables on the negotiation process.

Summarizing, the turning points framework provides a theoretical structure that integrates power-coalition analysis with the classic negotiation analytical approaches and, consequently, the two levels of analysis of IB negotiations (Putnam, 2017). Furthermore, by identifying the causal relationships among departures, precipitants, and consequences, the framework can be employed to analyse and compare different types of negotiations (Donohue, 2017; Druckman, 2001; Hall, 2008, 2017; Putnam, 2017). Turning points analysis has been widely utilized in studies of negotiation processes involving security disputes and political negotiations (Boyer, 2012; Dupont, 1989; Druckman et al., 1991; Druckman, 2001; Druckman et al., 1991; Druckman & Rosoux, 2016), conflict resolution (Brooks, 2008; Irmer, 2003; Leary, 2004b), environmental talks (Bach & Davidson, 2015; Chasek, 1997; Hall, 2008; Kinley, 2017), trade discussions (Cameron & Tomlin, 2000; Tomlin, 1989; Druckman, 2001; Crump & Druckman, 2012, 2016), labour relations (Druckman, 2001; Llorente et al., 2013; Putnam & Fuller, 2014), complex business negotiations (Lindholst, 2015), mediation (Katz Jameson et al., 2014).

Despite being extensively employed in studies of negotiation processes, the concept of turning points has been only occasionally adopted in cases of IB negotiations: besides two studies involving labour-management relations (Llorente et al., 2013; Putnam & Fuller, 2014), the literature review has discovered only a single doctoral dissertation focused on the preparation practices to a negotiation over the sale of a multimillion-dollar power generation plant (Lindholst, 2015).

2.5.2.2 Elements of the turning points framework

The turning points framework includes three elements: precipitants, departures, and consequences (Druckman, 2001; Crump & Druckman, 2012). A departure (turning point) is the critical factor in the turning point analysis. It is separated by a preceding contiguous occurrence (precipitant) and by a succeeding and adjacent occurrence (consequence) (Druckman, 2001; Crump & Druckman, 2012, 2016). Crump & Druckman (2012, 2016) and Druckman (2001) provide the following definitions of the three variables.

A departure is described as a distinct and apparent variation in the negotiation process regarding a significant decision by the player(s). Departures are differentiated between abrupt (substantial and sudden change in the negotiation process) and non-abrupt (expected and progressive transition from one stage to the next). A consequence is defined as the course of the negotiation process as a distinct and obvious result of a departure. Turning points can either progress the negotiation in the direction of an agreement or head the negotiation for an impasse, described by Druckman (2001: 527) as “de-escalatory consequences” or “escalatory consequences.”

A precipitant is defined as a distinct and evident internal or external situation that generates a departure. Precipitants are categorized as either internal or external to the negotiation to assess the impact of the negotiation process relative to the context (Irmer & Druckman, 2009). They are classified into three categories, as described in Figure 2.9: procedural, internal precipitants that shape the structure and the process of the negotiation (venue, intra-party negotiations, and cross-functional teams); substantive, internal precipitants that communicate the interests of the parties and the issues involved (new ideas, package offers, concessions); and external precipitants, contextual elements that can lead to a departure (Druckman, 2001; Hall, 2008).

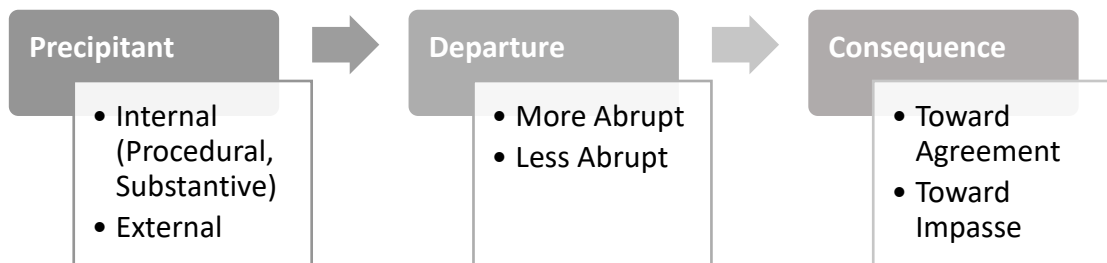


Figure 2.9 - Turning Points Framework. Druckman, 2001: 521.

2.5.2.3 Turning points analysis.

As represented in Figure 2.10, the turning points analysis comprises five stages (Druckman, 2001): The first step outlines a detailed chronology (sequence of events) of the negotiations. The second applies specific coding rules based on the turning points framework to the timeline. The third uncovers the departures (turning points) that progress the negotiation process in the agreement or impasse direction. The fourth

determines the precipitants, factors (internal and external) that generate the departures. The last step identifies the consequences of the departures towards agreement or impasse. The purpose of the turning points analysis is to identify the causal relationships among departures, precipitants, and consequences that lead to specific negotiation outcomes.

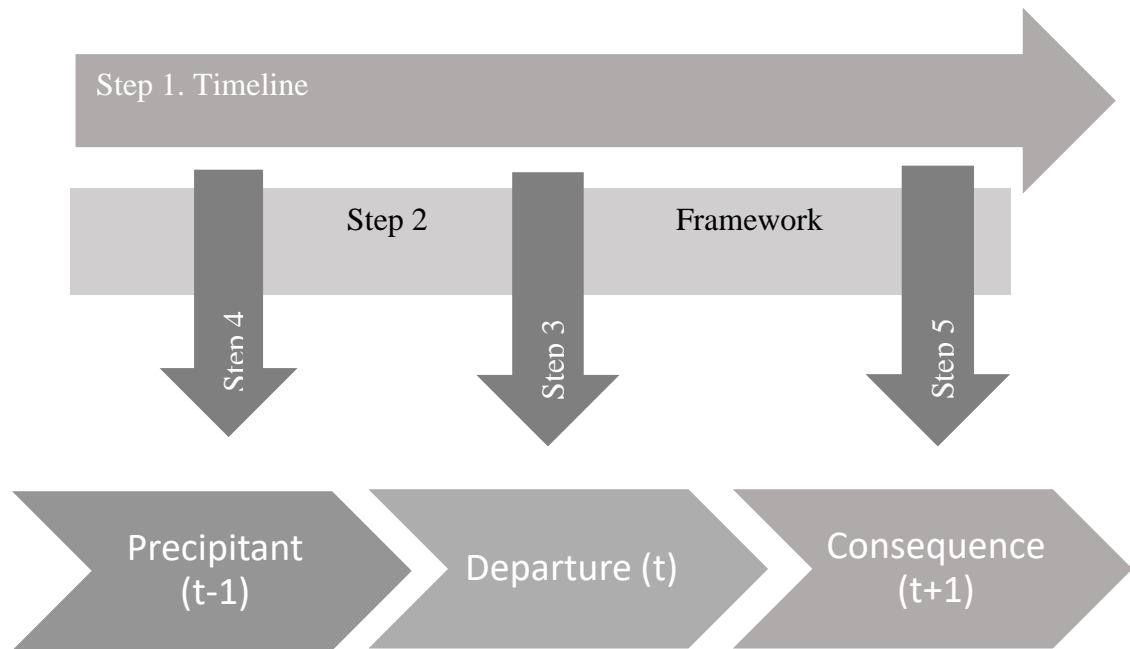


Figure 2.10 - The three stages of turning points analysis. Adapted from Crump & Druckman (2012): 17

The following example based on the Renault-Nissan 1999 alliance can better explain the turning points analysis, grounded on a [precipitant (t-1) -> departure (t) -> consequence (t+1)] sequence.

The 1998 DaimlerChrysler merger triggered a wave of consolidation in the industry, hastening Renault's CEO Louis Schweitzer's motivation to find a company partner.

DaimlerChrysler merger: External Precipitant (t-1) → Renault considers Nissan as a potential partner: Non-Abrupt Departure (t) → Toward Agreement Consequence (t+1)

2.5.2.4 Studies on turning points.

The literature review outlines two main avenues of research based on the turning points framework. The first, mainly based on cases studies under a macro-strategic level of analysis, involves security disputes and political negotiations (Boyer, 2012; Dupont, 1989; Druckman et al., 1991; Druckman, 2001; Druckman et al., 1991; Druckman & Rosoux, 2016), conflict resolution (Brooks, 2008; Irmer, 2003; Leary, 2004b),

environmental talks (Bach & Davidson, 2015; Chasek, 1997; Hall, 2008; Kinley, 2017), trade discussions (Cameron & Tomlin, 2000; Tomlin, 1989; Druckman, 2001; Crump & Druckman, 2012, 2016), labour relations (Druckman, 2001; Llorente et al., 2013; Putnam & Fuller, 2014), mediation (Katz Jameson et al., 2014), and complex business negotiations (Lindholst, 2015).

Ten of the reviewed studies were based on a single case study (Bach & Davidson, 2015; Brooks, 2008; Cameron & Tomlin, 2000; Druckman et al., 1991; Dupont, 1989; Kinley, 2017; Leary, 2004b; Lindholst, 2015; Llorente et al., 2013; Putnam & Fuller, 2014; Tomlin, 1989). Three adopted a small-N case study method (less than 10 cases) (Crump & Druckman, 2012, 2016; Druckman & Rosoux, 2016), while the other three were based on a large-N case study method (Chasek, 1997; Druckman, 2001; Hall, 2008). Finally, one employed a multi-method approach (both small- and large-N) (Irmer, 2003). Research based on the macro-strategic approach aims to identify the causal relationships between precipitants, departures, and consequences and classify the types of precipitants leading to turning points.

Druckman (2001) proposes a link between sets of negotiations and categories of precipitants. External events usually generate departures in political talks and conflict disputes. Both substantive and procedural (internal) processes cause turning points in trade, political and environmental negotiations; procedural (internal) precipitants primarily drive labour relations negotiations. The literature review partially supports Druckman (2001), suggesting that internal precipitants chiefly determine turning points. Political negotiations present mainly procedural precipitants (Boyer, 2012; Dupont, 1989; Druckman et al., 1991). Conflict (Brooks, 2008; Druckman & Rosoux, 2016; Irmer, 2003; Leary, 2004b), environmental (Bach & Davidson, 2015; Chasek, 1997; Hall, 2008; Kinley, 2017) and complex business negotiations (Lindholst, 2015) display procedural and substantive precipitants. Procedural precipitants mainly generate turning points in labour negotiations (Llorente et al., 2013; Putnam & Fuller, 2014). Lastly, substantive precipitants chiefly trigger departures in trade negotiations (Cameron & Tomlin, 2000; Crump & Druckman, 2012, 2016; Tomlin, 1989). Although not generating many turning points, external precipitants are crucial in moving the process from the pre-negotiation to the negotiation phase. Some examples are provided by institutions setting deadlines or imposing sanctions, NGOs acting as mediators, or unilateral initiatives by a prime minister.

Based on the micro-behavioural approach, the second stream of research is grounded on laboratory negotiation simulations to identify the factors influencing negotiators' response to precipitants. The micro-behavioural paradigm's main findings relate to motivational and relational (trust and power perception) variables. Trust is a mediating factor that defines the relationship between the negotiation process and outcomes (Druckman & Olekalns, 2013; Irmer & Druckman, 2009; Olekalns & Smith, 2005a). Additionally, Olekalns and Smith (2005) propose a relationship between turning points and trust: while departures that progress the negotiation in the direction of an agreement develop trust, departures that progress the negotiation in the direction of an impasse reduce trust. Also, Druckman et al. (2009) suggest that trust acts as a filter in understanding factors that trigger departures. A high degree of trust between the parties positively affects negotiation results primarily in an unfavourable external and internal precipitant situation. In contrast, a low degree of trust between the parties does not impact negotiation results in any precipitant situation. Moreover, Druckman et al. (2009) also infer that both the degree of trust in the dyad and negotiators' motivational factors influence negotiation results: a competitive motive leads to lower gains than a cooperative approach, particularly in a low trust context. As a result, there is a circular relationship between the degree of trust and cooperative motivation: trust fosters integrative behaviour, which, consecutively, develops trust between the parties (De Dreu, 2004; Irmer & Druckman, 2009).

Concerning perceived relative power, negotiation results are mainly affected by power in an internal rather than external precipitant situation (Druckman et al., 2009). Furthermore, Druckman and Olekalns (2013) propose that power symmetry leads to integrative turning points chiefly in a context of low trust and high dependence between the negotiators. On the other hand, high asymmetry in power generates a low degree of trust, which leads to more distributive turning points.

In summary, the literature review suggests a relationship between the class of precipitant, relational factors (level of trust in the dyad, perceived relative power), motivational factors, negotiation strategy, and outcome (Druckman & Olekalns, 2013; Druckman et al., 2009). The two research avenues can be adopted jointly to understand the causal relationship between the negotiation process and outcome by reproducing in the laboratory the turning points progression uncovered by the case study analysis (Druckman & Olekalns, 2011). Case studies under the macro-strategic level of analysis identify the type of precipitant that generates the turning point during CBMA negotiations

in the auto industry. Laboratory experiments under the micro-behavioural approach explore negotiators' response to the previously identified precipitants to predict the turning points leading to a specific outcome in CBMA negotiations in the auto industry.

2.5.2.5 A critical review of the turning points framework

The section will present the main strengths and drawbacks of the turning point framework.

Contributions of the framework

The critical contributions of the turning points framework are five:

First, it provides a theoretical structure to categorize and analyse the different events and transitions during the negotiation process (Druckman et al., 1991; Hall, 2008, 2017). Additionally, it can be employed to analyse and compare different types of negotiations, identifying the causal relationships between departures, precipitants, and consequences (Donohue, 2017; Druckman, 2001; Hall, 2008, 2017; Putnam, 2017). Moreover, it allows for several concurring levels of analysis (contextual, structural, motivational, and relational) (Druckman, 2003, 2004; Druckman & Olekalns, 2013; Druckman et al., 2009; Putnam, 2017). Furthermore, it analyses and explains negotiation dynamics, focusing on how events progress over time (Hall, 2017; Zartman, 1975). Lastly, it provides a conceptual causal model that serves as a bridge between theory and practice, identifying a series of events that shape the negotiation process and outcomes. Also, it provides practitioners with the opportunity to identify specific precipitants significant in their knowledge area (Hall, 2017).

Limitations of the framework

The section will discuss five drawbacks of the turning points framework and present measures to reduce their impact.

First of all, describing inherently dynamic and complex negotiation processes requires adopting multiple interconnected variables that refrain from direct classification. For example, a negotiation could present concurrent internal and external precipitants, or the same precipitant could lead to different turning points (Cobb, 2006; Donohue, 2017). Mitigating measures to enhance internal validity will be discussed in the Research Methodology chapter. Additionally, the framework could be improved by investigating different specific classes of precipitants relevant to different types of negotiations (Putnam, 2017). Hall (2008) expanded Druckman's framework in his study of

environmental negotiations by introducing a new category (role of neutral third party) in the external precipitants class. Olekalns & Smith (2005b) presented a third category of internal precipitants (attitudinal). Lastly, Putnam & Fuller (2014) defined a third category linking external and internal precipitants (strategic precipitants). Following Putnam & Fuller (2014), the preliminary analysis suggests the introduction of an additional class of internal precipitants, strategic, defined as planned actions taken by the parties to achieve their interests and improve their position in the negotiation through other players (coalition-building, talks with third parties acting as BATNA). Following Hall (2008), the preliminary analysis also indicates the need to reorganize external precipitants, adding a second category, actors, defined as individuals or organizations such as journalists, analysts, and judges, over which the parties have minimal influence.

Furthermore, Druckman (2001) only discriminates between more and less abrupt turning points, but usually, negotiation outcomes are highly influenced by very few fundamental turning points. Also, the framework does not underline the events that lead to the first turning point. The first turning point is essential because it signs the start of the negotiations (Tomlin, 1989). Zartman (2001) and Pruitt (2015), in their analysis of international negotiations, introduce the concepts of “ripeness” and “readiness,” highlighting the role of timing in bringing the parties to the negotiation table. The literature review suggests that although external precipitants do not generate a large number of turning points, they tend to be crucial in moving the process from the pre-negotiation to the negotiation phase.

Moreover, correctly identifying the three elements of a turning point progression and coding their specific categories poses a relevant threat to the internal validity of the analysis. Enhanced description of the different definitions, the introduction of reliability testing, and the employment of a second independent researcher that will proceed independently in the coding process can improve both the internal validity and the reliability of the analysis (Hall, 2008, 2017). Lastly, turning points are more easily retroactively identified. Further research is needed to proactively identify turning points and predict which precipitants will lead to shifts in the negotiation process (Donohue, 2017). The research also aims to provide executives in the auto industry with a prospective approach to turning points to better shape negotiation processes to achieve the desired outcomes.

2.5.2.6 Conclusions

The turning points framework provides a parsimonious and coherent theoretical structure to categorize and analyse the different events and transitions during the negotiation process. It can be employed to analyse and compare different types of negotiations, identifying the causal relationships among departures, precipitants, and consequences. In summary, the turning points framework provides five significant theoretical contributions to the analysis of international negotiations:

First, it integrates the different analytical approaches to international negotiations. Then, it offers an answer to the three weaknesses of current complex negotiation models, as suggested by Watkins (2002). Also, it integrates the macro-strategic and micro-behavioural analysis levels, as defined by Weiss (2006). Additionally, it has already been extensively employed in studies of negotiation processes and can be adopted to study different types of negotiations. Lastly, it provides a conceptual causal model that serves as a bridge between theory and practice.

Consequently, the turning points framework represents the theoretical model chosen to investigate CBMA negotiations between automobile manufacturers.

2.6 Research aim, question, and hypothesis

The section will present the research aim, question, objectives, and hypotheses that emerged from the literature review.

2.6.1 Research aim and question

The thesis set out to integrate the macro-strategic and micro-behavioural approaches in analysing CBMA negotiations in the automotive industry, with the following research aim and question:

To evaluate the impact of contextual and behavioural factors in shaping cross-border merger and acquisition negotiations between automobile manufacturers.

To what extent contextual and behavioural factors shape CBMA negotiations between automobile manufacturers?

2.6.2 Research Objectives and Operational Hypotheses

The resulting research objectives which drive this thesis are:

1. To identify the appropriate framework to analyse complex negotiations integrating the macro-strategic and micro-behavioural levels of analysis.
2. To explore the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers.
3. To evaluate the role of motivational factors in shaping the CBMA negotiation process.
4. To evaluate the role of relational factors in shaping the CBMA negotiation process.
5. To identify the main factors that influence cross-border M&A negotiations between automobile manufacturers and provide managers and practitioners with strategies to prepare better and shape the negotiation process towards the desired outcome.

Having outlined the research objectives, the next part of the section will determine the operational hypotheses inferred from the research aim and question. The first research objective has been accomplished by the selection of the turning points framework. The second research objective explores the impact of contextual and structural factors by identifying the type of precipitant that triggers turning points in CBMA negotiations between automobile manufacturers, both in terms of their frequency and impact: some precipitants can occur occasionally but still produce a binding effect on the negotiation process, while others, can arise more frequently, and generate just a marginal influence.

According to the literature review, it is anticipated that mainly internal precipitants generate departures in CBMA negotiations between automobile manufacturers:

H₁₀: Internal precipitants are not the main originators of turning points in CBMA negotiations between automobile manufacturers.

H₁₁: Internal precipitants are the main originators of turning points in CBMA negotiations between automobile manufacturers.

The literature review also suggests that mainly internal precipitants generate abrupt departures, leading to a significant and sudden variation in the negotiation process in CBMA negotiations between automobile manufacturers.

H₂₀: Internal precipitants are not the main originators of abrupt turning points in CBMA negotiations between automobile manufacturers.

H2₁: Internal precipitants are the main originators of abrupt turning points in CBMA negotiations between automobile manufacturers.

The third research objective evaluates the role of motivational factors in shaping the negotiator's response to the identified precipitants:

H3₀: Motivational factors do not influence negotiation outcomes.

H3₁: Motivational factors influence negotiation outcomes.

The fourth research objective weighs the role of relational factors in shaping the negotiator's response to the identified precipitants. Relational factors are further split into trust and power:

H4₀: The degree of trust between the parties does not influence negotiation outcomes.

H4₁: The degree of trust between the parties influences negotiation outcomes.

H5₀: Perceived relative power does not influence negotiation outcomes.

H5₁: Perceived relative power influences negotiation outcomes.

Chapter 3. Research Methodology and Design

Having reviewed the literature on international negotiations and determined the appropriate framework for the analysis of CBMA negotiations, this chapter will provide the research philosophical perspective, followed by a critical discussion of the three main methods adopted in negotiation research and specifically in turning point analysis. The successive section will logically develop the sequential mixed-method research design from the literature review and the research question and objectives. The chapter will then discuss the first phase research procedure, examining the process-tracing analysis, outlining the case selection design, and exploring the data collection and analysis process. The second phase research procedure will then be outlined, addressing internal and external validity threats to the experimental simulation, examining the questionnaires adopted before and after the simulation, and finally discussing the data analysis process. The following section will discuss the key findings of the pilot study. Finally, the last parts of the chapter will outline the critical limitations of the research procedure and discuss research ethics. The structure of the chapter is presented in Figure 3.1.

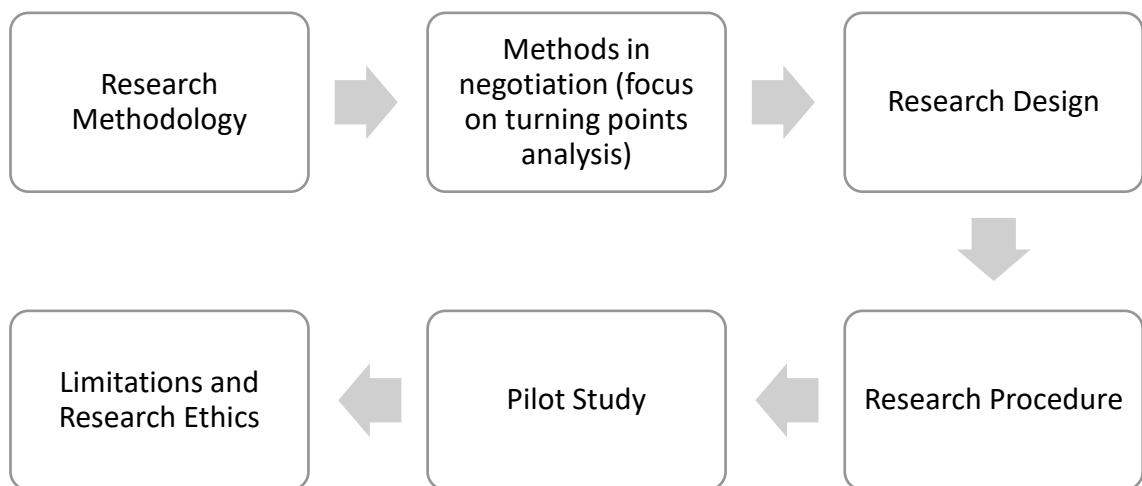


Figure 3.1 - Chapter structure

3.1 Research methodology

Negotiation research over the recent decades has primarily embraced a positivist philosophical perspective (Beulens et al., 2008; Druckman, 2005). Studies on negotiation, chiefly based on laboratory experiments, aim at discovering universal, objective, generalizable theories to explain negotiation outcomes and determine causal relationships

founded on accurate and demonstrable empirical observations and measurements (Beulens et al., 2008; Creswell, 2014; Wallace et al., 2017).

Positivism is highly appropriate for pure sciences and engineering research because it relies on a single and objective reality that can be ascertained with a certain degree of probability and accepts as true exclusively theories that can be empirically observed and verified. The dilemma occurs when positivism is employed in the social sciences: The human element undermines the positivist scientific method, questioning its suitability in predicting negotiation outcomes correctly. Contrary to positivism, constructivism is grounded on the belief that objective reality does not exist. Individuals construct their meaning and understanding of the world as they engage with reality and reflect on their experiences (Chilisa & Kawulich, 2012; Creswell, 2014; Wallace et al., 2017).

The literature review suggests a theoretical framework that combines the macro-strategic and micro-behavioural levels of analysis. The model explores negotiations in terms of key variables (precipitants, turning points, and consequences) and their causal relationship rather than how participants understand and make sense of their interactions. Causality is one of positivism's underpinnings.

Moreover, the literature review leads to a research hypothesis, preliminarily operationalized as a series of operational hypotheses to be tested through empirical observation and measurement of variables based on deductive reasoning (scientific method). Logical analysis and the ability to predict outcomes are two other foundations of positivism. Furthermore, based on the research question and objectives, the research design leads to a mixed-method, where quantitative data is given more emphasis than the qualitative one.

On the other hand, negotiators' behaviour significantly influences the negotiation process and its outcomes, challenging the positivist perspective (Beulens et al., 2008). Moreover, positivism assumes the researcher to be external to and isolated from the research environment; however, issues of reactivity and neutrality and the researcher's subjectivity in applying coding rules founded on the turning points framework further undermine the positivist standpoint.

The reconciliation of the two complementary paradigms, overcoming the contradiction between positivism and constructivism, is crucial in understanding the CBMA negotiation process (Druckman, 2005; Jost & Kugranlski, 2002). In the continua between the two philosophical perspectives, pragmatism embodies an intermediate position

combining the compatible advantages and limitations of the two paradigms (Morgan, 2007; Teddlie & Tashakkori, 2009). Pragmatist ontology contends that reality is shaped by human experience, and it is therefore ever-shifting. Pragmatist epistemology is grounded on the concept of inquiry, in which knowledge, shaped by experience, should eschew absolute truth and single reality and emphasize research relevance (Kaushik & Walsh, 2019).

With a strong emphasis on the research question and the contribution to practice, pragmatism overcomes the artificial dichotomies between contextual and universal, subjectivity and objectivity, and induction and deduction, embracing mixed-method research (Shannon-Baker, 2015; Teddlie & Tashakkori, 2009). As a result, in accordance with the research question and design, this study adopts pragmatism as the philosophical standpoint from which to construct knowledge.

3.2 Methods in negotiation research

A close examination of the different approaches adopted in negotiation research reveals three main methods accounting for nearly the papers' totality: laboratory experiments, surveys, and case studies (Campbell & Fiske, 1959; De Dreu & Carnevale, 2005). Three systematic reviews that measure the proportion of peer-reviewed empirical negotiation articles adopting each of the three methods are presented in Table 3.1.

Table 3.1 - Data collided by the author from three systematic reviews.

	Author / Date	Focus	Articles	Experiments	Case Studies	Surveys	Total
1	De Dreu & Carnevale (2005)	Negotiation	238 articles published between 1997 and 2001	68%	6%	24%	98%
2	Buelens et al. (2008)	Negotiation	445 articles published between 1995 and 2004	80%	5%	8%	93%
3	Agndal et al. (2017)	Business Negotiation	316 business negotiation articles published between 1995 and 2015	61%	8%	26%	95%

Integrating the three reviews and considering 999 analysed peer-reviewed negotiation articles, the sum of experiments, case studies, and surveys account for 95% of the adopted methods, with experiments associated with 71%, surveys 18%, and case studies 6% of the reviewed papers.

The macro-strategic level of analysis to IB and CBMA negotiations is chiefly based on case studies, while the micro-behavioural approach is grounded on experimental laboratory simulations. Moreover, case studies and experimental simulations represent also the most adopted research methods in turning points analysis, with questionnaires used in association with experimental simulations to determine the degree of trust and power perception in the dyad (Druckman et al., 2009; Druckman & Olekalns, 2013; Olekalns & Smith, 2005b).

The following sections will present the three methods, starting with laboratory experiments, then moving to surveys and case studies.

3.2.1 Laboratory Experiments

Laboratory experiments have been the dominant method in negotiation research in recent years. Experimentation is a means for assessing the dynamic causal relationship among already specified independent and dependent variables by comparing the results from two groups, equal but for the independent variable while limiting extraneous factors in a controlled setting (Campbell & Stanley, 1963; Druckman, 2005; Pruitt, 1981; Shadish et al., 2002; Wilkenfeld, 2006).

Laboratory experiments provide several advantages over other methods (McDermott, 2002; Pruitt, 1981; Weiss, 2004): First, the ability to deduce causal inferences. Secondly, control over participants' enrolment, the management and manipulation of variables, and the replication of observations. Lastly, direct observation and accurate analysis of the negotiation process. However, they also face a crucial challenge, represented by the difficulty in generalizing the findings to real-world negotiations.

The experimental method's advantages and disadvantages are further discussed in the next section examining internal and external validity in laboratory experiments.

3.2.1.1 Validity in Experiments

Nachmias & Nachmias (1976) describe research validity as the degree to which the experiment measures what is meant to measure and reproduces the reality it asserts to reproduce. Validity can be broken into two groups: internal and external.

Internal validity is an essential prerequisite of experiments (Campbell, 1957; Campbell & Stanley, 1963; Cunningham, 1984; Druckman, 2005; McDermott, 2011; Shadish et al., 2002). To ensure internal validity, an experiment must verify that the hypothesized independent variable causes the variations in the dependent variables. No other rival explanation or exogenous factor can offer a more likely explanation for the experiment's result (Druckman, 2005; Mitchell & Bernauer, 2004). The five essential requirements to ensure internal validity are (Druckman, 2005; McDermott, 2002; Nachmias & Nachmias, 1976): Standardization of experimental measures and modus operandi to ensure comparability of data and control over the independent variable. Random assignment of participants to minimize the influence of external factors provided by systematic differences in subjects. Participants reasonably unsuspecting of the objective of the experiment to lessen expectancy bias. Minimal interactions between the experimenter and the participants to minimize experimenter bias. Furthermore, lastly, replication of the experiments measuring the same dependent variable in each circumstance.

External validity denotes the generalizability of an experiment's results to a broader population (Shadish et al., 2002). At least four factors can limit the generalizability of the findings (McDermott, 2002): The use of undergraduate students as participants in experiments. The adoption of simulations based on simplified assumptions diminishing the complexity of real-world IB negotiations. The limited time allocated for the negotiation process, disregarding past interactions among players and the usual chronology of complex negotiations, held in multiple rounds over long periods. Lastly, the constrained engagement of participants that are not subject to tangible and intangible motivations, demands, and goals of real-world negotiators.

According to the review, the two main challenges to the external validity of negotiation analysis based on laboratory experiments are students as participants and simulations based on simplified assumptions (Druckman, 2005; McDermott, 2002; Weiss, 2004). Only one of the examined studies employs participants with significant work experience (Olekalns & Smith, 2005b). Additionally, only two studies (Olekalns et al., 2003;

Weingart et al., 2007) adopt a complex multi-issue and multi-player negotiation simulation to improve realism.

Accessibility limitations and ethical constraints have induced most researchers to enlist undergraduate and MBA students for laboratory cross-cultural negotiation simulations. While two studies assert no significant difference between undergraduates and executives in negotiation behaviour (Adair & Brett, 2005) and negotiation outcomes (Brett et al., 1998), there is broad agreement that the use of student participants not holding the experience gained by professional negotiators often constitutes a critical barrier to generalizing results (Dierickx & Koza, 1991; Druckman & Kam, 2011; Elfenbein et al., 2008; ElShenawy, 2010; Fouraker & Siegel, 1963; Gunia et al., 2016; Murnighan et al., 1999; Neale & Northcraft, 1986; Olekalns et al., 2003; Steinel et al., 2007; Thompson, 1990).

Experienced negotiators perform better than beginners because experience improves the ability to correctly assess the other party's interests and the commitment to employ problem-solving behaviour (Elfenbein et al., 2008; Thompson, 1990). Furthermore, negotiation performance is positively correlated with the amount of negotiation training received (ElShenawy, 2010; Herbst & Schwarz, 2011; Steinel et al., 2007). Even employing MBA students (Olekalns et al., 2003) does not adequately address the external validity issue because of their limited work and negotiation experience: For example, in Amanatullah et al. (2008), MBA students have an average of 5.4 years of work experience and a mean level of negotiation experience of 2.78 (on a scale ranging from 1 to 7). Additionally, the engagement level of experienced negotiators in the simulation is higher than the one displayed by students (Fisher & Fisher-Yoshida, 2017; Poitras et al., 2013). Lastly, as discussed in section 2.1.3, experience moderates the potential impact of cultural differences in international negotiations because organizations and negotiators learn and ripen from previous CBMA encounters (Watkins, 2002).

Experimental simulations, often built around conventional and simplifying assumptions, represents the second main challenge to external validity. Because most research on the micro-behavioural level of analysis is conducted through laboratory simulations, which oversimplify the complex and multidimensional systems governing real-world negotiations (Eliashberg et al., 1995; Fouraker & Siegel, 1963; Olekalns et al., 2003), Weiss (1998, 2006) proposes the need to increase the complexity and the population size of negotiation experiments to improve their realism.

Internal and external validity is at the same time complementary (Druckman, 2005) and conflicting (Campbell, 1957; Campbell & Stanley, 1963); as a consequence, designing an experiment to reduce internal validity threats often leads to limitations in population size, realism, and complexity, crucial to increase external validity. Conversely, reducing threats to external validity by increasing the realism and complexity of the simulation opens the door for issues concerning the influence of external factors on the hypothesized causal chain and comparability of results (Druckman, 2005; McDermott, 2011). Most importantly, internal validity is a precondition of experiments because determining external validity requires first an experiment to be internally valid (Kittel & Morton, 2010). Measures to address the four external validity limitations are discussed in the techniques section, 3.4.2.3.

The following section will discuss simulations, which represent the bridge between internal and external validity in laboratory settings.

3.2.1.2 Simulations

Simulations aim at characterizing real-world situations through complex role-plays in a laboratory setting. Specific variables can be manipulated and measured under controlled conditions to test hypothesis and identify causal relationships by isolating a critical, independent variable and controlling extraneous factors, and, as a result, ensuring both internal and external validity (Carnevale & De Dreu, 2005; Cunningham, 1984; Druckman, 2005; Wilkenfeld, 2006; Winham, 2002). Simulations are usually audio and video recorded for subsequent analysis.

Complex simulations have been employed in international relations and IB negotiation research, showing a notable concurrence with real-world negotiation outcomes (Patchen, 1987; Gastinger, 2017). Regarding international relations, Guetzkow et al. (1963) developed a simulation based on five nations, each with specific goals, and fifteen decision-makers performing concurrently in bilateral and multilateral discussions. Wilkenfeld (2006) developed a simulation based on the 1981 Ecuador and Peru border conflict, involving 212 undergraduate students. Nance et al. (2016) built a simulation based on the ongoing Transatlantic Trade and Investment Partnership (TTIP) negotiations between the Sectioned States and the European Union with 76 participants (French and US undergraduate students). Shine (2018) developed a simulation based on the 2015 Nuclear Deal between Iran and the US, EU, China, and Russia, involving experts in the

field as participants, to explore the possible consequences of a US withdrawal from the agreement.

Besides the several simulations employed in the micro-behavioural approach to IB negotiations, representing a simplified representation of real-world negotiations (Peterson et al., 2012), more complex IB simulations have been adopted mainly for teaching and training purposes. An example is a simulation based on the 1999 negotiations between Nissan and Renault (Weiss, 2008).

In addition to the significant limitation inherent to laboratory experiments, simulations are subject to four additional potential drawbacks. First, the realism of the simulation can trigger participants' sentiments and biases, precluding an accurate interpretation of the written instructions (Ebner & Efron, 2005). Additionally, the simulation instructions should provide enough detailed information to portray the case's essential features without overwhelming participants with irrelevant facts (Wilkenfeld, 2006). Moreover, the different levels of identification by the participants with the assigned role can challenge the value of the simulation (Ebner & Kovach, 2011). Finally, the artificiality of the setting may prevent participants from recognizing the realism of the simulation (Alexander & LeBaron, 2009). Measures to address simulations' drawbacks are discussed in the techniques section, 3.4.2.3.

The next section will discuss the second most adopted method in negotiation research, surveys.

3.2.2 Surveys

Survey research collects data through questions to individuals in a predetermined sample to reconstruct episodes or understand topics (Druckman, 2005; Nachmias & Nachmias, 1976). According to Druckman (2005), surveys are better proficient in identifying the correlational rather than the causal relationship among variables. Generally, survey research aims for an optimal trade-off between sample size and data collection method to achieve high reliability and validity, considering resource constraints (Druckman, 2005).

Survey research, accessing experienced negotiators, overcomes one of the primary limits of laboratory experiments and allows for quantitative and qualitative data analysis. However, it is also subject to four crucial drawbacks (Nauta & Kluwer, 2005; Weiss, 2004): The first issue pertains to validity and whether the questions provide a valid assessment of the phenomena under investigation. The problem is even more marked

when items are translated. Additionally, data collected through surveys is correlational but not causal. Assessing causal relationships requires laboratory experiments. Also, questionnaires are susceptible to respondents' fundamental attribution, self-serving, social desirability biases, and post hoc justification. Finally, nonresponse bias can impact both the validity and reliability of survey research. The issue is even more significant when survey research is employed to reconstruct historical negotiation cases with difficult access to relevant respondents.

Questionnaires have been widely employed in association with negotiation laboratory experiments to assess social motives (Beersma & De Dreu, 1999), affect (Anderson & Thompson, 2004), perceived power (Van Kleef et al., 2006; Wolfe & McGinn, 2005), emotions (Van Kleef et al., 2006), trust (Olekalns & Smith, 2007, 2009), individual traits (Elfenbein et al., 2008), emotions (Butt & Choi, 2010)

The following section will discuss the case study method.

3.2.3 Case studies

Case studies provide access to real-world IB and CBMA negotiations, presenting a detailed chronology of events and minimizing the external validity challenge typical of laboratory experiments. Druckman (2005) and Yin (2013) argue that the case study method is most appropriate for answering factual questions (what occurred and how it occurred) rather than explanatory ones (why it happened). Additionally, a case study approach effectively addresses the impact of contextual elements on the negotiation process (George & Bennett, 2005; Levy, 2008; VanWynsberghe & Khan, 2007; Yin, 2013).

According to George and Bennett (2005), case studies are the most appropriate research method in testing theorized causal processes, above all, in the context of complex and non-linear relationships among the various factors. On the other hand, they show some limitations in assessing whether an element is necessary for a consequence in the presence of multiple causal factors and evaluating the strength of the causal link between contributing factors and consequence. Furthermore, case studies are not subject to statistical generalization. Consequently, the findings do not apply to a broader population except in provisional ways (George & Bennett, 2005; Gerring, 2006; Yin, 2013).

The use of multiple cases to test specific hypotheses following a replication design is called the comparative case approach (Druckman, 2002, 2005; George & Bennett, 2005;

Yin, 2013). "By imposing the logic of experimentation on a small number of matched cases, the analyst attempts to strengthen the internal validity of the findings" (Druckman, 2002: 20). The method mostly employed by researchers is the focused comparison or "most similar system design (MSSD)" (Faure, 1994: 310), where all cases are equivalent in each dimension but the independent variable (Druckman, 2002, 2005; George & Bennett, 2005). According to George (1979), in designing a focused comparison study and following the logic of experimentation, researchers develop a series of standard inquiries for each case to obtain comparable data from the cases (George & Bennett, 2005). According to Weiss (2004), research based on case studies is subject to two additional challenges: First, few articles present a structured comparison of different case studies based on robust and specific criteria. Secondly, access to critical information and primary sources is often difficult.

The following section will define the contribution of the three methods on the turning points analysis of the negotiation process.

3.2.4 Methods in turning points analysis

As discussed in section 2.5.2.4, the literature review defines two main research lines centred on the turning points framework: the micro-behavioural, based on experimental simulations and questionnaires, and the macro-strategic, grounded on case studies.

Experimental simulations represent the foundation of the micro-behavioural approach, employing precipitants as the independent variable and departures and consequences as dependent variables in turning points analysis. The turning points analysis in laboratory experiments explores the negotiators' response to specific precipitants and identifies the causal relationship between precipitants, turning points, and consequences (Druckman et al., 2009; Druckman & Olekalns, 2013; Olekalns & Smith, 2005b).

Questionnaires represent the second underpinning of the micro-behavioural paradigm in turning points analysis and have been adopted alongside experimental simulations (Druckman et al., 2009; Druckman & Olekalns, 2013; Olekalns & Smith, 2005b). At the beginning and end of the role-play, participants fill out an amended version of McAllister (1995) and Wolfe & McGinn (2005) to determine the degree of trust between the negotiators and the perception of their relative power in the negotiation, respectively.

Lastly, case studies are the basis of the macro-strategic approach. In turning points analysis, case studies allow testing a theorized causal process between precipitants,

departures, and consequences based on a detailed timeline of events. Additionally, they identify the main types of precipitants leading to turning points in different types of negotiations (Druckman, 2005; Yin, 2013).

In summary, case studies and experiments have compatible advantages and limitations and can be adopted jointly (Druckman & Olekalns, 2011; Hall, 2017). Case studies under the macro-strategic level of analysis identify the type of precipitant that generates the turning point. Laboratory experiments under the micro-behavioural approach explore negotiators' response to the previously identified precipitants to predict the turning points leading to a specific outcome.

The following section will present the research design.

3.3 Research Design

The proposed research design is developed under the critical conclusion drawn from the literature review: The need to integrate the macro-strategic and the micro-behavioural approaches to analyse CBMA negotiations between automobile manufacturers for the parallel investigation of different levels of analysis and the assessment of the concurrent impact of contextual, structural, motivational, and relational factors on the negotiation process.

The literature review also indicates the turning points framework as the most appropriate model to integrate the two paradigms to analyse CBMA negotiations. Finally, the review suggests the adoption of a mixed-method research strategy (Druckman, 2020; Weiss, 2006) that "combines quantitative and qualitative approaches and techniques in a single study" (Johnson & Onwuegbuzie, 2004: 17). A mixed-method research approach reproduces in the laboratory the turning points progression uncovered by the process-tracing analysis regarding the precipitant as an independent variable and outcomes, departures, and consequences as dependent variables in the experiment (Druckman & Olekalns, 2011; Hall, 2017). Druckman & Olekalns (2013) provide an excellent example of a mixed strategy based on the turning points framework combining an experimental simulation with two international security case studies to explore the concurrent influence of contextual, structural, motivational, and relational factors on the negotiation process.

The thesis's research design, logically developed from the research question and objectives, is presented in Figure 3.2. The top box includes the research question that in section 2.6.2 has been broken down into five research objectives. Objective number 1

(identifying the appropriate framework to analyse complex negotiations) has already been accomplished in the literature review selecting the turning points framework. Objective number 5 will be the result of the discussion following the data analysis. Objective number 2 (to explore the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers) will be accomplished in phase one of the research. Objectives number 3 and 4 (to evaluate the role of relational and motivational factors in shaping negotiator's response to the identified precipitants) will be completed in phase two of the thesis.

Based on the literature review, each set of research objectives is associated with a method.

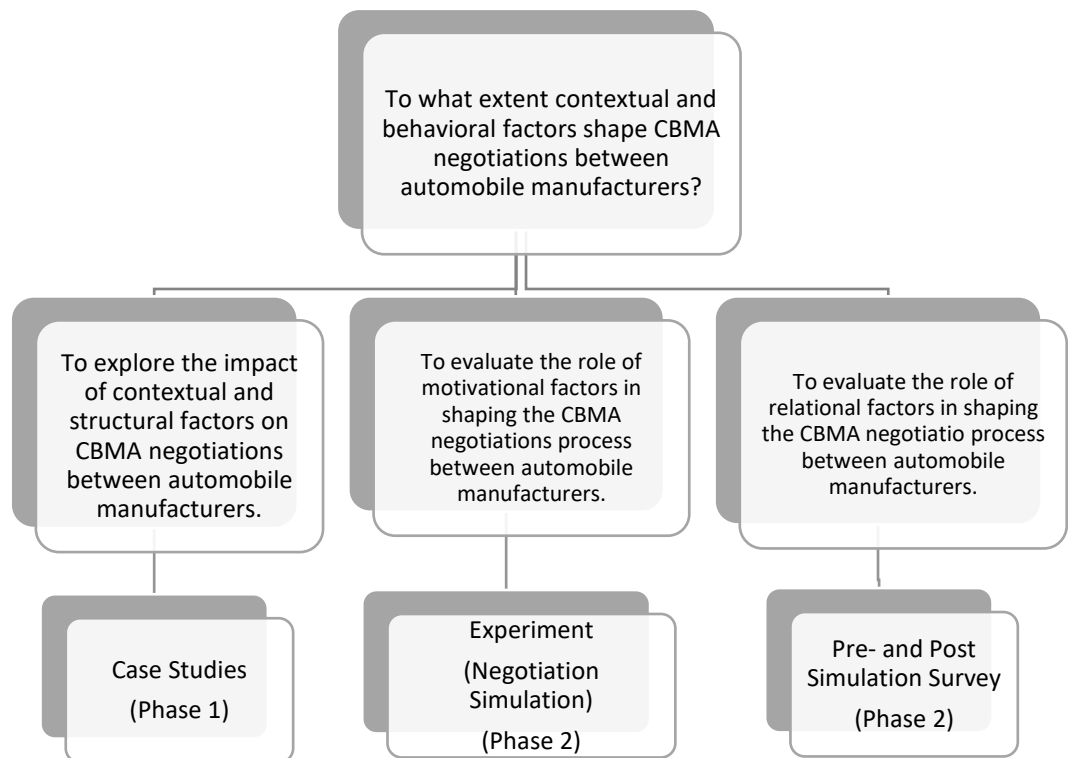


Figure 3.2 - Research Design

The mixed-methods design is sequential, with the two stages of the research providing a supplementing perspective to the negotiation process analysis. The first phase consists of a qualitative small-N focused comparative analysis case study to examine the first two operational hypotheses:

H1: Internal precipitants are the main originators of turning points in CBMA negotiations between automobile manufacturers.

H2: Internal precipitants are the main originators of abrupt turning points in CBMA negotiations between automobile manufacturers.

The second phase entails quantitative laboratory experiments (negotiation simulations). The participants are randomly assigned to the conditions in a 2x2x2 factorial design, involving role (Tata or Ford), type of precipitant (External or/and Internal), based on the results of the first phase, and social motive (Cooperative vs Competitive) as independent variables. In the factorial design, the three controlled independent variables are manipulated to explore their simultaneous effect on the dependent variable (negotiation outcome) and expose possible interactions (Carnevale & De Dreu, 2005; Druckman, 2005).

The degree of trust and perceived relative power act as mediating factors and are assessed through questionnaires at the beginning and end of the simulations (degree of trust and relative power are evaluated rather than manipulated in the research). The second phase is hence comprised of two components: The experimental simulation aims at evaluating the role of motivational factors in shaping negotiator's response to precipitants in CBMA negotiation between automobile manufacturers by investigating the following operational hypothesis:

H3: Motivational factors influence negotiation outcomes.

The questionnaires filled by participants before and after the experimental simulation intend to assess the role of relational factors in shaping negotiator's response to precipitants in CBMA negotiation between automobile manufacturers by exploring the last two operational hypotheses (the first trust-related and the second power-related):

H4: The degree of trust between the parties influences negotiation outcomes.

H5: Perceived relative power influences negotiation outcomes.

The joint findings of the simulations and the questionnaires will also be used to assess the relationship between the class of precipitant, relational and motivational factors and negotiation outcome as suggested by Druckman & Olekalns (2013) and Druckman et al. (2009). Research objective number five will result from integrating the findings of the two phases of the research, identifying the main factors influencing CBMA negotiations between automobile manufacturers.

The following section will discuss the research procedure.

3.4 Research Procedure

The first phase consists of a small-N focused comparative analysis case study. The second stage entails laboratory experiments (negotiation simulations) involving executives with at least seven years of negotiation experience (Eriksson, 2013). The degree of trust and perceived relative power are assessed through questionnaires at the beginning and end of the simulations.

3.4.1 First Phase

In the first phase, a theory-testing process-tracing is employed to establish causation between precipitants and turning points (George & Bennett, 2005). The case study is based on a focused comparison of nine CBMA negotiations between automobile manufacturers held between 1998 and 2019 (Yin, 2013).

The aim of the first phase is three-fold:

First, to explore the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers by identifying the type of precipitant leading to departures. Furthermore, to direct the second phase's focus towards one specific (internal or external) or both types (internal and external) of precipitants by examining the first two operational hypotheses.

Secondly, to evaluate the need to improve the existing turning points framework to make it more applicable to CBMA negotiations between automobile manufacturers and provide additional coding rules to be applied in the second phase to the simulation videotapes' contents. Hall (2008) refined Druckman's framework in his study of environmental negotiations by introducing a new category (role of neutral third party) in the external precipitants class. Olekalns & Smith (2005b) presented a third category of internal precipitants (attitudinal). Lastly, Putnam & Fuller (2014) defined a third group linking external and internal precipitants (strategic precipitants).

The third aim of phase one is to explore the impact of two crucial structural and contextual factors on CBMA negotiations, specifically, coalition building and cultural distance.

Dupont (1996) suggests that coalition-building (a critical strategic precipitant) by combining different players with common interests reduces the complexity and shifts the power balance of the negotiation process.

Concerning culture, the literature review has identified two distinct research perspectives: Several authors (Ahammad et al., 2016; Faure, 2000; Malik & Yazar, 2016) contend that culture deeply affects negotiators' thinking, communication, and behaviour in international negotiations. In contrast, others maintain that while culture indeed has an impact on negotiation outcomes, its influence is often overstated and secondary to contextual, strategic, and company-specific factors (Bond, 2002; Ebner, 2019; Fu et al., 2007; Jones, 2007; Watkins, 2002; Zartman, 1993).

The following section will outline the five stages of the turning points analysis before discussing the criteria adopted in selecting the nine cases. The final sections will present the data collection process and the analysis utilized to categorize precipitant, departure, and consequence, assess their frequency and impact, and the anticipated outcomes.

3.4.1.1 Techniques

Process-Tracing

"When regarded in terms of the complete chronology of a negotiation, a turning points analysis can be construed as a form of process-tracing" (Druckman, 2001: 523). Theory testing process tracing verifies that all the factors in a hypothesized causal chain led to progress as predicted (George & Bennett, 2005). Yin (2013: 147) defines process-tracing as "explanation building," in which the outcome is determined by multiple complex links in the predicted causal process (Gerring, 2006). The main feature of process tracing is the prospect of generating numerous within-case data to verify a specific result (George & Bennett, 2005; Gerring, 2006).

A turning points analysis consists of five main phases (Crump & Druckman, 2012; Druckman, 2001): First, the researcher develops a detailed chronology (sequence of events) of the negotiations. Secondly, based on the turning points framework, specific coding rules are applied to the timeline to identify precipitants, departures, and consequences. A departure (turning point) is the critical factor in a turning point analysis. It is separated by a preceding contiguous occurrence (precipitant) and a succeeding adjacent event (consequence). Third, departures are classified as more or less sudden departures. Then, precipitants are categorized as internal (procedural or substantive) and external. Lastly, consequences are classified as moving in the direction of agreement or impasse.

Data Source and Collection

The first and foremost condition for case selection is significance to the research question (George & Bennett, 2005; Ghauri & Firth, 2009) and specifically to the following research objective: To explore the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers. The research objective is achieved by identifying the type of precipitant that triggers turning points, both in terms of their frequency and impact. The study relies on purposive sampling in case selection to reduce threats to researcher bias and lack of representativeness (Chasek, 1997; Hall, 2008; Irmer, 2003; Yin, 2013). The eight criteria adopted for inclusion are the following:

1. Both negotiating companies are OEMs in the Automotive industry.
2. To exclude acquisitions of sportscar and luxury niche brands that could follow peculiar negotiation processes, both negotiating companies manufactured at least 50.000 cars in the year of the negotiations.
3. The negotiations involve a specific type of M&A: CBMA.
4. Negotiating companies originate from different countries.
5. The interests of the two parties can be identified.
6. The complementary relationship between the companies can be determined.
7. The negotiations occurred during one of the three CBMAs between OEMs in the automotive industry: 1998-2000, 2008-2011, and 2015 to today.
8. Adequate secondary sources are available to draw a detailed chronology of events.

Tables A.1 and A.2 in Appendix A provide the comparison matrix of the nine selected CBMA negotiations involving OEMs in the automotive industry. In total, thirteen cases were uncovered. One was rejected because it involved Lamborghini, a niche sportscar maker, producing less than 300 cars per year when acquired by Volkswagen. For ten out of the remaining twelve CBMAs, an extensive exploration retrieved adequate secondary sources to draw a detailed chronology of the negotiations' events. The negotiation between Ford and Tata for Jaguar and Land Rover was not included in the case study because it represents the actual case on which the experimental simulation is developed (the reasons behind the choice are discussed in section 3.4.2). Following Faure (2012) and Weiss (2004) that endorse the analysis of failed negotiations whenever they can be identified, and adequate data and facts can be collected, the sample includes two cases

(negotiations between Fiat and Opel in 2009 and between FCA and Renault in 2019) that did not lead to an agreement.

Following the MSSD (Faure, 1994; Seawright & Gerring, 2008), the nine selected cases (Daimler-Chrysler, Renault-Nissan, Fiat-Opel, Fiat-Chrysler, Geely-Ford, Mahindra-Ssang Yong, PSA-Opel, FCA and Renault and FCA-PSA) are similar in all criteria but number seven (period of the negotiations) (Druckman, 2005; Faure, 1994; George & Bennett, 2005; Ghauri & Firth, 2009). The first two cases occurred during wave number one of the auto industry; the second four cases examine M&As belonging to the second wave, while the last three cases took place during the last wave.

When adopting a multiple-case design, it is essential to establish whether the number of selected cases is adequate. Following a qualitative approach, MSSD fosters a detailed case analysis at the expense of examining a substantial number of cases (Faure, 1994; Gerring, 2006; Rohlfing, 2012). The analysis of a small number (the number is based on a discretionary judgment) of similar cases (Yin, 2013) increases internal validity at the expense of external validity (George & Bennett, 2005). According to Creswell (2014), a case study should include at least four cases; additionally, case study-oriented research based on the turning point framework is either grounded on a single-case study or a focused comparison of three to thirteen cases.

Data collection is based on secondary sources because direct observations of the studied events are not possible, and interviews with relevant persons are highly complicated. Academic literature (journals articles, scholarly book chapters, case studies), newspaper accounts (periodical sources from the US, UK, France, Germany, S. Korea, India, Italy, in English, Italian, and French language), automotive industry magazines, company documents, and reports are employed to outline a detailed chronology of each negotiation (Yin, 2013). Different pieces of information are triangulated to establish converging lines of events, facts, and results for all the cases.

Data Analysis

Based on Crump and Druckman (2012, 2016), the first phase will evaluate which type of precipitants most frequently lead to turning points and abrupt departures. The first and second hypotheses are tested, performing a non-parametric binomial one-tailed test for proportions.

A qualitative analysis followed by a paired-sample t-test will be adopted to analyse coalition building's impact on CBMA negotiation. Finally, the influence of culture on the negotiation process will be assessed, comparing the proportion of precipitants due to cultural distance to the proportion of precipitants not referable to cultural distance.

3.4.1.2 First Phase summary

The first phase aims to identify the type of precipitant leading to departures, evaluate the need to improve the existing turning points framework and examine the influence of coalition building and culture on the negotiation process.

Phase one follows a multiple-case design based on MSSD, with the case studies selection based on eight rigorous criteria. The turning points analysis of the nine selected case studies develops a detailed chronology of events before applying the coding rules based on the turning points framework to the timeline. Finally, the frequency and impact of the different types of precipitants are assessed, testing the first two operational hypotheses.

3.4.2 Second Phase

The second phase comprises two components: Experimental simulations to assess the impact of motivational factors in shaping negotiators' reaction to precipitants in CBMA negotiations between automobile manufacturers, investigating the third operational hypothesis by manipulating the type of precipitant and the motivational factor.

Questionnaires to evaluate the role of relational factors in shaping the negotiators' response to precipitants in CBMA negotiations between automobile manufacturers, examining operational hypotheses number four and five by measuring the degree of trust and relative power through surveys at the beginning and end of the simulations.

3.4.2.1 Laboratory Experiments

The laboratory experiments, specifically simulations, are based on a real case (Tata's acquisition of Jaguar and Land Rover from Ford in 2008), with participants randomly assigned to the conditions in a 2x2x2 factorial design, involving role (Tata or Ford), type of precipitant (External or/ and Internal), and social motive (Cooperative vs Competitive) as independent variables. The degree of trust and perceived relative power are considered as mediating factors.

The 2x2x2 factorial design matrix leads to eight possible matchings:

Internal Competitive – Internal Competitive, Internal Competitive – Internal Cooperative, Internal Cooperative – Internal Competitive, Internal Cooperative – Internal Cooperative.

External Competitive – External Competitive, External Competitive – External Cooperative, External Cooperative – External Competitive, External Cooperative – External Cooperative.

Seven motives led to the selection of the negotiations between Tata and Ford over Jaguar and Land Rover (JLR):

1. It is a CBMA negotiation.
2. It is complex, involving multiple players and multiple issues.
3. The potential buyer is an EMNC with multiple interests (synergy, market, and strategic asset seeking motives).
4. The seller has two conflicting interests: price and reputation.
5. The buyer's and seller's multiple interests allow for active manipulation of motivational factors (Competitive vs Cooperative) in the 2x2x2 factorial design.
6. Abundant secondary sources are available on situational and contextual factors to design a complex simulation and draft detailed instructions consisting of extensive general background and role-specific information.
7. A first case study based on the Tata-Ford negotiation was drafted by the candidate in 2011 to be presented at a Columbia Business School workshop, receiving assistance from Professor Michael Morris, a leading expert in international negotiations. His feedback was crucial in building a robust case that acts as the foundation for developing the simulation.

All the reviewed studies based on negotiation laboratory experiments are developed around a single simulation to assess causality by comparing the experimental and control groups under different conditions. Adopting more than one simulation would limit internal validity. In the laboratory, the turning points progression uncovered by the process-tracing analysis is simulated by processing the precipitant as an independent variable and outcomes, departures, and consequences as dependent variables (Druckman & Olekalns, 2011).

3.4.2.2 Questionnaires

In the second phase, preceding and immediately after the simulation, participants will fill out two questionnaires to assess the impact of relational factors in shaping negotiators' response to precipitants (Druckman et al., 2009; Druckman & Olekalns, 2013; Olekalns & Smith, 2005b).

Interpersonal trust is based on two elements: cognitive and affective. The correlation between trust and the negotiation process is suggested by the progression from cognitive to affective trust in negotiations leading to integrative turning points (Druckman & Olekalns, 2013; Olekalns & Smith, 2005b). The twenty-five-item trust questionnaire based on a five-point Likert scale is obtained from McAllister (1995) and assesses both cognitive and affective trust between the negotiators.

The perception of relative power is evaluated through a pre-and post-experimental simulation single-item questionnaire drawn from Wolfe & McGinn (2005). Participants are requested to assess on a 100-point scale, "How much power do you have in this negotiation?" where 0 means the other party has full power, 100 the participant has full power, 50 the two parties have identical power. The perceived relative power in the dyad is the difference between the scores of the two questionnaires.

The second phase also investigates the relationship between the class of precipitant, relational and motivational factors, and negotiation outcome, as suggested by Druckman & Olekalns (2013) and Druckman et al. (2009).

The following sections will consider the internal and external validity of the simulation. The discussion will then outline remedies to minimize the drawbacks of the questionnaires. The last segment will present the data analysis process.

3.4.2.3 Techniques

Simulation Internal validity

Participants selected by convenience sampling will be randomly assigned to the conditions to ensure internal validity (Druckman & Olekalns, 2013; Druckman et al., 2009; Olekalns & Smith, 2005b). The 2x2x2 factorial design entails role (Tata or Ford), type of precipitant (External vs Internal), based on the first phase outcomes, and social motive (Cooperative vs Competitive) as independent variables. The degree of trust and perceived relative power, acting as mediating factors, are assessed through questionnaires at the beginning and end of the simulations (degree of trust and relative power are

evaluated rather than manipulated in the research). The same dependent variables (turning points and consequences) are determined in each condition. Taking into consideration time constraints and the availability of experienced managers during negotiation training courses, each condition is repeated ideally ten times, as suggested by Druckman (2005), and no less than six times, ensuring control over the independent variable. Based on the anticipated outcomes of the first phase (only one type of precipitant, internal, triggering departures in CBMA negotiations in the automotive industry), it would mean a 2x2 factorial design with a total of at least 24 repetitions. The minimum number of repetitions, six, is based on the only sufficiently equivalent study identified in the review. Olekalns et al. (2003) and Weingart et al. (2007) employ 144 MBA students with a minimum of two years of work experience in a complex negotiation simulation based on five different conditions, each replicated at least six times.

One buyer representing Otas and one seller representing Auburn will be participating in each simulation. Standardization of experimental procedures and modus operandi across conditions will ensure comparability of data and control over the independent variable.

Furthermore, to minimize expectancy bias, the candidate will not entirely familiarise participants beforehand with the specific hypothesis tested and the experimental conditions performed. After the simulation, to ensure ethical conduct, the candidate will debrief the participants, fully disclosing the purpose of the study, the hypothesis being tested, and the manipulations adopted in each condition. The interaction between the experimenter and participants will be minimized during the simulation to reduce experimenter bias. However, being the simulation part of a two-day negotiation program, communication during the class cannot be eschewed.

The impact of motivational factors is assessed by including in the instructions a manipulation that promotes negotiators to either adopt an integrative or distributive strategy (cooperative or competitive motive) (Druckman et al., 2009; Olekalns et al., 2003). The social motive priming's effectiveness is ascertained through a manipulation check embedded in the task instructions (Druckman, 2005; Druckman & Olekalns, 2013; Druckman et al., 2009; Olekalns & Smith, 2005b).

Upon arrival, each negotiator will be randomly assigned to a team, led to a separate room, and receive a distinct folder containing the task instructions. Participants will be given 60 minutes to review the material and prepare for the negotiation. Each negotiation will take place in a distinct room, last 25 minutes, and be videotaped. Because of logistics (room

availability) and equipment constraints (the candidate possesses only two video cameras that allow for external microphones required for optimal voice recording), a maximum of two negotiations will run concurrently.

Simulation External validity

The use of undergraduates or MBA students with limited negotiation experience as participants in experimental role plays can restrict the generalizability of the simulation findings (Druckman & Kam, 2011; Olekalns et al., 2003). According to Beulens et al. (2008), only 5.5% of the participants in peer-reviewed empirical negotiation articles between 1995 and 2004 were professional negotiators or managers.

To overcome the external validity limitation due to students as experimental participants, the sample will consist of executives with at least seven years of negotiation experience (Ericsson, 2013). The participants are senior corporate executives from various industries (including the automotive sector), occupying roles that require strong negotiation skills: Chief Executive Officers, Chief Financial Officers, Chief Operative Officers, Chief Procurement Officers, Purchasing Directors, Sales Directors, HR Directors, Senior Buyers, Project Managers, Key Account Managers, Area Sales Managers. The senior executives are enrolled in executive masters and courses offered by the supporting Universities, Business Schools, and Corporate Training Companies where the candidate is part of the Faculty as a Professor in Negotiation. The simulation is included in the Advanced Negotiation courses' program offered by all the supporting organizations.

Following standard practice in studies based on experimental negotiations, participants in the second stage are selected by convenience sampling. A thorough sampling procedure has been put in place to reduce external validity threats (Druckman, 2005). Each class's participants are randomly split into two or three members (usually custom corporate courses are made of 8 to 12 students, while executive masters can include up to 24 students). Because there is no guarantee that all the selected participants will hold seven years of negotiation experience, each team must comprise at least one member with a minimum of seven years of negotiation experience. Each team is then randomly assigned to a condition. The simulation's negotiator is subsequently randomly selected among the team members with at least seven years of experience within each side.

The second phase consists of a complex simulation that will extensively conform to a real case (Tata's acquisition of Jaguar and Land Rover from Ford in 2008) to overcome the

second crucial laboratory negotiations drawback, simulations built around conventional and simplifying assumptions (Fouraker & Siegel, 1963; Olekalns et al., 2003).

Before entering the final simulation, which is held at the end of the two-day negotiation training, participants have the opportunity to develop a relationship and history analogous to the one provided by past interactions during multiple rounds of complex real-world negotiations. As a result, the training course structure minimizes the third challenge to the generalizability of laboratory experiment findings: The limited time allocated for the negotiation process disregards past interactions among players. Additionally, the limited time allotted for the negotiation simulation generates pressure in the participants comparable to the one caused by organizational demands and constraints, as Bhui et al. (2016) and Michie (2002) argued in their studies on workplace stress.

The last threat to external validity in laboratory experiments, the constrained engagement of participants not subject to the same demands of real-world negotiators, is overcome by extensively conforming the simulation to the real-life scenario and setting the role-play in the present day. Participants' engagement is further fostered by knowing that the outcomes of the different role plays will be shared during the subsequent debriefing. Lastly, it is expected that the level of engagement provided by experienced managers that can immediately apply the learnings to their regular job will be superior to the one by students that are often not able to fully appreciate the saliency of the role play (Fayerweather & Kapoor, 1972; Fisher & Fisher-Yoshida, 2017; Poitras et al., 2013, Winham, 2002).

The measures adopted to reduce external validity threats are also helpful to respond to the main drawbacks of simulations.

First, realism: the simulation's compliance with a real case increases its realism, and the use of fictitious names reduces the possibility of participants' personal biases. Secondly, the degree of detail in the instructions: employing experienced managers provides the opportunity to draft very detailed instructions without participants feeling overwhelmed with excessive information. Thirdly, procedures to increase engagement should also limit the potential challenge of different levels of identification by the participants with the assigned role. Lastly, an artificial setting's perception can be overcome by increasing the simulation's realism and using private rooms for preparation and simulation (Poitras et al., 2013).

Limitations of Questionnaires

The questionnaires employed in phase two overcome most of the main limitations of surveys.

The two questionnaires have been employed in previous studies (Druckman et al., 2009; Druckman & Olekalns, 2013; McAllister, 1995; Olekalns & Smith, 2005b; Wolfe & McGinn, 2005). Additionally, the Trust questionnaire's cognitive and affective subscales showed a high internal consistency level, as determined by a Cronbach's alpha of 0.91 and 0.89, respectively (McAllister, 1995). Cronbach's alpha is a widely adopted measure of internal consistency and reliability of surveys in negotiation studies (Druckman et al., 2009; Druckman & Olekalns, 2013; McAllister, 1995; Olekalns & Smith, 2005b). Phase two will assess the amended questionnaire's internal consistency, determining the Cronbach's alphas for the specific participants' sample. Moreover, it will assess the construct validity by measuring the magnitude and significance of the correlation between the two subscales (Druckman, 2005).

Additionally, the study assesses the influence of perceived trust and relative power on negotiators' response to precipitants to determine the causal relationship between relational factors and negotiation outcomes. Also, to reduce respondents' fundamental attribution, self-serving, social desirability biases, and post hoc justification, the researcher will enforce the results' anonymity and confidentiality. Lastly, the setting of the study eliminates nonresponse bias.

The following section will discuss the data analysis process.

Data Analysis

Following the standard coding method adopted in most recent experimental negotiation studies, each simulation concerning internal and/or external precipitants is videotaped for consequent transcribing and coding (Adair et al., 2001, 2003; Druckman et al., 2009; Katz & Jameson, 2017; Kern et al., 2012; Olekalns et al., 2003; Olekalns & Smith, 2005b, 2007, 2009). Coding rules founded on the turning points framework and the description of its elements based on Crump & Druckman (2012, 2016) are applied to the videotaped simulation to identify precipitants, following a three-stage process: Identify and classify departures. Recognize and categorize precipitants leading to the departures. Identify and classify the consequences of the turning points. Additional coding rules could be applied based on the first phase outcomes.

The candidate (not blind to hypothesis) and an assistant (blind to hypothesis) will proceed independently to classify the videotapes' contents into a precipitant, turning point, and consequence group. Amendments to categorization are made until a specific level of interpretative reliability is reached, and all disagreements are settled through consultation (Katz & Jameson et al., 2014; Preuss & Wijst, 2017; Weingart et al., 2004).

The review of the data analysis adopted in recent (last 20 years) experimental negotiation studies confirms that negotiation research is primarily based on statistical analysis. The four most adopted methods for statistical data analysis are chi-squared (χ^2) distribution (Anderson & Thompson, 2004; Olekalns et al., 2003; Ribbink & Grimm, 2014; Steinel et al., 2007), analysis of variance (ANOVA) (Au & Wong, 2019; Beersma & De Dreu, 1999; Dinkevych et al., 2017; Giebels et al., 2000; Griessmair & Druckman, 2018; Harinck & De Dreu, 2008; Kern et al., 2012; Liu et al., 2019; Murnighan et al., 1999; Wei & Luo, 2012), paired sample and independent t-test (Harinck & De Dreu, 2008; Amanatullah & Tinsley, 2013), and most recently, hierarchical linear modelling (HLM) (Becker & Curhan, 2018; Butt & Choi, 2010; Druckman et al., 2009; Druckman & Olekalns, 2013; Olekalns & Smith, 2007, 2009; Press & Wijst, 2017).

In testing the last three operational hypotheses, the negotiation outcome represents the dependent variable, further decoupled into whether an agreement is reached and the final negotiated price. Table 3.2 summarises the adopted statistical analysis methods based on the dependent variable being tested and the specific independent variables.

Table 3.2 - Methods for statistical analysis adopted in Phase 2.

Dependent variable	Independent variable	Statistics
Agreement Y/N	Motivation	Point biserial Correlation Chi squared distribution Logistic regression
Agreement Y/N	Trust	Point biserial Correlation Paired sample t test Two way mixed ANOVA Logistic regression
Agreement Y/N	Power	Point biserial Correlation Paired sample t test Two way mixed ANOVA Logistic regression
Price	Motivation	Pearson Correlation Two way ANOVA
Price	Trust	Pearson Correlation Paired sample t test Linear regression Multiple regression
Price	Power	Pearson Correlation Paired sample t test Linear regression Multiple regression

3.4.2.2 Second Phase summary

The second phase comprises experimental simulations to test the third hypothesis and questionnaires to test the last two hypotheses.

The laboratory simulations are based on a real case, with experienced participants randomly assigned to the conditions in a 2x2x2 factorial design, involving role (Tata or Ford), type of precipitant (External or/ and Internal), and social motive (Cooperative vs Competitive) as independent variables. The degree of trust and perceived relative power are considered as mediating factors. Moreover, before the simulation, participants will fill out two questionnaires to determine the degree of trust and the power perception between the negotiators. Lastly, phase two will employ different statistical analysis methods based on the dependent variable being tested and the specific independent variables.

The following section will present the pilot study.

3.5 Pilot Study

The section discusses the pilot study design, defining its scope, the main objectives, the sample, and the findings.

3.5.1 Pilot study scope

The pilot study is designed to test the suggested research approach and procedure. It entails the second phase exclusively because the process-tracing, data collection, and data analysis methods adopted in the case study analysis have been widely employed in previous turning point studies (Bach & Davidson, 2015; Brooks, 2008; Chasek, 1997; Crump and Druckman, 2012, 2016; Druckman, 2001; Hall, 2008; Leary, 2004; Llorente et al., 2013; Putnam & Fuller, 2014).

Additionally, the pilot study is not designed to test the turning point framework codes based on Crump & Druckman (2012, 2016) and the second phase's data analysis approach. The selected methods have been extensively adopted to test hypothesis regarding the influence of motivation, degree of trust, and perceived power on negotiation outcomes (Beersma & De Dreu, 1999; Dinkevych et al., 2017; Druckman et al., 2009; Druckman & Olekalns, 2013; Giebels et al., 2000; Griessmair & Druckman, 2018; Harinck & De Dreu, 2008; Kern et al., 2012; Murnighan et al., 1999; Olekalns & Smith, 2007, 2009; Wei & Luo, 2012).

3.5.2 Pilot study purpose

Therefore, the pilot study is undertaken with a seven-fold objective: First, assess whether the time allocated for the preparation (60 minutes) is sufficient. Secondly, to evaluate whether the time allotted for the simulation (25 minutes) is adequate. Also, to check the appropriateness of the manipulation included in the simulation instructions. Furthermore, to assess the simulation's perceived realism. The role-play is set in the present day to enhance participants' engagement and adopts fictitious names to avoid personal biases (Tata was named Otas, while Ford was identified as Auburn).

Moreover, to understand if participants' predetermined requirement of at least seven years of negotiation experience is suitable (Herbst & Schwarz, 2011; Steinel et al., 2007). Additionally, to evaluate whether the time required to complete the trust pre-and post-negotiation is adequate or can lead to response fatigue, with an incomplete or inaccurate recollection of events generating homogenous or imprecise answers (Krosnick, 1990; Lavrakas, 2008). Lastly, to assess whether the preparation should be conducted in teams

(pairs or groups of three) to promote ideas, solutions, efficiency and whether the teams should be given the possibility to call one time-out during the negotiation, mirroring real-world negotiations (Glassop, 2002; McEwan et al., 2017).

3.5.3 Pilot study sample

The pilot study was conducted in March 2019 during advanced negotiation training courses involving two separate companies. The eight participants in the first course were all managers (Key Account Managers, Area Sales Managers, Purchasing Managers, Senior Buyer, Project Manager) working in the Italian branch of an American multinational company selling B2B complex solutions.

The eight participants in the second class were all managers with comparable roles and experience to the first sample but working in the Italian branch of a German multinational company selling commodities (products whose transaction is mainly based on price).

Both classes followed the sampling procedure outlined in section 3.4.2.3 (Druckman & Olekalns, 2013; Druckman et al., 2009; Olekalns & Smith, 2005b). During the second day of the training, participants were randomly allocated to four teams, each then randomly assigned to a condition in a 2x2 factorial design involving internal precipitant, role (Auburn or Otas), and competitive or cooperative manipulation. The negotiator within each group was randomly chosen (with the pre-condition of having at least seven years of negotiation experience).

All four simulations were videotaped.

In both classes, to check the adequacy of the manipulation, the negotiators answered one question referring to one of the two players' priorities. For Auburn (Ford), whether it was price or reputation in the UK market. For Otas (Tata), whether it was preserving jobs and production in the UK or cutting costs through plant closures and production relocation (Brett et al., 1996; De Dreu & Van Kleef, 2004; Griessmair & Druckman, 2018; Mosterd & Rutte, 2000; Wei & Luo, 2012; Wiltermuth et al., 2018).

All negotiators also completed the pre-and post-simulation trust and power perception surveys.

3.5.4 Pilot study findings

The critical conclusions against the set objectives are summarized as follows.

First, the time allocated for the preparation (60 minutes) is adequate if the instructions' language corresponds to the participants' mother tongue. If the guidelines are in English and the class is multicultural (as it often occurs during corporate training), the time should be lengthened to 70 minutes.

Additionally, the time allocated for the negotiation (25 minutes) should be extended to 30 minutes. The pilot study suggests that the extra time is required to allow for improved reasoning and presentation of each side's positions and interests and to consent each team to take a time-out to reassess the strategy based on new information collected during the early stages of the negotiation.

In all the negotiations, participants correctly assessed their priorities based on the manipulation (competitive vs cooperative). However, to verify the effectiveness of the manipulation, in phase 2, teams will be required to determine the priority level of each issue on a 1 to 3 scale (1 = high priority, 3 = low priority) and establish a priority ranking (Druckman, 2005; Druckman & Olekalns, 2013; Druckman et al., 2009; Olekalns & Smith, 2005b).

Moreover, during the debriefing, the participants showed appreciation for setting the simulation in the present day. Their reaction was neutral towards the adoption of fictitious names.

The initial assumption was that to ensure external validity, the simulation should employ managers with at least seven years of negotiation experience. The pilot study added two further requirements. Participants must be accustomed to a B2B setting involving complex solutions to carefully process all the information included in the instructions. Furthermore, even experienced managers, but working in a commodity product context, tend, out of habit, to chiefly focus on price during negotiations, and therefore primarily adopt a distributive strategy regardless of the motivational priming. A final prerequisite is that participants should have previously attended an introductory negotiation class, a precondition for entering the advanced training course that is not consistently enforced.

Furthermore, due to the excessive time required to fill out the survey (over 15 minutes), the trust questionnaire should be reduced from a 25 to a six-item survey. The finding raises, first of all, an ethical concern: the time contribution from participants becomes disproportionate. A second concern is response bias and respondent fatigue: before the

simulation, participants' attention is directed towards the coming negotiation. After the simulation, they are tired, and the motivation to complete a lengthy questionnaire sharply decreases. In both cases, the consequence is incorrect or homogeneous answers.

On the other hand, reducing the number of items can lead to challenges of validity (whether the selected questions provide an adequate assessment of the phenomena under investigation), internal consistency (that measures the correlation among the items), and reliability (whether the questions yield the same responses on repetitive tests). Nevertheless, Edwards (2010) and Pather & Uys (2008) argue that shorter questionnaires should be adopted whenever there is an alternative. Hinkin (1995) even claims that three-items surveys can provide adequate internal reliability. Phase two will assess the six-item questionnaire's internal consistency, determining the Cronbach alphas for the specific participants' sample and the construct validity by measuring the magnitude and significance of the correlation between the two subscales (Druckman, 2005). The choice of the six items followed a three-step procedure based on Au & Wong (2019).

First, all items in the McAllister (2005) survey that assume the two negotiators to be co-workers or hold a long-standing relationship were removed. Secondly, items bringing translation challenges in conveying the meaning from English to Italian (mostly negative worded questions) were deleted. Lastly, the remaining items were submitted to a four-member panel of experts (two university professors and two corporate trainers) for final selection and rewording when necessary. In the final six-item Trust questionnaire, the first three items refer to the affective dimension of trust—the second three to the cognitive one (the definitive survey is included in Appendix B).

Finally, the pilot study confirms that the preparation phase should be conducted in teams, as already defined in the initial procedure. Working in pairs or small groups promotes ideas, solutions, and efficiency (Glassop, 2002; McEwan et al., 2017) and mirrors real-world complex negotiation preparation. The potential time-out of up to three minutes resembles real-world negotiations and is considered part of the preparation phase.

3.5.5 Pilot study summary

In summary, the pilot study devised to test the research approach and procedure of the second phase suggested the following adjustments to the initial process.

The 60 minutes preparation time is sufficient if the instructions' language corresponds to the participants' mother tongue. Otherwise, the time should be expanded to 70 minutes. Furthermore, the time allocated for the negotiation (25 minutes) should be extended to 30

minutes, providing each team with the opportunity to call a time-out of up to three minutes. Also, participants' predetermined requirement, at least seven years of negotiation experience, must be integrated by two additional conditions: experience in a B2B setting involving complex solutions and previous introductory negotiation class attendance.

Moreover, the manipulation check embedded in the task instructions should require negotiators to determine each issue's priority based on the instructions' priming.

Lastly, the trust survey questionnaire should be reduced from a 25- to a six-item survey to avoid response bias and respondent fatigue.

The pilot study findings also raise two potential barriers:

First, the additional requirements for the negotiators further restrict the number of experienced managers available for the simulation, making the ideal number of ten replications in each condition more difficult to achieve in a reasonable time frame. Nevertheless, the target of a minimum number of six replications in each condition and a reasonable period is likely to be delivered.

Also, the decrease in the number of items in the Trust questionnaire avoids response bias and respondent fatigue, but at the same time, could, albeit only marginally, decrease the questionnaire's validity and reliability.

3.6 Limitations

The following sections summarize the research design's main limitations alongside solutions to mitigate their impact.

3.6.1. First phase

Besides constraints inherent to the selected method, a key drawback of purposive sampling is the propensity to be susceptible to researcher bias and lack of representativeness. To address the limitation, eight specific predetermined criteria provide a rationale for case selection.

The study will diminish threats to construct validity due to data collection based on secondary sources by developing a thorough literature review and adopting multiple sources of data by triangulating different pieces of information from various sources: literature (journals articles, books, case studies), periodical sources (newspapers, magazines and automotive industry publications from the US, UK, France, Japan),

company documents and reports, to establish converging lines of events and facts (Rowley, 2002).

A final limitation refers to researcher subjectivity in applying the coding rules founded on the turning points framework to the chronology of events to determine causality among precipitants, departures, and consequences. The candidate (not blind to hypothesis) and an assistant (blind to hypothesis) will proceed independently and make amendments to categorization until a specific level of interpretative reliability is reached to mitigate the risk. All disagreements are settled through consultation. Additionally, following Hall (2008), a detailed instruction sheet, including definitions and guidance, will be provided to the reviewers to ensure consistency.

3.6.2. Second phase

In addition to internal and external validity threats intrinsic to the selected method, convenience sampling's propensity to be susceptible to lack of representativeness, systematic bias, and external validity limitations is a crucial drawback. A strict sampling procedure that includes random assignment to conditions and teams and random choice of negotiators is enforced to mitigate the shortcoming.

An additional limitation of simulations is the researcher's subjectivity in applying coding rules founded on the turning points framework to the videotaped simulations. The issue is mitigated through the same procedure adopted in phase one, employing two independent researchers and a detailed instruction sheet to ensure consistency.

The research procedure also minimizes two critical limitations of the questionnaires: validity is ensured by employing two surveys with high-reliability coefficients already validated in previous studies. Moreover, the internal consistency and construct validity of the amended Trust questionnaire for the specific participants' sample will be assessed, determining the Cronbach's alpha and the magnitude and significance of the correlation between the two subscales. The research procedure enforces the results' anonymity and confidentiality to reduce respondents' fundamental attribution, self-serving, social desirability biases, and post hoc justification.

3.7 Ethics

In performing the research, the candidate undertakes "an ethical responsibility to act in accordance with University regulations and the professional interests and standards of the University and of the research community" (Wallace et al., 2017: 6/49). Following

Hegtvedt (2014), five crucial ethical conduct issues concerning individual participants to negotiation simulations will be addressed.

First, the candidate undertakes to regard experiment participants as collaborators rather than subjects: "The term 'subject' transforms an autonomous actor or moral agent into an object of study" (Hegtvedt, 2014: 28), which implies a separation between researcher (belonging to a dominant group) and participants (belonging to a less prevailing group), raising the potential issue of loss of autonomy.

Secondly, while a physical injury is exceptional in experimental negotiation simulations, other forms of harm, such as annoyance from tedious and monotonous tasks and psychological disruption, can be more common in experiments. To reduce inconvenience, the candidate will minimize the number of items in the pre-and post-simulation questionnaires and ensure that the simulation will extensively conform to the real-life scenario and be set in the present day. To tackle psychological harm, the candidate will ensure the confidentiality of the results and confirm the possibility of opting out of the simulation at any time without any penalty.

Additionally, the candidate will not offer financial or other incentives for research participation when such inducements could lead to coercion. It will be assured that participation is voluntary and ensured the possibility of opting out of the simulation at any time without any penalty. Furthermore, participants will be offered alternative activities that provide a comparable educational advantage, with similar time and effort. Finally, participants will be informed on how to file a complaint about their experience in the study.

Moreover, confidentiality and privacy will be preserved following five steps: 1. Each participant will be assigned a code number known only to the candidate and the assisting independent researcher. 2. No information that could be used to identify the participants will be made available. 3. All the information will be secured in a file protected by a password known only by the candidate and stored in a hard disk protected by a password known only by the candidate. 4. Data will be analysed only at the group level. 5. Data will be stored only for the time required for analysis and subsequently erased.

Lastly, the candidate undertakes to avoid any form of deception, defined as "providing false information or withholding information intended deliberately to mislead others into believing something untrue" (Hegtvedt, 2014: 33). Following a standard procedure in experimental research, the candidate will not entirely familiarize participants beforehand

with the specific hypothesis tested and the experimental conditions performed (Bordens & Abbott, 2013) but will debrief the participants once the simulation is completed. The aim is to fully disclose the study's purpose, the hypotheses tested, the manipulations adopted in each condition, and the reason why all the information was not fully disclosed before the simulation. Finally, the participants will be given the occasion to ask questions and refuse the use of the simulation data for research and publications (Bordens & Abbott, 2013; McDermott, 2002).

Before the simulation, participants will sign an informed consent letter composed of eight elements (Bordens & Abbott, 2013; Hegtvedt, 2014; Humphreys, 2015; McDermott, 2002): 1. Essential information about the nature and purpose of the research project. 2. Assurance that participation is voluntary, including the possibility of opting out of the simulation at any time without any penalty. 3. Option to agree /refuse the use of the data from the simulation in the candidate's thesis and publications. 4. Option to agree /refuse to be videotaped. 5. Option to choose anonymity. 6. Description of the extent to which confidentiality will be preserved (participants will be assigned a code number known only to the candidate and the assisting independent researcher; no information that could be used to identify the participants will be made available; all the information will be secured in a file protected by a password known only by the candidate and stored in a hard disk protected by a password known only by the candidate). 7. Assurance that data will be analysed only at the group level. 8. Guarantee that data will be stored only for the time required for analysis and subsequently destroyed. Additionally, after the debriefing, participants will be introduced with the option to withdraw their data from the research (retrospective consent) (Humphreys, 2015).

During the development of the research, the candidate will have access to additional resources that, during the simulations, will assist in setting up the room, the video camera and provide preliminary information to the experiment participants. Furthermore, an independent researcher will assist in coding the content of the videotaped negotiations.

Chapter 4. Phase One. The Macro-Strategic Analysis

4.1 Introduction

The literature review recommends integrating the macro-strategic and micro-behavioural levels of analysis to explore the relationship between the CBMA negotiation process and its outcomes. The macro-strategic perspective is centred on structural and contextual factors influencing strategic decisions. On the other hand, the micro-behavioural approach is focused on motivational and relational factors shaping negotiators' behaviour (Reynolds et al., 2003; Weiss, 2006).

The two research phases complement the analysis of the CBMA negotiation process, integrating the macro-strategic (phase one) and the micro-behavioural (phase two) approaches. The first qualitative phase was performed to inform the second quantitative stage.

Therefore, the focal purpose of phase one was two-fold. To explore the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers by identifying the type of precipitant leading to departures. Moreover, direct the second phase's focus towards one specific (internal or external) or both types (internal and external) of precipitants.

Knowing which type of precipitant most frequently generates turning points was insufficient to accomplish phase one's central aim: Some precipitants can occur occasionally but still produce a binding effect on the negotiation process. In contrast, others can arise more frequently and generate just a marginal influence. A precipitant's significance is proportional to the product between its frequency and impact (Dumbravă & Vlăduț-Severian, 2013; Gordon & Hayward, 1968; Kassem et al., 2019), and, consequently, it was crucial to assess which kind of precipitant leads to abrupt departures, turning points that markedly and unexpectedly change the course of the negotiation.

The main aim of phase one was consequently achieved by testing the first two operational hypotheses. The first identifies the type of precipitants most frequently leading to turning points (both abrupt and non-abrupt):

H1: Internal precipitants are the main originators of turning points in CBMA negotiations between automobile manufacturers.

The second hypothesis identifies the type of precipitants most frequently leading to abrupt (significant and sudden) departures:

H2: Abrupt turning points in CBMA negotiations between automobile manufacturers are mainly generated by internal precipitants.

Hence, while the first hypothesis examined the frequency of the precipitants, the second assessed their impact.

The second aim of phase one was to evaluate the need to improve the existing turning points framework to make it more applicable to CBMA negotiations between automobile manufacturers and provide additional coding rules to be applied in the second phase to the contents' simulation videotapes.

The third objective of phase one was to explore the impact of two crucial structural and contextual factors on CBMA negotiations: coalition building and cultural distance. Dupont (1994, 1996) suggests that coalition-building (a critical strategic precipitant), combining different players with common interests, reduces the complexity and shifts the negotiation process's power balance.

The study of culture's influence on the negotiation process has gained increasing importance since the 1980s. A widely accepted hypothesis is that culture deeply affects negotiators' thinking, communication, and behaviour in international negotiations (Adair et al., 2001, 2003; Adair & Brett, 2005; Ahammad et al., 2016; Cai et al., 2000; Brett et al., 1998; Brett & Okumura, 1998; Dinkevych et al., 2017; Faure, 2000; Graham, 1983, 1984, 1993; Malik & Yazar, 2016; Ribbink & Grimm, 2014; Ramirez et al., 2019).

A different line of research suggests that despite culture indeed affecting negotiation outcomes, its influence is often overstated and secondary to contextual, strategic, and company-specific factors, specifically where organizations and negotiators undergo a learning process from previous international negotiation experiences (Adair et al., 2009; Dikova & Sahib, 2013; Bond, 2002; Ebner, 2019; Fu et al., 2007; Galavotti, 2019; Jones, 2007; Li et al., 2016; Pressey & Selassie, 2006; Teerikangas & Very, 2006; Watkins, 2002; Zartman, 1993).

The terms turning points and departures are used interchangeably in the chapter.

The chapter is organized into five parts. Sections 4.2 and 4.3 describe the data collection and analysis of the first phase, consisting of a qualitative small-N (N=9) focused

comparative analysis case study investigating the first two operational hypotheses. Section 4.4 addresses the second aim of the first phase by evaluating the possibility of improving the existing turning points framework to make it more appropriate for CBMA negotiations between automobile manufacturers. Section 4.5 addresses the third objective of phase one, exploring the impact of coalition building and culture on negotiation outcomes. The last section of the chapter summarizes the key findings of phase one.

4.2 Data collection

The first phase was based on a focused comparison study of nine CBMA negotiations between automobile manufacturers held between 1998 and 2019. The selected cases (Daimler-Chrysler, Renault-Nissan, Fiat-Opel, Fiat-Chrysler, Geely-Ford, Mahindra-Ssang Yong, PSA-Opel, FCA and Renault, and FCA-PSA) are similar on seven out of the selected eight criteria:

1. Both negotiating companies are OEMs in the Automotive industry.
2. Both negotiating companies manufactured at least 50.000 cars in the year of the negotiations.
3. The negotiations involve CBMAs.
4. Negotiating companies originate from different countries.
5. The interests of the two parties can be identified.
6. The complementary relationship between the companies can be determined.
7. The negotiations occurred during one of the three CBMA waves between OEMs in the automotive industry.
8. Adequate secondary sources are available to draw a detailed chronology of events.

The cases differ only on criterion number seven, the negotiations period. The first two cases occurred during wave number one of the auto industry (1998-99), while the second four cases belong to the second wave (2008-2011). The last three cases took place during the last wave (2015-today).

Data collection for the case studies was based on secondary sources. To outline a detailed chronology of each negotiation, different pieces of information have been triangulated to establish converging lines of events, facts, and results for all the cases. Facts and background were provided by scholarly publications (journals articles, academic book chapters, case studies), newspaper accounts (periodical sources from the US, UK, France,

Germany, S. Korea, India, Italy, in English, Italian, and French language), automotive industry magazines, company documents, and reports. Data collection for phase one occurred between August 12 and December 20, 2019. The automotive sector magazine chiefly accessed to retrieve information on the cases is Automotive News; other utilized magazines are The Economist, Fortune, Time, and Bloomberg Newsweek. The newspapers employed to establish a timeline of the negotiations are The Wall Street Journal and The New York Times in the US, the Financial Times and The Guardian in the UK, Le Figaro, Les Echos and Le Monde in France, La Repubblica and Il Corriere Della Sera in Italy, Der Spiegel in Germany, the Economic Times and Business Standard in India and the Korea Times in S. Korea.

Relevant academic databases were adopted to search for peer-reviewed articles, case studies, and book sections.

Moreover, a specific search process was employed to identify relevant newspaper and magazine articles. The search string included the names of the two companies or the two CEOs, followed by the keywords "talks," "negotiations," "M&A," "merger," "acquisition." Notably, a date range corresponding to the period of the negotiations was included. Both standard search engines and specific newspaper databases were adopted. Once an article was deemed significant, a further search would begin based on the recovered information. For example, during the negotiations between FCA and Renault in 2019, the news of the closure of a General Electric plant in France caused the French unions' opposition to the merger between the two auto companies. The newspapers were selected based on four criteria: First, the candidate's knowledge and familiarity. Second, the rankings provided by the website 4 International Media & Newspapers (<https://www.4imn.com>). Third, potential subscription requirements and constraints. Lastly, the newspaper's language (the candidate is fluent in English and Italian and can read in French). Concerning magazines, Automotive news is unanimously recognized as the most prominent source of industry information.

Table 4.1 summarizes the different sources employed to establish the negotiation timeline of each case study.

Table 4.1 - Secondary sources adopted in Phase 1 of the Study.

Wave	#	Negotiation	Peer Reviewed Journal	Academic Book Chapter	Case Studies	Book	Auto Magazine	Auto Blog	Company Reports	Newspaper						
										US	UK	Germany	France	Italy	S. Korea	India
1	1	Daimler-Chrysler	4		3	1			1	2		1				
1	2	Renault-Nissan	6	2		2			1	1			4			
2	3	Fiat-Chrysler	5		3	2	5		1	2						
2	4	GM-Fiat	2		1			4	1	12	2	11		4		
2	5	Ford-Geely	3	1	3		21		1	36	1					
2	6	SsangYong - Mahindra			1		1	1	1	9					15	13
3	7	GM-PSA		1			5		1	7	6	4	13			
3	8	Renault-FCA					6		1	16	9		6	9		
3	9	PSA-FCA					5	1	1	14	4		3	8		

For the first three cases (Daimler-Chrysler, Renault-Nissan, Fiat-Chrysler), the literature has provided sufficient peer-reviewed journal articles, academic book chapters, and case studies to develop a detailed timeline of events. Company reports and newspaper articles were solely used to corroborate facts. Academic literature was also available for the negotiations between GM and Fiat and Ford and Geely. Still, additional sources from periodicals were required to build a comprehensive chronology of events. For the last four cases (SsangYong-Mahindra, GM-PSA, Renault-FCA, and PSA-FCA), the timeline has been entirely developed based on magazine and newspaper articles because insufficient academic literature was retrieved.

4.3 Data analysis and findings

The section is organized into three parts. The first outlines the four stages of the turning points analysis and the solutions adopted to address internal validity threats. The following two subsections test the two first operational hypotheses, addressing phase one's central aim: identify the type of precipitant generating turning points.

Original tabulations resulting from data collection, coding, and analysis can be found in Appendix F.

4.3.1 Turning Points Analysis

The turning points analysis, founded on four steps, aims at establishing the causal relationships between departures and precipitants. The first stage determined a detailed chronology of the negotiations. The second applied specific coding rules based on the turning points framework presented in Appendix C to the timeline to identify precipitants and departures. The third identified the departures (turning points) and classified them as more or less abrupt. The last determined the factors (internal and external) generating the departures (precipitants).

The definitions, following Putnam & Fuller (2014), and Hall (2008), integrate the original framework (Crump & Druckman, 2012, 2016; Druckman, 2001) with two supplementary categories. An additional class of internal precipitant, strategic, defined as planned actions taken by the parties to achieve their interests and improve their position in the negotiation through other players (coalition building, talks with third parties acting as BATNA for one or both the parties). A further category of external precipitants, actor, is defined as journalists, analysts, and judges, over which the parties have minimal influence opportunity.

The process leading to the selection of the two additional categories is outlined in section 4.4. The turning points sequence of one of the cases, specifically the Fiat-Chrysler negotiations, is included in Appendix D as an instance of the turning points analysis.

As discussed in section 2.5.2.5, correctly classifying the turning point elements' progression and coding their specific categories presented a significant threat to internal validity. Following Hall (2008), a guideline with instructions and coding rules applied to the negotiation chronology has been developed, with a second researcher proceeding independently in the coding process. An inter-rater reliability measure previously adopted in several negotiation studies based on turning points (Irmer & Druckman, 2009; Olekalns et al., 2003; Olekalns & Smith, 2005), the Cohen's Kappa (1960), was introduced to assess the possibility of the agreement happening by chance. Guidelines were upgraded after the first round of coding to consider relevant examples occurring in the cases.

The equation for calculating Cohen's Kappa is the following:

$$\kappa = \frac{p_o - p_e}{1 - p_e}$$

Where p_o represents the observed agreement, and p_e signifies the chance agreement. Table 4.2 presents Cohen's kappa values between coders.

Table 4.2 - Cohen's Kappa reliability testing

Wave	#	Negotiation	Turning Points Identification Kappa	Precipitants Identification Kappa	Precipitants Categorization Kappa	Internal Precipitants Categorization Kappa	External Precipitants Categorization Kappa	Turning Points Categorization Kappa
1	1	Daimler-Chrysler	1.00	1.00	1.00	0.82	1.00	0.69
1	2	Renault-Nissan	0.87	1.00	1.00	0.78	1.00	0.57
2	3	Fiat-Chrysler	1.00	1.00	1.00	0.78	1.00	0.64
2	4	GM-Fiat	0.89	0.90	1.00	0.85	1.00	0.68
2	5	Ford-Geely	1.00	0.83	1.00	0.83	1.00	0.66
2	6	SsangYong - Mahindra	0.89	0.88	1.00	1.00	1.00	0.66
3	7	GM-PSA	1.00	1.00	1.00	1.00	1.00	0.70
3	8	Renault-FCA	0.90	1.00	1.00	0.88	1.00	0.58
3	9	PSA-FCA	0.89	1.00	1.00	0.87	1.00	0.67

Based on Cohen (1960) and McHugh (2012), the values display a strong level of agreement between coders in all categorizations (with kappa scores between 0.78 and 1.00), other than the classification of turning points between abrupt and non-abrupt that presents only a moderate level of agreement (with Kappa scores between 0.57 and 0.70).

Therefore, amendments to categorization were solely performed for the turning points classification, leading to a strong level of agreement between coders, as displayed in Table 4.3.

Table 4.3 - Cohen's Kappa reliability testing after amendments (For turning points categorization)

Wave	#	Negotiation	Turning Points Categorization Kappa (before)	Turning Points Categorization Kappa (after)
1	1	Daimler-Chrysler	0.69	1.00
1	2	Renault-Nissan	0.57	0.84
2	3	Fiat-Chrysler	0.64	1.00
2	4	GM-Fiat	0.68	0.89
2	5	Ford-Geely	0.66	0.82
2	6	SsangYong - Mahindra	0.66	0.89
3	7	GM-PSA	0.70	0.84
3	8	Renault-FCA	0.58	0.90
3	9	PSA-FCA	0.67	0.89

All disagreements were subsequently settled through consultation (Katz & Jameson et al., 2014; Press & Wijst, 2017; Weingart et al., 2004). Original tabulations resulting from data coding and subsequent inter-rater reliability measure can be found in Appendix E.

The following section will test the first operational hypothesis.

4.3.2 Type of precipitant triggering turning points.

The first operational hypothesis aims to identify the type of precipitant that most frequently trigger turning points in CBMA negotiations between automobile manufacturers.

Based on Putnam & Fuller (2014), the turning points framework classifies internal precipitants into substantive, procedural, and strategic.

Substantive precipitants communicate the parties' interests and the issues involved (new ideas, offers, proposals, concepts, information, concessions). Procedural precipitants shape the negotiation structure and process (board meetings, intra-party negotiations, cross-functional teams, shareholders, creditors, structure, format, and venue of the talks). Strategic precipitants are defined as planned actions taken by the parties to achieve their

interests and improve their negotiation position through other players: coalition building, talks with third parties acting as BATNA for one or both the parties. Following Hall (2008), external precipitants are further categorized into contextual (context, environment, regulatory, and industry-related factors over which the negotiation parties have no control) and actors (individuals such as journalists, analysts, and judges, over which the parties have minimal influence opportunity).

Table 4.4 displays the number of internal (further classified into substantive, procedural, and strategic) and external precipitants (categorized into contextual and actor) triggering turning points in the nine negotiations.

Table 4.4 - Number of Precipitants generating Turning Points in CBMA negotiations between automobile manufacturers.

	Negotiation	Internal Precipitants				External Precipitants			Total
		Substantive	Procedural	Strategic	Total	Contextual	Actor	Total	
1	Daimler-Chrysler	8	4	1	13	0	0	0	13
2	Renault-Nissan	5	4	4	13	2	0	2	15
3	Fiat-Chrysler	3	3	4	10	1	1	2	12
4	GM-Fiat	4	3	9	16	2	1	3	19
5	Ford-Geely	4	0	6	10	2	0	2	12
6	SsangYong - Mahindra	3	2	9	14	1	3	4	18
7	GM-PSA	3	2	8	13	0	0	0	13
8	Renault-FCA	4	3	10	17	2	1	3	20
9	PSA-FCA	9	4	5	18	0	0	0	18
	Total	43	25	56	124	10	6	16	140

The total number of turning points and, therefore, precipitants is 140, with a mean value of 15.56, a standard deviation of 3.21, a minimum value of 12, and a maximum value of 20. The total number of internal precipitants is 124 (43 substantive, 25 procedural, 56 strategic). The total number of external precipitants is 16 (10 contextual and six actor). Compared to external precipitants, internal precipitants are 7.75 times more likely to originate turning points.

Table 4.5 presents the proportion of internal precipitants, further classified into substantive, procedural, and strategic, and external precipitants, categorized into contextual and actor, triggering turning points in the nine negotiations.

Table 4.5 - Proportion of Precipitants generating Turning Points in CBMA negotiations between automobile manufacturers.

	Negotiation	Internal Precipitants				External Precipitants		
		Substantive	Procedural	Strategic	Total	Contextual	Actor	Total
1	Daimler-Chrysler	61.54%	30.77%	7.69%	100.00%	0.00%	0.00%	0.00%
2	Renault-Nissan	33.33%	26.67%	26.67%	86.67%	13.33%	0.00%	13.33%
3	Fiat-Chrysler	25.00%	25.00%	33.33%	83.33%	8.33%	8.33%	16.67%
4	GM-Fiat	21.05%	15.79%	47.37%	84.21%	10.53%	5.26%	15.79%
5	Ford-Geely	33.33%	0.00%	50.00%	83.33%	16.67%	0.00%	16.67%
6	SsangYong - Mahindra	16.67%	11.11%	50.00%	77.78%	5.56%	16.67%	22.22%
7	GM-PSA	23.08%	15.38%	61.54%	100.00%	0.00%	0.00%	0.00%
8	Renault-FCA	20.00%	15.00%	50.00%	85.00%	10.00%	5.00%	15.00%
9	PSA-FCA	50.00%	22.22%	27.78%	100.00%	0.00%	0.00%	0.00%
	Total	30.71%	17.86%	40.00%	88.57%	7.14%	4.29%	11.43%

In all the nine analysed negotiations, turning points were chiefly generated by internal precipitants. The total proportion of internal precipitants is 88.57%, with a range of 22.22%, a minimum value of 77.78%, and a maximum of 100%.

Negotiation six, between SsangYong and Mahindra, displays the lowest proportion of internal precipitants because of the prominent role of external precipitants in triggering four departures. One of the external precipitants is contextual (worsening global economic conditions), and three are actor (judges' ruling during the Korean company's bankruptcy procedure).

Table 4.6 presents the specific and aggregate results from the non-parametric binomial one-tailed test for proportions from 50% to 80%:

Table 4.6 - Non-parametric binomial test for the first hypothesis

	Negotiation	Internal Precipitants	External Precipitants	Internal Precipitants	External Precipitants	test proportion: 0.5	test proportion: 0.6	test proportion: 0.7	test proportion: 0.8
1	Daimler-Chrysler	13	0	100.00%	0.00%	0.000	0.001	0.010	0.055
2	Renault-Nissan	13	2	86.67%	13.33%	0.004	0.027	0.127	0.398
3	Fiat-Chrysler	10	2	83.33%	16.67%	0.019	0.083	0.253	0.558
4	GM-Fiat	16	3	84.21%	15.79%	0.002	0.023	0.133	0.455
5	Ford-Geely	10	2	83.33%	16.67%	0.019	0.083	0.253	0.558
6	SsangYong - Mahindra	14	4	77.78%	22.22%	0.015	0.094	0.333	0.499
7	GM-PSA	13	0	100.00%	0.00%	0.000	0.001	0.010	0.055
8	Renault-FCA	17	3	85.00%	15.00%	0.001	0.016	0.107	0.411
9	PSA-FCA	18	0	100.00%	0.00%	0.000	0.000	0.002	0.018
	Total	124	16	88.57%	11.43%	0.000	0.000	0.000	0.005

For the overall binomial test across case studies, a p-value = .005 for the 0.8 test proportion means the null hypothesis is rejected. Consistent with the literature review, the evidence supports the alternative hypothesis (H_1): Internal precipitants are the main originators of turning points in CBMA negotiations between automobile manufacturers.

For each of the nine cases, it can also be stated, with p-values ranging from .000 to 0.019, that internal precipitants are the main originators of turning points (test proportion of 0.5). In six negotiations, it can be asserted that the number of internal precipitants is significantly higher than 60%. In three cases, the number of internal precipitants is significantly higher than 70%. Finally, the negotiation between PSA and FCA presents a significantly higher number of internal precipitants than 80%.

The section provides three crucial findings. First, internal precipitants are the main originators of turning points in CBMA negotiations between automotive manufacturers, supporting the first hypothesis. Secondly, external precipitants represent only 11.43% of the total number of precipitants generating turning points. Lastly, the proportion of procedural precipitants is trivial compared to the other two types of internal precipitants.

Having assessed precipitants in terms of their frequency, the next section will examine precipitants in connection with their impact.

4.3.3 Type of precipitant triggering abrupt turning points

The first operational hypothesis tested the type of precipitant that most likely triggers departures in CBMA negotiation between automotive manufacturers. Some precipitants can arise sporadically but still generate a significant impact on the negotiation process. Others can occur more frequently and produce just a negligible effect. Therefore, it is crucial to assess whether internal precipitants are also the main originators of abrupt turning points, defined as turning points that lead to a significant and sudden variation in the negotiation process. The second operational hypothesis assesses the impact of precipitants on the negotiation process by evaluating which type of precipitant generates abrupt departures.

Table 4.7 displays the number of internal precipitants (further classified into substantive, procedural, and strategic), and external precipitants (categorized into contextual and actor), triggering abrupt turning points in the nine negotiations.

Table 4.7 - Number of Precipitants generating Abrupt Turning Points in CBMA negotiations between automobile manufacturers.

	Negotiation	Internal Precipitants				External Precipitants			Total
		Substantive	Procedural	Strategic	Total	Contextual	Actor	Total	
1	Daimler-Chrysler	5	2	0	7	0	0	0	7
2	Renault-Nissan	5	2	2	9	1	0	1	10
3	Fiat-Chrysler	2	1	3	6	1	1	2	8
4	GM-Fiat	3	2	5	10	1	0	1	11
5	Ford-Geely	2	0	5	7	0	0	0	7
6	SsangYong - Mahindra	1	2	5	8	1	1	2	10
7	GM-PSA	3	1	4	8	0	0	0	8
8	Renault-FCA	3	1	4	8	2	1	3	11
9	PSA-FCA	5	0	4	9	0	0	0	9
	Total	29	11	32	72	6	3	9	81

The total number of abrupt turning points and precipitants is 81, with a mean value of 9.00, a standard deviation of 1.58, a minimum value of 7.00, and a maximum value of 11.00. The total number of internal precipitants is 72 (29 substantive, 11 procedural, 32 strategic). On the other hand, the total number of external precipitants is 9 (six contextual and three actor). Compared to external precipitants, internal precipitants are 8.00 times more likely to originate abrupt turning points.

Table 4.8 presents the proportion of internal precipitants (further classified into substantive, procedural, and strategic), and external precipitants (categorized into contextual and actor), triggering abrupt turning points in the nine negotiations.

Table 4.8 - Proportion of Precipitants generating Abrupt Turning Points in CBMA negotiations between automobile manufacturers.

	Negotiation	Internal Precipitants				External Precipitants		
		Substantive	Procedural	Strategic	Total	Contextual	Actor	Total
1	Daimler-Chrysler	71.43%	28.57%	0.00%	100.00%	0.00%	0.00%	0.00%
2	Renault-Nissan	50.00%	20.00%	20.00%	90.00%	10.00%	0.00%	10.00%
3	Fiat-Chrysler	25.00%	12.50%	37.50%	75.00%	12.50%	12.50%	25.00%
4	GM-Fiat	27.27%	18.18%	45.45%	90.91%	9.09%	0.00%	9.09%
5	Ford-Geely	28.57%	0.00%	71.43%	100.00%	0.00%	0.00%	0.00%
6	SsangYong - Mahindra	10.00%	20.00%	50.00%	80.00%	10.00%	10.00%	20.00%
7	GM-PSA	37.50%	12.50%	50.00%	100.00%	0.00%	0.00%	0.00%
8	Renault-FCA	27.27%	9.09%	36.36%	72.73%	18.18%	9.09%	27.27%
9	PSA-FCA	55.56%	0.00%	44.44%	100.00%	0.00%	0.00%	0.00%
	Total	35.80%	13.58%	39.51%	88.89%	7.41%	3.70%	11.11%

In all the nine analysed negotiations, abrupt turning points were mainly generated by internal precipitants. The total proportion of internal precipitants is 88.89%, with a range of 27.27%, a minimum value of 72.73%, and a maximum of 100%. The lowest proportion of internal precipitants is represented in cases three, between Chrysler and Fiat, and six, between Renault and FCA. In the Chrysler-Fiat case, two abrupt departures are triggered by external precipitants, one contextual, the worsening of the global economic conditions in 2008, and one actor, specifically Judge Gonzales' ruling against dissenting Chrysler creditors. In the Renault-FCA case, three abrupt turning points are generated by external precipitants, two contextual (the European general elections and General Electric closing a plant in France), and one actor, specifically the Financial Times, leaking the news of the talks between the two companies.

Table 4.9 presents the specific and aggregate results from the non-parametric binomial one-tailed test for proportions from 50% to 80%:

Table 4.9 - Non-parametric binomial test for the second hypothesis

	Negotiation	Internal Precipitants	External Precipitants	Internal Precipitants	External Precipitants	test proportion: 0.5	test proportion: 0.6	test proportion: 0.7	test proportion: 0.8
1	Daimler-Chrysler	7	0	100.00%	0.00%	0.008	0.028	0.082	0.210
2	Renault-Nissan	9	1	90.00%	10.00%	0.011	0.046	0.149	0.376
3	Fiat-Chrysler	6	2	75.00%	25.00%	0.140	0.315	0.448	0,503
4	GM-Fiat	10	1	90.91%	9.09%	0.006	0.030	0.113	0.322
5	Ford-Geely	7	0	100.00%	0.00%	0.008	0.028	0.082	0.210
6	SsangYong - Mahindra	8	2	80.00%	20.00%	0.055	0.167	0.383	0.624
7	GM-PSA	8	0	100.00%	0.00%	0.004	0.017	0.058	0.168
8	Renault-FCA	8	3	72.73%	27.27%	0.113	0.296	0.570	0.617
9	PSA-FCA	9	0	100.00%	0.00%	0.002	0.010	0.040	0.134
	Total	72	9	88.89%	11.11%	0.000	0.000	0.000	0.026

For the overall binomial test across case studies, a p-value = .026 for the 0.8 test proportion means the null hypothesis is rejected. Consequently, the evidence supports the alternative hypothesis (H₂): Abrupt turning points in CBMA negotiations between automobile manufacturers are mainly generated by internal precipitants.

For six out of the nine cases, it can be stated, with p-values ranging from .002 to 0.011, that abrupt turning points are mainly originated by internal precipitants (test proportion of 0.5). In the same six negotiations, it can also be asserted that the number of internal precipitants is significantly higher than 60%. In one case, the number of internal precipitants is significantly higher than 70%.

The section provides three crucial findings consistent with the conclusions from the first operational hypothesis testing. First, abrupt turning points in CBMA negotiations between automotive manufacturers are mainly originated by internal precipitants, supporting the second hypothesis. Secondly, external precipitants represent only 11.11% of the total number of precipitants triggering abrupt departures. Lastly, the proportion of procedural precipitants generating abrupt departures is trivial compared to the other two types of internal precipitants.

The following section will discuss potential improvements to the turning points framework.

4.4 Refining the existing turning points framework

The second aim of phase one is two-fold. To evaluate the need to improve the current turning points framework to make it more applicable to CBMA negotiations between automobile manufacturers and provide additional coding rules to be applied in the second phase to the simulation contents videotapes.

Even though the current turning points framework is appropriate, two enhancements, suggested by the literature review and the cases' analysis, were necessary to make the framework more relevant for evaluating CBMA negotiations between automotive manufacturers. The existing turning points framework differentiates between external and internal precipitants, restricting any further classification only to internal precipitants (categorized into substantive and procedural). Political, conflict, environmental, and trade negotiations usually occur under the umbrella of international organizations or conferences, operating within institutional procedures. On the other hand, in IB negotiations, as discussed in the literature review, coalition building and the alternatives

to a negotiated agreement shift the negotiators' power and influence the parties' dependence on the negotiation outcome.

Following Putnam & Fuller (2014), the analysis and coding of the case studies describing CBMA negotiations between automobile manufacturers introduced an additional category of internal precipitants, strategic, defined as planned actions taken by the parties to achieve their interests and improve their position in the negotiation through other players: coalition building, talks with third parties acting as BATNA for one or both the parties. The introduction of the strategic precipitants is even more relevant to analyse negotiations in which support from governments and the unions did not come early in the talks. Strategic precipitants account for 57.50% of internal precipitants originating turning points and 55.32% of internal precipitants generating abrupt departures.

The negotiations between Fiat and Chrysler, included in Appendix D, clearly illustrate the necessity to add the internal strategic category. The negotiations' first turning point occurred when Chrysler co-president Tom LaSorda approached Renault-Nissan executives between May and August 2007: Renault-Nissan acts as an internal/strategic precipitant representing a potential BATNA for Chrysler and simultaneously, weakening the position of Fiat. The third turning point happened in February 2008, with talks between the companies progressing and cross-functional teams exploring potential synergies with Renault-Nissan and General Motors. Renault-Nissan and General Motors act as internal/strategic precipitants: they embody possible alternatives for Chrysler that reduce Fiat's stance. The tenth turning point occurred in April 2009, when Chrysler reached an agreement with the union, building a coalition with a crucial player. It is another internal/strategic precipitant that shifts the process of the negotiation towards an agreement. The three examples of turning points are triggered by internal strategic precipitants, where the negotiators undertake planned actions to achieve their interests and improve their negotiation position through other players.

Furthermore, while the current framework limits the categorization of external precipitants only into contextual, in IB negotiations, the influence of external individuals must be considered (Hall, 2008). The negotiations between Fiat and Chrysler also provide significant instances of external precipitants. The fifth turning point that leads to the suspension of the talks with both Renault-Nissan and General Motors is triggered by an external/contextual precipitant, specifically the worsening of the economic conditions in October 2008, over whom neither Chrysler nor Fiat have any control. On the other hand, the twelfth turning point is generated by Judge Gonzales' ruling favouring Chrysler and

Fiat's alliance over dissenting creditors' objections. Judge Gonzales is an external/actor, an individual that influences the negotiation process over whom the negotiators have limited control. The two instances of turning points are both triggered by external precipitants. The first entails a contextual precipitant over which the parties have no influence. The second, the actor precipitant, involves an external individual over whom the negotiators have some, even if limited, control.

Examples of an external actor are provided by journalists breaking news of the talks too early in the process (negotiations between Renault and FCA), analysts providing an assessment of the merger (talks between Fiat and Opel and Renault and FCA), and judges' ruling in cases of bankruptcy (negotiations between Fiat & Chrysler and SsangYong and Mahindra). Based on the analysis, actor precipitants account for 4.29% of the total number of precipitants and 37.50% of external precipitants. Nevertheless, the institution of actor precipitants is highly appropriate, for example, when one of the parties has filed for bankruptcy. In the negotiations between SsangYong and Mahindra, the analysis identifies four external precipitants generating turning points, with actor precipitants accounting for 22.22% of the total precipitants and 75.00% of external precipitants.

The enhanced framework built on five precipitant categories (three internal and two external) provides a more appropriate and specific structure to categorize and analyse the different events and transitions occurring during the CBMA negotiation process. Identify the causal relationships between turning points and precipitants in IB negotiations. Label planned actions taken by the parties to achieve their interests and improve their negotiation position through other players (strategic internal precipitants). Classify the role of external individuals such as journalists, analysts, and judges that can influence the negotiation process (external actor precipitant).

The following sections address the third aim of phase one, to explore the impact of two crucial structural and contextual factors.

4.5 Coalition building and culture.

The turning points analysis led to additional and noteworthy findings, specifically related to the influence of coalition building and culture on the negotiation process.

4.5.1 The role of coalition building

Table 4.10 displays the number and proportion of substantive, procedural, and strategic precipitants generating turning points in the nine cases.

Table 4.10 - Number and proportion of Internal Precipitants generating Turning Points.

	Negotiation	Internal Precipitants			Internal Precipitants		
		Substantive	Procedural	Strategic	Substantive	Procedural	Strategic
1	Daimler-Chrysler	8	4	1	61.54%	30.77%	7.69%
2	Renault-Nissan	5	4	4	38.46%	30.77%	30.77%
3	Fiat-Chrysler	3	3	4	30.00%	30.00%	40.00%
4	GM-Fiat	4	3	9	25.00%	18.75%	56.25%
5	Ford-Geely	4	0	6	40.00%	0.00%	60.00%
6	SsangYong - Mahindra	3	2	9	21.43%	14.29%	64.29%
7	GM-PSA	3	2	8	23.08%	15.38%	61.54%
8	Renault-FCA	4	3	10	23.53%	17.65%	58.82%
9	PSA-FCA	9	4	5	50.00%	22.22%	27.78%
	Total	43	25	56	34.68%	20.16%	45.16%

Table 4.11 presents the results of the paired-samples test, confirming that the number of strategic precipitants is significantly higher than procedural ones. Still, it is not significantly larger than the number of substantive precipitants.

Table 4.11 - Paired sample t-test of internal precipitants

		Paired Samples Test	
		Pair 1	Pair 2
		Internal Strategic - Internal Procedural	Internal Strategic - Internal Substantive
Paired Differences	Mean	3,44444	1,44444
	Std. Deviation	3,71184	4,66667
	Std. Error Mean	1,23728	1,55556
	95% Confidence Interval of the Difference		
		Lower	Lower
		Upper	Upper
t		2,784	,929
df		8	8
Sig. (2-tailed)		,024	,380

Further analysis of the results, as presented in Table 4.12, provides a noteworthy finding. During negotiations 1, 2, and 9, 50.00% of the internal precipitants triggering turning points were substantive. The opposite holds for the remaining six negotiations, where strategic precipitants occurred with a higher frequency (57.50%). Table 4.12 displays the number and proportion of substantive, procedural, and strategic precipitants triggering turning points in the two sets of cases.

Table 4.12 - Number and proportion of Internal Precipitants generating Turning Points in cases 1, 2, 9, and 3 to 8 of CBMA negotiations between automobile manufacturers.

	Negotiation	Internal Precipitants			Internal Precipitants		
		Substantive	Procedural	Strategic	Substantive	Procedural	Strategic
1	Daimler-Chrysler	8	4	1	61.54%	30.77%	7.69%
2	Renault-Nissan	5	4	4	38.46%	30.77%	30.77%
9	PSA-FCA	9	4	5	50.00%	22.22%	27.78%
	Total	22	12	10	50.00%	27.27%	22.73%
3	Fiat-Chrysler	3	3	4	30.00%	30.00%	40.00%
4	GM-Fiat	4	3	9	25.00%	18.75%	56.25%
5	Ford-Geely	4	0	6	40.00%	0.00%	60.00%
6	SsangYong - Mahindra	3	2	9	21.43%	14.29%	64.29%
7	GM-PSA	3	2	8	23.08%	15.38%	61.54%
8	Renault-FCA	4	3	10	23.53%	17.65%	58.82%
	Total	21	13	46	26.25%	16.25%	57.50%

A plausible explanation is provided by the power-coalition analytical approach discussed in section 2.1.1.1. Coalition building (a critical strategic precipitant) reduces the complexity of the negotiation process and shifts the negotiation's power balance by combining different players with shared interests (Dupont, 1996). In CBMA negotiation among automotive manufacturers, the analysis highlights the crucial role of two players, governments and unions. In negotiations 1, 2, and 9, coalition building took place in the early stages of the negotiations, and consequently, strategic precipitants generated a limited number of turning points. On the other hand, the number of strategic precipitants is higher in the second set of negotiations because most of the negotiation process is committed to coalition building.

Figure 4.1 displays the mean number of internal precipitants in the two sets of negotiations. The impact of coalition building on the category of internal precipitants triggering turning points is straightforward.

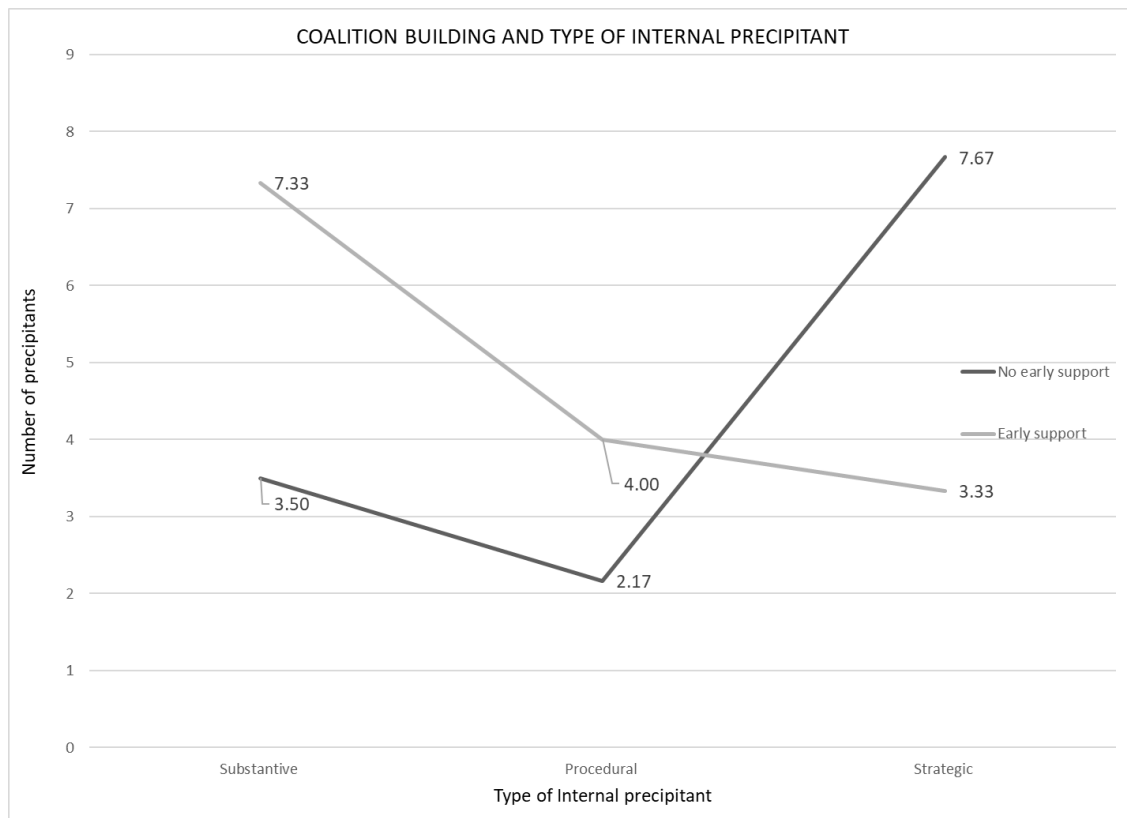


Figure 4.1 - The impact of coalition building on the type of internal precipitant generating turning points.

In negotiations 1, 2, and 9 (early support from government and unions), the mean value of substantive precipitants is 7.33, with a standard deviation of 2.08, a minimum value of 5.00, and a maximum of 9.00. The mean value of strategic precipitants is only 3.33, with a standard deviation of 2.08, a minimum value of 1, and a maximum of 5. The number of strategic precipitants is much lower than substantive ones because governments and unions provide an early backing to the negotiations.

On the other hand, in negotiations 3 to 8 (no early support), the mean value of substantive precipitants is just 3.50, with a standard deviation of 0.55, a minimum value of 3.00, and a maximum of 4. The mean value of strategic precipitants increases to 7.67 with a standard deviation of 2.25, a minimum value of 4, and a maximum of 10; table 4.13 displays the results of the paired-samples t-test in cases 3 to 8.

Table 4.13 - Paired sample t-test of internal precipitants in cases 3 to 8.

		Pair 1	Pair 2	
		Internal Strategic - Internal Procedural	Internal Strategic - Internal Substantive	
Paired Differences	Mean	5,50000	4,16667	
	Std. Deviation	2,25832	2,13698	
	Std. Error Mean	,92195	,87242	
	95% Confidence Interval of the Difference	Lower	3,13004	1,92405
		Upper	7,86996	6,40929
t		5,966	4,776	
df		5	5	
Sig. (2-tailed)		,002	,005	

The number of strategic precipitants is significantly higher than substantive ones because most of the negotiation process is committed to building a coalition with governments and unions. Interestingly, the proportion between only substantive and procedural precipitants is very similar in the two sets of negotiations. In cases 1, 2, and 9, the proportion of substantive precipitants is 64.71%. In cases 3-8, it is 61.76%. In the second set of negotiations, the increase in the number of strategic precipitants reduces the amount of both substantive and procedural precipitants. Nevertheless, it does not significantly change their proportion. Table 4.14 summarizes the findings.

Table 4.14 - Results of the analysis of the two sets of negotiations.

		Substantive	Procedural	Strategic
Cases 1, 2 & 9	mean	7.33	4.00	3.33
	standard deviation	2.08	0.00	2.08
	proportion	64.71%	35.29%	
Cases 3 to 8	mean	3.50	2.17	7.67
	standard deviation	0.55	1.17	2.25
	proportion	61.76%	38.24%	

The analysis of abrupt turning points confirms the above finding. Table 4.15 displays the number and proportion of substantive, procedural, and strategic precipitants generating abrupt turning points in the same two sets of cases presented in the previous section.

Table 4.15 - Number and proportion of Internal Precipitants generating Abrupt Turning Points in cases 1, 2, 9, and 3 to 8 of CBMA negotiations between automobile manufacturers.

	Negotiation	Internal Precipitants			Internal Precipitants		
		Substantive	Procedural	Strategic	Substantive	Procedural	Strategic
1	Daimler-Chrysler	5	2	0	71.43%	28.57%	0.00%
2	Renault-Nissan	5	2	2	55.56%	22.22%	22.22%
9	PSA-FCA	5	0	4	55.56%	0.00%	44.44%
	Total	15	4	6	60.00%	16.00%	24.00%
3	Fiat-Chrysler	2	1	3	33.33%	16.67%	50.00%
4	GM-Fiat	3	2	5	30.00%	20.00%	50.00%
5	Ford-Geely	2	0	5	28.57%	0.00%	71.43%
6	SsangYong - Mahindra	1	2	5	12.50%	25.00%	62.50%
7	GM-PSA	3	1	4	37.50%	12.50%	50.00%
8	Renault-FCA	3	1	4	37.50%	12.50%	50.00%
	Total	14	7	26	29.79%	14.89%	55.32%

During negotiations 1, 2, and 9, where coalitions were already in place at the beginning of the talks, 60.00% of the internal precipitants triggering abrupt turning points were substantive. The opposite holds for the remaining six negotiations, where coalitions had to be developed during the talks, and strategic precipitants occurred with a higher frequency (55.32%). The proportion of procedural precipitants is similar in the two sets of cases: 16.00% in the first and 14.89% in the second. Figure 4.2 presents the mean number of internal precipitants triggering abrupt departures in the two sets of negotiations. The chart underlines the impact of coalition building on the three categories of internal precipitants.

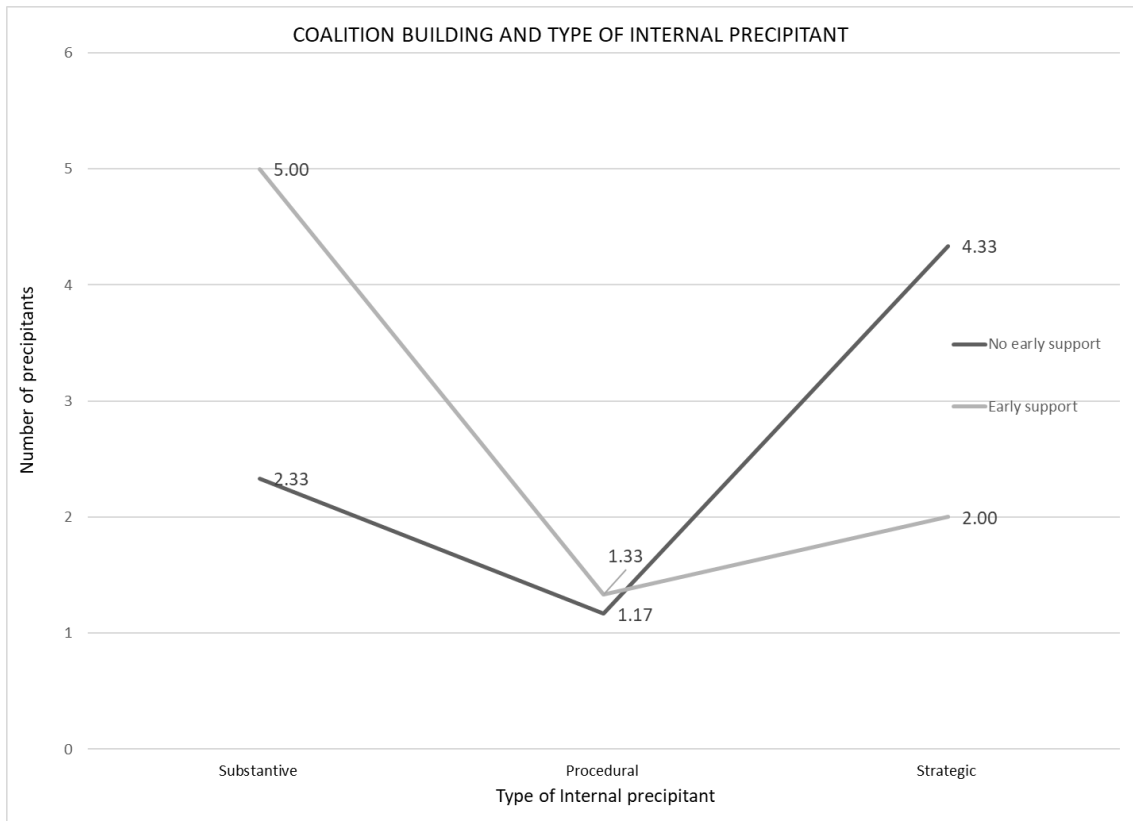


Figure 4.2 - The impact of coalition building on the type of internal precipitant generating abrupt turning points.

In negotiations 1, 2, and 9 (early support from government and unions), substantive precipitants' mean value is 5.00, with a standard deviation of 0.00. The mean value of strategic precipitants is only 2.00, with a standard deviation of 2.00, a minimum value of 0, and a maximum of 4. On the other hand, in negotiations 3 to 8 (no early support), the mean value of substantive precipitants is just 2.33, with a standard deviation of 0.82, a minimum value of 1, and a maximum of 3. The mean value of strategic precipitants increases to 4.33 with a standard deviation of 0.82, a minimum value of 3, and a maximum of 5. Table 4.16 displays the results of the paired sample t-test, confirming that the number of strategic precipitants generating abrupt turning points is significantly higher than substantive ones.

Table 4.16 - Paired sample t-test of internal precipitants generating abrupt turning points in cases 3 to 8.

		Pair 1	Pair 2	
		Internal Strategic - Internal Procedural	Internal Strategic - Internal Substantive	
Paired Differences	Mean	3,16667	2,00000	
	Std. Deviation	,98319	1,26491	
	Std. Error Mean	,40139	,51640	
	95% Confidence Interval of the Difference	Lower	2,13487	,67256
		Upper	4,19846	3,32744
t		7,889	3,873	
df		5	5	
Sig. (2-tailed)		,001	,012	

As presented in Table 4.17, while in the turning points analysis, the proportion of substantive and procedural precipitants remains similar in the two sets of negotiations, in the analysis of abrupt turning points, the proportion of only substantive and procedural precipitants in the first set of negotiations (substantive precipitants account for 78.95% of the precipitants if we only consider substantive and procedural ones) is very similar to the proportion of only strategic and procedural precipitants in the second set of cases (strategic precipitants account for 78.79% of the precipitants if we only consider strategic and procedural ones). In the second set of negotiations, the increase in the number of strategic precipitants decreases the number of substantive precipitants but does not significantly impact the number of procedural ones. In the first set of negotiations, the mean value of procedural precipitants is 1.33, with a standard deviation of 1.15, a minimum value of 0, and a maximum of 2. In the second set of negotiations, the mean value of procedural precipitants is 1.17, with a standard deviation of 0.75, a minimum value of 0, and a maximum of 2.

Table 4.17 - Results of the analysis of the two sets of negotiations

		Substantive	Procedural	Strategic
Cases 1, 2 & 9	mean	5.00	1.33	2.00
	standard deviation	0.00	1.15	2.00
	proportion	78.95%	21.05%	
Cases 3 to 8	mean	2.33	1.17	4.33
	standard deviation	0.82	0.75	0.82
	proportion		21.21%	78.79%

The section provides one critical finding: As presented in table 4.18, if government and union support is manifested during the early stages of the negotiation, the turning points (both abrupt and non-abrupt) are originated mainly by substantive precipitants. Otherwise, if government and union support has to be secured during the negotiation process, the main generators of turning points (both abrupt and non-abrupt) are strategic.

Table 4.18 - coalition building and type of internal precipitant.

		Type of IP generating	
		Turning Points	Abrupt Turning Points
Stage in the Negotiation Process	Early	Substantive	Substantive
	Late	Strategic	Strategic

The finding also provides one significant provisional inference in connection with the influence of coalition building on the negotiation process. Several studies contend the profound relationship between the negotiation process and post-closing behaviour (Datta, 1991; Distler, 2017; Gomes et al., 2013; Graebner et al., 2016; Hart & Schweitzer, 2020; Lander & Kooning, 2013; Mignerat & Marmenout, 2017; Steigenberger, 2017). If coalition building is unsuccessfully achieved during the initiation phase of the negotiation (Holmes, 1992; Zartman, 1975), introducing substantive precipitants and consequently exploring parties' interests, constraints, and issues throughout the talks' subsequent stages is more complicated. As a result, crucial unresolved problems could lead to more intense post-closing integration challenges. Hence, it can be tentatively assumed that a successful coalition-building in the early stages of the negotiation process could lead to a more straightforward post-merger integration.

One final observation refers to confidentiality matters in the negotiations. Finding the right balance between building coalitions early in the process and maintaining the talks' secrecy is arduous. For example, in the 2017 negotiations between Opel and PSA, preserving confidentiality during early encounters was crucial in progressing the talks. On the other hand, the leaking of important information on the negotiations between FCA and Renault in 2019 by the Financial Times led to an adverse reaction by relevant players such as Nissan and the Japanese government, that were not involved in the initial stages of the negotiation process.

The next session will assess the impact of culture on the negotiation process.

4.5.2 The influence of culture

The literature review, assessing the impact of culture on international negotiations from a macro-strategic perspective, outlined two main research avenues. The predominant stream of studies claims that cultural distance has a negative impact on international negotiations. The second line of research argues that culture's impact is subordinate to strategic, contextual, and company-specific variables, specifically where organizations and negotiators undergo a learning process from previous CBMA experiences.

The two researchers adhered to the following guideline in weighing the impact of culture during the fourth step of the turning points analysis: "Culture is defined as the socially transmitted behaviour patterns, norms, beliefs and values of a given community" (Salacuse, 1998: 222) influencing the negotiation process, with specific reference to communication, emotions, time perception, attitude, negotiating style, decision making, risk-taking (Salacuse, 1999).

The analysis of the 140 precipitants generating turning points in the nine cases provides a critical conclusion. None of the precipitants triggering turning points was ascribable solely to cultural differences between the negotiators. Furthermore, as displayed in Table 4.19, only seven (5.00%) of the precipitants triggering turning points could also be imputable to cultural distance, alongside other contextual, strategic, and company-specific variables (with a minimum value of 0% and a maximum of 10.53%).

Table 4.19 - Proportion of precipitants that could be imputable to cultural distance.

	Negotiation	Turning Points	Precipitants that could be referable to cultural distance	Precipitants that could be referable to cultural distance
1	Daimler-Chrysler	13	1	7.69%
2	Renault-Nissan	15	1	6.67%
3	Fiat-Chrysler	12	0	0.00%
4	GM-Fiat	19	2	10.53%
5	Ford-Geely	12	1	8.33%
6	SsangYong - Mahindra	18	1	5.56%
7	GM-PSA	13	0	0.00%
8	Renault-FCA	20	1	5.00%
9	PSA-FCA	18	0	0.00%
	Total	140	7	5.00%

Obviously, concerning abrupt turning points, no precipitants were ascribable solely to cultural differences between the negotiators. Additionally, as displayed in Table 4.20, only four (5.56%) of the precipitants triggering abrupt turning points could also be imputable to cultural distance, alongside other contextual, strategic, and company-specific variables, with a minimum value of 0% and a maximum of 14.29%.

Table 4.20 - Proportion of precipitants that could be imputable to cultural distance (abrupt turning points)

	Negotiation	Abrupt Turning Points	Precipitants that could be referable to cultural distance	Precipitants that could be referable to cultural distance
1	Daimler-Chrysler	7	1	14.29%
2	Renault-Nissan	9	0	0.00%
3	Fiat-Chrysler	6	0	0.00%
4	GM-Fiat	10	1	10.00%
5	Ford-Geely	7	1	14.29%
6	SsangYong - Mahindra	8	1	12.50%
7	GM-PSA	8	0	0.00%
8	Renault-FCA	8	0	0.00%
9	PSA-FCA	9	0	0.00%
	Total	72	4	5.56%

The findings support the second avenue of research on culture: the impact of cultural distance is secondary to contextual, strategic, and company-specific factors, specifically where organizations and negotiators undergo a learning process from previous international negotiation experiences.

4.6 Summary

By identifying the type of precipitant leading to turning points in CBMA negotiations between automobile manufacturers, phase one has accomplished the second research objective: To explore the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers.

Following is a summary of the main findings of phase one. Internal precipitants are the main generators of turning points in CBMA negotiations between automobile manufacturers. Internal precipitants are 7.75 times more likely to originate turning points than external ones in terms of frequency. Concerning impact, internal precipitants are eight times more likely to arise abrupt turning points. External precipitants represent approximately eleven per cent of the total number of precipitants generating turning points. Consequently, the findings fully support the first two operational hypotheses.

Moreover, if government and union support is manifested during the early stages of the negotiation, the turning points (and abrupt departures) are originated mainly by substantive precipitants. Otherwise, if government and union support has to be secured during the negotiation process, the main internal precipitants of turning points and abrupt departures are strategic. The proportion of procedural precipitants generating abrupt departures is trivial compared to the other two types of internal precipitants. Based on phase one findings, it can also be tentatively assumed that successful coalition-building in the early stage of the negotiation process could lead to a more straightforward post-merger integration.

Lastly, none of the precipitants triggering turning points (both abrupt and non-abrupt) was ascribable solely to cultural differences between the negotiators. The number of precipitants generating turning points, also imputable to cultural distance, is 5.00% of the total turning points. At the same time, the number of precipitants generating abrupt turning points, also imputable to cultural distance, is 5.56% of the total number of abrupt turning points.

The turning points analysis of the nine selected cases also responds to the second aim of phase one. Even though the current turning points framework is appropriate, two improvements, suggested by the literature review and the analysis of the cases, were required to make the framework more relevant for the evaluation of CBMA negotiations between automotive manufacturers.

Following Putnam & Fuller (2014), the analysis and coding of the case studies describing CBMA negotiations between automobile manufacturers presented an additional category of internal precipitants, strategic, described as planned actions taken by the parties to achieve their interests and improve their position in the negotiation through other players: coalition building, talks with third parties acting as BATNA for one or both the parties.

Additionally, while the current framework limits the categorization of external precipitants only into contextual, in IB negotiations, the introduction of an additional category (actor) that considers the influence of external individuals (such as journalists, analysts, and judges) over whom the negotiators' have limited control, must be considered (Hall, 2008).

Based on phase one findings, the second phase will focus on internal precipitants, leading to a 2x2 factorial design, with four possible conditions (Cooperative-Competitive, Competitive-Competitive, Cooperative-Cooperative, Competitive-Cooperative). The coding rules of the second phase will include the new strategic internal precipitant.

Chapter 5. Phase Two. The Micro-Behavioural Analysis

5.1 Introduction

The two stages of the research provide a supplementing perspective to the negotiation process analysis, integrating the macro-strategic (phase one) and the micro-behavioural (phase two) approaches. The first qualitative phase was performed to inform the second quantitative stage identifying which type of precipitants lead to departures in CBMA negotiation between automobile manufacturers. The second phase's central aim was to evaluate the role of motivational and relational (trust and perceived power) factors in shaping the negotiator's response to the precipitants identified in phase one.

The first phase results indicate that internal precipitants (chiefly substantive and strategic) are the main generators of turning points in CBMA negotiations between automobile manufacturers in terms of frequency and impact. Consequently, the second phase entailed quantitative laboratory experiments (negotiation simulations) involving experienced negotiators randomly assigned to the conditions in a 2x2 factorial design involving role (Buyer-Tata or Seller-Ford), social motive (Cooperative vs Competitive), and internal precipitants as the independent variables. The degree of trust and the perceived relative power act as mediating factors assessed through questionnaires at the beginning and end of the simulations (degree of trust and relative power are evaluated rather than manipulated in the research). The negotiation outcome represents the dependent variable, further decoupled into whether an agreement is reached and the final negotiated price.

The second phase was hence comprised of two components. First, experimental simulations aiming at evaluating the role of motivational factors in shaping negotiator's response to internal precipitants (as identified in phase one) in CBMA negotiation between automobile manufacturers by investigating the third operational hypothesis:

H3: Motivational factors influence the negotiation outcome.

Additionally, questionnaires filled by the participants before and after the experimental simulation intending to assess the role of relational factors in shaping negotiator's response to precipitants in CBMA negotiation between automobile manufacturers by exploring the last two operational hypotheses (the first trust-related and the second power-related):

H4: The degree of trust between the parties influences the negotiation outcome.

H5: Perceived relative power influences the negotiation outcome.

The second phase also aimed at substantiating, from a micro-behavioural perspective, two findings of the first phase. Concerning coalition building, strategic precipitants are the main originators of turning points in CBMA negotiations between automobile manufacturers, only if government and union support is not manifested during the early stages of the negotiation and must be secured throughout the negotiation process. The second outcome to be validated regards culture: The impact of cultural distance in generating turning points is secondary to strategic, contextual, and company-specific variables.

The final aim of phase two was to identify the most significant factors that influence the outcome of cross-border M&A negotiations between automobile manufacturers and provide managers and practitioners with strategies to prepare better and shape the negotiation process towards the desired outcome.

The following sections describe the data collection and analysis of the second phase.

5.2 Data collection

Based on the results of the first phase, the second phase focused on internal precipitants. It consisted of a 2x2 factorial design matrix that led to four possible matchings: Cooperative-Competitive, Competitive-Competitive, Cooperative-Cooperative, Competitive-Cooperative.

Data collection has been significantly affected by the COVID-19 pandemic, which resulted in a complete stop of the in-class advanced negotiation training courses in March 2020. Nevertheless, the minimum number of six replications for each condition during the experimental simulations has been achieved. The first three conditions were replicated six times. The Cooperative-Cooperative condition has been repeated in seven instances. A larger number of replications would have been preferred. Still, given the global situation and the difficulty in recruiting participants to meet the study's strict requirements, the research had to settle for six / seven repetitions for each condition, based on the only sufficiently equivalent study identified in the review. Olekalns et al. (2003) and Weingart et al. (2007) employ 144 MBA students with a minimum of two years of work experience in a complex negotiation simulation based on five different conditions according to the number of cooperative and competitive negotiators, with each condition replicated at least six times.

The laboratory simulation was based on a real case (Tata's acquisition of Jaguar and Land Rover from Ford in 2008), selected based on the following seven criteria:

1. It is a CBMA negotiation
2. It is complex, involving multiple players and multiple issues.
3. The potential buyer is an EMNC with multiple interests (synergy, market, and strategic asset seeking motives).
4. The seller has two primary and conflicting interests: price and reputation.
5. The buyer's and seller's multiple interests allow for effective Manipulation of motivational factors (Competitive vs Cooperative) in the 2x2 factorial design.
6. Abundant secondary sources are available on situational and contextual factors to design the simulation and draft detailed instructions consisting of extensive general background material and role-specific information.
7. A first case study based on the Tata-Ford negotiation was drafted by the candidate in December 2011 to be presented at a Columbia Business School workshop, receiving assistance from Professor Michael Morris, a leading expert in international negotiations. His feedback was crucial in building a robust case that acted as the foundation for developing the simulation.

The simulation extensively conformed to the real-life scenario. It was set in the present day to enhance participant's engagement. It adopted fictitious names to reduce the possibility of participants' personal biases (Tata was named Otas, while Ford was identified as Auburn) (Fisher & Fisher-Yoshida, 2017; Poitras et al., 2013).

The second phase also employed two different questionnaires to assess the impact of relational factors in shaping the negotiator's response to precipitants. Preceding and immediately after the simulation, participants filled out an amended form of McAllister (1995) to determine the degree of trust between the negotiators. They also completed a revised version of Wolfe & McGinn (2005) to ascertain their relative power perception in the negotiation.

Additionally, the laboratory experiment results also contributed to substantiating from a micro-behavioural perspective the findings from phase one concerning coalition building and culture. Data collection for the second phase occurred between March 11, 2019, and March 6, 2020, during the second day of the Advanced Negotiation courses held by the

supporting Universities, Business Schools, and Corporate Training Companies. Data collection was stopped by the COVID-19 pandemic and was not resumed afterwards.

5.2.1 Participants

Even though all participants were enrolled in Advanced Negotiation courses as part of executive masters and corporate custom courses offered by the supporting Universities, Business Schools, and Corporate Training Companies, not all the Advanced Negotiation courses' partakers were suitable for data collection.

Following the pilot study findings, participants in the simulations had to meet three requirements: Hold at least seven years of negotiation experience in a B2B setting involving complex solutions (Druckman & Kam, 2011; Olekalns et al., 2003). Have previously attended an introductory negotiation class (Herbst & Schwarz, 2011; Steinel et al., 2007).

Fifty corporate managers and executives participated in the simulated CBMA negotiations. The sample included forty-two males (84%) and eight females (16%). Their negotiation experience's mean value is 16.56 years; the median is 15.00, with a standard deviation of 6.95, a minimum value of 7, and a maximum value of 33. The participants' average age is 40, with a minimum of 31 and a maximum of 57.

Table 5.1 summarizes the values of the two populations of sellers and buyers.

Table 5.1 - Mean, median, and standard deviation of sellers and buyers.

		Statistics	
		Years of Negotiation Experience Auburn	Years of Negotiation Experience Otas
N	Valid	25	25
	Missing	0	0
Mean		17,1200	16,0000
Median		15,0000	14,0000
Std. Deviation		7,10235	6,89807
Minimum		7,00	7,00
Maximum		28,00	33,00

The level of experience of the two samples is similar in all the main statistics: mean (17.12 vs 16.00), median (15.00 vs 14.00), and standard deviation (7.10 vs 6.90). The independent samples t-test, equal variances assumed, showed no significant difference

between the mean years of experience between the seller and the buyer negotiators (p -value = .574).

Forty-five participants were Italians (90%), the other five Europeans (two from Austria, one each from France, the UK, and Spain); 36 were managers (72%), and 14 executives (18%). Participants from the automotive industry represented 28% of the sample; negotiators from consulting companies or banks (key advisors in M&A negotiations) corresponded to 24% of the total; the remaining 48% exemplified different industries (chemical, pharmaceutical, aerospace, retail, logistics).

5.2.2 Procedure

A thorough sampling procedure has been put in place to reduce the threat to internal and external validity (Druckman, 2005; Druckman & Olekalns, 2013; Druckman et al., 2009; Harinck & De Dreu, 2008; Olekalns & Smith, 2005b; Wei & Lou, 2012). The participants in each class were selected by convenience sampling (custom corporate classes are made of 8 to 12 students, while executive masters can include up to 24 students). During the second day of the Advance Negotiation course, upon arrival in the main training room after lunch, the participants were randomly split into teams of two or three members. Each team included at least one member meeting the three previously highlighted requirements.

The 2x2 factorial design matrix led to four possible matchings: Cooperative-Competitive, Competitive-Competitive, Cooperative-Cooperative, Competitive-Cooperative. Each team was randomly assigned to the role (either Auburn, the seller, or Otas, the buyer) and the specific condition (Cooperative vs Competitive). Then it was led to a separate room, receiving a distinct folder containing the task instructions that included the motivational primes for each condition (Druckman et al., 2009; Olekalns et al., 2003). Teams were allowed 60 minutes to review the material and prepare for the negotiation (70 minutes if the instructions' language was not the participant's mother tongue). Among the team members holding the three requirements, the negotiator in the simulation was subsequently randomly selected.

After the preparation time, teams were randomly paired to the four possible matchings and conducted to different rooms. The selected negotiators completed the trust and power questionnaires before starting the simulation. A timer clearly visible to the negotiators indicated the allotted 30 minutes to complete the videotaped role-play; within the 30 minutes, each team was allowed to call a time-out of up to three minutes to reassess the

strategy based on the information collected (Glassop, 2002; McEwan et al., 2017). After the simulation, the negotiators completed the trust and power questionnaires again.

The six-item trust questionnaire based on a five-point Likert scale was adapted from McAllister (1995) and is included in Appendix B. It assessed both cognitive (first three-items) and affective (second three-items) trust between the negotiators. The perception of relative power was evaluated through a single-item questionnaire drawn from Wolfe & McGinn (2005: 9). Participants were asked to assess a range from 0 to 100, "What is your bargaining power in this negotiation?" where 0 means the other party has full power, 100 the participant has full power, 50 the two parties have identical power.

Negotiators were expected to attain an agreement on six issues:

1. Price of sale.
2. Option to negotiate the two companies (Jaguar and Land Rover) separately or as a package.
3. Preserve jobs, salaries, and pensions for employees in the United Kingdom (UK).
4. Production stays exclusively in the UK.
5. Continued sourcing of engines from Auburn plants in the UK.
6. Buyer commits to continue planned R&D investments in the companies.

Because of logistics (room availability) and equipment constraints (the candidate possesses only two video cameras that allow for external microphones required for optimal voice recording), a maximum of two negotiations ran concurrently. The random number generator function in excel was used to assign participants to teams, assign teams to the role, designate teams to condition, pair teams for the simulation, and select the negotiators.

The simulations were followed by a rigorous debrief session of 75 minutes split into three phases (Bordens & Abbott, 2013). The first segment fully disclosed the purpose of the simulation, explaining the questionnaires' objective, the mediating role of trust and power, and releasing the priming manipulation adopted in the instructions. The second part validated the turning points framework in light of the simulation. Lastly, the videotaped simulations were examined to foster individual and team reflection.

5.2.3 Manipulation

Each team was randomly assigned to a condition (Cooperative vs Competitive) and presented a distinct folder containing the task instructions that included the motivational factor manipulation.

The Auburn cooperative manipulations contained in the guidelines read as the following:

“At the moment talks initiated, Auburn's main priority was to maintain its image in the UK rather than maximize the financial side of the deal. The UK market represented a crucial element of the company's restructuring plan”. “Price is essential for Auburn, but even more important is preserving its image in the key UK market.”

The Auburn competitive condition was manipulated by embedding in the instructions the following statements:

“At the moment talks initiated, Auburn's main priority was to maximize the deal's financial side rather than maintain its image in the UK. Ensuring survival in the short term was crucial.” “Auburn aims to recover most of the money paid in acquiring and invested in endeavouring to turn around the two brands.”

The Otas cooperative priming consisted of the following:

“Otas believes that preserving the "Britishness" of Allard and Fraser is key to their future success. Some would argue that the hands-off approach is a mandatory choice for a company with little heritage, presence, and recognition outside its home country.”

Besides, a Businessweek revised article was included as an Appendix to the instructions, outlining the collaborative strategy adopted by Otas in the acquisition of the Korean truck maker Daewoo:

The company formed a joint board of directors, leaving executives in place to retain its identity. Secondly, Daewoo CEO Chae was given the freedom to keep running the business his way, with two Otas executives acting as advisers. Furthermore, Otas built close relationships with employees, unions, and local and state officials. Lastly, jobs were preserved, and production was maintained in S. Korea.

The Otas competitive manipulation entailed the following:

“In the Allard and Fraser acquisition, Otas understands that preserving jobs and production in the UK could be very expensive and jeopardize its future. Furthermore,

committing for the medium and long term on engine-sourcing from Auburn could be risky for Otas because of the volatility of components prices and the option of producing or sourcing engines from India or China, or other car manufacturers.”

Also, a Guardian revised article was entered as an Appendix to the guidelines. The section outlined the stern strategy adopted by Otas in managing its steelmaker Corus during the economic downturn. Following are some excerpts:

The economic downturn has driven Otas to shed more than 5000 jobs and close several UK plants. "This is about addressing the future of certain sites that cannot cope with the scale of the current crisis," a Corus spokesman said. Engineering, IT, finance, and HR staff will also be scaled back as part of an efficiency review. Corus is also changing its pension scheme and considering whether to suspend bonus payments.

5.2.4 Summary of data collection

The second phase focused on internal precipitants, leading to a 2x2 factorial design with role and motivation as independent variables. It comprised of two elements, experimental simulations and questionnaires. The laboratory simulation was based on a real case that extensively conformed to the real-life scenario and required an agreement on six issues. Preceding and immediately after the simulation, participants filled out two questionnaires to determine the degree of trust and the perceived relative power.

The study participants had to meet three criteria: have at least seven years of negotiation experience in a B2B setting. And have previously attended an introductory negotiation class. The participants' negotiation experience's mean value is 16.56 years, with an average age of 40. The sample included 84% of males and 16% females.

A thorough sampling procedure has been put in place to reduce the threat to internal and external validity, with participants randomly assigned to teams, roles, and conditions. The motivational primes for each condition were included in the distinct task instructions. The simulations were followed by a rigorous three-stage debrief session of 75 minutes.

Crucially, despite data collection having been considerably distressed by the COVID-19 pandemic, the minimum number of six replications for each condition has been attained.

The following section will discuss the data analysis of phase two.

5.3 Data analysis and findings

The section is organized into six parts. The first two subsections outline the three phases of the turning points analysis, the classification of its elements, and the solutions adopted to address internal validity threats. The following three parts are structured according to the three operational hypotheses, addressing phase two's central aim: assess the role of motivational and relational (trust and perceived power) factors in shaping the negotiator's response to internal precipitants. The final subsection addresses the second aim of the second phase: substantiating, from a micro-behavioural perspective, phase one findings relative to coalition building and culture.

5.3.1 Turning Points Analysis

The three-step turning points analysis is developed to identify the causal relationships between precipitants, departures, and consequences. The first stage identifies and classifies the departures. The second part determines and categorizes the internal factors that generate departures (precipitants). Lastly, the consequences caused by the turning points are established and classified.

The turning points analysis adopted the same procedure as phase one to reduce threats to internal validity. A comprehensive guideline with instructions and coding rules applied to the videotaped simulations (included in Appendix C) was adopted and provided to a second researcher proceeding independently in the coding process. Then, the assessment of an inter-rater reliability measure represented by Cohen's Kappa was carried out. Amendments to categorization were performed until a specific level of interpretative reliability was reached. All disagreements were settled through consultation.

The Cohens' Kappa computation and amendments to categorizations were performed after each step of the turning points analysis before moving to the following stage. Table 5.2 presents Cohen's kappa values between coders to identify and categorize turning points, precipitants, and consequences.

Table 5.2 - Cohen's kappa reliability testing

#	Total Turning Points	Turning Points Identification Kappa	Turning Points Categorization Kappa	Precipitants Identification Kappa	Precipitants Categorization Kappa	Consequences Identification Kappa	Consequences Categorization Kappa
1	17	0.84	0.62	1.00	1.00	1.00	1.00
2	14	0.89	0.69	1.00	1.00	1.00	1.00
3	19	0.82	0.67	1.00	1.00	1.00	1.00
4	11	0.85	0.61	1.00	1.00	1.00	1.00
5	13	0.88	0.67	1.00	1.00	1.00	1.00
6	13	0.87	0.64	1.00	1.00	1.00	1.00
7	13	0.87	0.69	1.00	1.00	1.00	1.00
8	22	0.84	0.60	1.00	1.00	1.00	1.00
9	23	0.86	0.70	1.00	1.00	1.00	1.00
10	14	0.88	0.71	1.00	1.00	1.00	1.00
11	14	0.81	0.69	1.00	1.00	1.00	1.00
12	11	0.89	0.55	1.00	1.00	1.00	1.00
13	8	0.82	0.75	1.00	1.00	1.00	1.00
14	9	0.86	0.78	1.00	1.00	1.00	1.00
15	14	0.89	0.69	1.00	1.00	1.00	1.00
16	10	0.84	0.74	1.00	1.00	1.00	1.00
17	12	0.87	0.75	1.00	1.00	1.00	1.00
18	10	0.84	0.74	1.00	1.00	1.00	1.00
19	10	0.86	0.60	1.00	1.00	1.00	1.00
20	10	0.84	0.74	1.00	1.00	1.00	1.00
21	8	0.84	0.75	1.00	1.00	1.00	1.00
22	22	0.84	0.72	1.00	1.00	1.00	1.00
23	12	0.88	0.66	1.00	1.00	1.00	1.00
24	8	0.84	0.72	1.00	1.00	1.00	1.00
25	9	0.84	0.73	1.00	1.00	1.00	1.00

The kappa values display a perfect agreement between coders concerning the identification and categorization of precipitants and consequences (Cohen, 1960; McHugh, 2012). The values also present a strong level of agreement between coders in identifying turning points (with kappa scores between 0.82 and 0.89). On the other hand, as it occurred in phase one, the classification of turning points between abrupt and non-abrupt shows only a moderate level of agreement (with kappa scores between 0.55 and 0.78). Therefore, categorization amendments were solely performed for the turning points groups, as displayed in Table 5.3.

Table 5.3 - Cohen's Kappa reliability testing after amendments (For turning points categorization)

#	Total Turning Points	Turning Points Categorization Kappa before	Turning Points Categorization Kappa after
1	17	0.62	0.87
2	14	0.69	1.00
3	19	0.67	0.89
4	11	0.61	1.00
5	13	0.67	0.84
6	13	0.64	1.00
7	13	0.69	1.00
8	22	0.60	0.90
9	23	0.70	0.89
10	14	0.71	1.00
11	14	0.69	1.00
12	11	0.55	1.00
13	8	0.75	1.00
14	9	0.78	1.00
15	14	0.69	0.84
16	10	0.74	1.00
17	12	0.75	1.00
18	10	0.74	1.00
19	10	0.60	1.00
20	10	0.74	1.00
21	8	0.75	1.00
22	22	0.72	0.91
23	12	0.66	0.83
24	8	0.72	1.00
25	9	0.73	1.00

All differences in classification were subsequently resolved through discussion between the two researchers. Original tabulations resulting from data coding and subsequent inter-rater reliability measure can be found in Appendix G.

5.3.2 Categorization of the elements of the framework

Table 5.4 displays the total number of turning points in each simulation, alongside the categorization of precipitants into substantive and strategic (there are no procedural precipitants), of turning points into abrupt and non-abrupt, and of consequences into de-escalatory (towards agreement) and escalatory (away from the agreement).

Table 5.4 - Classification of the elements of the turning points analysis.

	Turning Points	Precipitants				Turning Points				Consequences			
		Substantive Precipitants	Strategic Precipitants	Substantive Precipitants	Strategic Precipitants	Abrupt Turning Points	Non-Abrupt Turning Points	Abrupt Turning Points	Non-Abrupt Turning Points	De-escalatory consequences	Escalatory consequences	De-escalatory consequences	Escalatory consequences
1	17	15	2	88.24%	11.76%	11	6	64.71%	35.29%	9	8	52.94%	47.06%
2	14	11	3	78.57%	21.43%	10	4	71.43%	28.57%	4	10	28.57%	71.43%
3	19	18	1	94.74%	5.26%	11	8	57.89%	42.11%	15	4	78.95%	21.05%
4	11	8	3	72.73%	27.27%	8	3	72.73%	27.27%	7	4	63.64%	36.36%
5	13	11	2	84.62%	15.38%	8	5	61.54%	38.46%	10	3	76.92%	23.08%
6	13	12	1	92.31%	7.69%	8	5	61.54%	38.46%	7	6	53.85%	46.15%
7	13	13	0	100.00%	0.00%	8	5	61.54%	38.46%	10	3	76.92%	23.08%
8	22	15	7	68.18%	31.82%	15	7	68.18%	31.82%	14	8	63.64%	36.36%
9	23	19	4	82.61%	17.39%	16	7	69.57%	30.43%	13	10	56.52%	43.48%
10	14	11	3	78.57%	21.43%	9	5	64.29%	35.71%	10	4	71.43%	28.57%
11	14	11	3	78.57%	21.43%	8	6	57.14%	42.86%	9	5	64.29%	35.71%
12	11	9	2	81.82%	18.18%	9	2	81.82%	18.18%	9	2	81.82%	18.18%
13	8	8	0	100.00%	0.00%	5	3	62.50%	37.50%	5	3	62.50%	37.50%
14	9	8	1	88.89%	11.11%	5	4	55.56%	44.44%	8	1	88.89%	11.11%
15	14	11	3	78.57%	21.43%	9	5	64.29%	35.71%	11	3	78.57%	21.43%
16	10	8	2	80.00%	20.00%	8	2	80.00%	20.00%	6	4	60.00%	40.00%
17	12	11	1	91.67%	8.33%	10	2	83.33%	16.67%	9	3	75.00%	25.00%
18	10	10	0	100.00%	0.00%	7	3	70.00%	30.00%	9	1	90.00%	10.00%
19	10	9	1	90.00%	10.00%	5	5	50.00%	50.00%	9	1	90.00%	10.00%
20	10	9	1	90.00%	10.00%	8	2	80.00%	20.00%	9	1	90.00%	10.00%
21	8	7	1	87.50%	12.50%	5	3	62.50%	37.50%	6	2	75.00%	25.00%
22	22	18	4	81.82%	18.18%	10	12	45.45%	54.55%	18	4	81.82%	18.18%
23	12	7	5	58.33%	41.67%	7	5	58.33%	41.67%	8	4	66.67%	33.33%
24	8	7	1	87.50%	12.50%	5	3	62.50%	37.50%	6	2	75.00%	25.00%
25	9	8	1	88.89%	11.11%	6	3	66.67%	33.33%	7	2	77.78%	22.22%
Total	326	274	52	84.05%	15.95%	211	115	64.72%	35.28%	228	98	69.94%	30.06%

The total number of turning points is 326, with a mean value of 13.04, a standard deviation of 4.43, a minimum value of 8, and a maximum of 23. In all the simulations except two, turning points were mainly abrupt. The total proportion of abrupt precipitants is 64.72%, with a minimum value of 45.45% and a maximum of 83.33%. In all the simulations, but one, consequences were mainly de-escalatory. The total proportion of de-escalatory consequences is 69.94%, with a minimum value of 28.57% and a maximum of 90.00%.

Twenty out of the 25 simulations ended in agreement. The mean value of the price outcome is \$2.90 bn. The median is \$2.80 bn, with a standard deviation of 0.58, a minimum value of \$2.00 bn, and a maximum of \$4.50 bn.

The following sections will test the three operational hypotheses, first assessing the relevant independent variable's influence on the first dependent variable, whether an agreement is reached, and then on the second dependent variable, the final negotiated price.

5.3.3 Influence of motivational factors over the outcome

The third operational hypothesis aims at evaluating the influence of motivational factors on the negotiation outcome. As part of the preparation phase and included in the task instructions, teams were required to determine each issue's priority level on a 1 to 3 scale (1 = high priority, 3 = low priority) and establish a priority ranking. All the teams (N = 50) correctly assessed each issue's priority level and the top three issues in the priority ranking, confirming the effectiveness of the social-motive manipulation (competitive vs cooperative). The manipulation check also confirms that negotiation experience (Elfenbein et al., 2008; Thompson, 1990) and the amount of negotiation training received (ElShenawy, 2010; Herbst & Schwarz, 2011; Steinel et al., 2007), two prerequisites of participants to the simulations, could predict the ability to assess the different interests at the negotiation table correctly.

5.3.3.1 Agreement attainment

As displayed in table 5.5, all the five negotiations that did not reach an agreement involved a seller (Auburn) primed with a competitive motivation: Out of 12 negotiations with a competitive Auburn negotiator, five ended with a no-deal. All the negotiations involving a cooperative Auburn negotiator resulted in an agreement. The buyer's motivational factor (Otas) did not influence whether an agreement was reached or not.

Table 5.5 - Crosstabulation between negotiators' motivation and agreement.

Condition * Agreement has been reached? Crosstabulation				
Count		Agreement has been reached?		
		No	Yes	Total
Condition	Competitive - Competitive	2	4	6
	Competitive - Cooperative	3	3	6
	Cooperative - Cooperative	0	7	7
	Cooperative - Competitive	0	6	6
Total		5	20	25

The chi-square test for homogeneity was performed to establish whether a difference is present between the binomial proportions of the seller's (Auburn) social motive and whether an agreement is reached or not. Table 5.6 displays the crosstabulation of the two variables, and table 5.7 presents the chi-square test results, more specifically, due to the small sample sizes, of the Fisher's exact test.

Table 5.6 - Crosstabulation: motivational factor seller and whether an agreement is reached.

Motivational Factor Auburn * Agreement has been reached? Crosstabulation					
			Agreement has been reached?		Total
			No	Yes	
Motivational Factor Auburn	Cooperative	Count	0	13	13
		Expected Count	2,6	10,4	13,0
		% within Motivational Factor Auburn	0,0%	100,0%	100,0%
		% within Agreement has been reached?	0,0%	65,0%	52,0%
		% of Total	0,0%	52,0%	52,0%
	Competitive	Count	5	7	12
		Expected Count	2,4	9,6	12,0
		% within Motivational Factor Auburn	41,7%	58,3%	100,0%
		% within Agreement has been reached?	100,0%	35,0%	48,0%
		% of Total	20,0%	28,0%	48,0%
Total	Count	5	20	25	
	Expected Count	5,0	20,0	25,0	
	% within Motivational Factor Auburn	20,0%	80,0%	100,0%	
	% within Agreement has been reached?	100,0%	100,0%	100,0%	
	% of Total	20,0%	80,0%	100,0%	

Table 5.7 - Chi-Square test of the seller's motivational factor's binomial proportions and whether an agreement is reached.

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	6,771 ^a	1	,009		
Continuity Correction ^b	4,417	1	,036		
Likelihood Ratio	8,719	1	,003		
Fisher's Exact Test				,015	,015
Linear-by-Linear Association	6,500	1	,011		
N of Valid Cases	25				

a. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,40.

b. Computed only for a 2x2 table

Twenty-five simulations were conducted, 12 with a competitive primed seller (Auburn) and 13 with a cooperative primed seller (Auburn). In the competitive situation, 5 (41.7%) negotiations did not reach an agreement, compared to the zero negotiations that did not reach an agreement in the cooperative seller priming. The results show a statistically significant difference in proportions of .417, $\chi^2(1) = 6.77$, $p = .015$.

The chi-square test also confirms that there is no significant difference in agreement attainment between the binomial proportions of the buyer (Otas) social motive, as displayed in tables 5.8 and 5.9.

Table 5.8 - Crosstabulation: motivational factor buyer and whether an agreement is reached.

			Agreement has been reached?		Total
			No	Yes	
Motivational Factor Otas	Cooperative	Count	3	10	13
		Expected Count	2,6	10,4	13,0
		% within Motivational Factor Otas	23,1%	76,9%	100,0%
		% within Agreement has been reached?	60,0%	50,0%	52,0%
		% of Total	12,0%	40,0%	52,0%
	Competitive	Count	2	10	12
		Expected Count	2,4	9,6	12,0
		% within Motivational Factor Otas	16,7%	83,3%	100,0%
		% within Agreement has been reached?	40,0%	50,0%	48,0%
		% of Total	8,0%	40,0%	48,0%
Total	Count	5	20	25	
	Expected Count	5,0	20,0	25,0	
	% within Motivational Factor Otas	20,0%	80,0%	100,0%	
	% within Agreement has been reached?	100,0%	100,0%	100,0%	
	% of Total	20,0%	80,0%	100,0%	

Table 5.9 - Chi-Square test of the buyer's motivational factor's binomial proportions and whether an agreement is reached.

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	,160 ^a	1	,689		
Continuity Correction ^b	,000	1	1,000		
Likelihood Ratio	,161	1	,688		
Fisher's Exact Test				1,000	,541
Linear-by-Linear Association	,154	1	,695		
N of Valid Cases	25				

a. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,40.

b. Computed only for a 2x2 table

Twenty-five simulations were conducted, 12 with a competitive primed buyer (Otas) and 13 with a cooperative primed buyer (Otas). In the competitive situation, 2 (40.0%) negotiations did not reach an agreement, compared to the three negotiations that did not reach an agreement in the cooperative buyer priming (60.0%). The results do not show a statistically significant difference in proportions, $\chi^2(1) = 0.16$, $p = 1.00$.

The next step in the analysis was to assess the combined impact of seller and buyer social motive on agreement attainment through a logistic regression model with three variables: Auburn motivation, Otas Motivation, and their interaction, Auburn motivation*Otas motivation. The model failed to converge mainly due to the small sample size and the limited variation (very few cases of not agreement). Consequently, bootstrapping was applied to improve the stability of the model. Although the resulting model was not stable enough to present the results here, the only significant coefficient was that of the seller. These results, although not entirely reliable, support the original exploration using chi-square tests.

Failed to fit a stable logistic model, a two-way analysis of variance was performed. Although this is not an orthodox approach as having a binomial dependent variable violates the normality assumption (Seltman, 2018), the analysis's conclusions reinforce the chi-square tests and logistic model findings. The results of the two-way analysis of variance are presented in Table 5.10, showing that solely Auburn motivation has a significant impact on agreement attainment, $F(1, 21) = 8,01, p = .010$.

Table 5.10 - ANOVA testing the effect of Auburn Motivation, Otas motivation, and Auburn*Otas motivation on agreement attainment.

Tests of Between-Subjects Effects					
Dependent Variable: Agreement has been reached?					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1,167 ^a	3	,389	2,882	,060
Intercept	15,599	1	15,599	115,614	,000
Motivation Auburn	1,080	1	1,080	8,007	,010
Motivation Otas	,043	1	,043	,320	,577
Motivation Auburn * Motivation Otas	,043	1	,043	,320	,577
Error	2,833	21	,135		
Total	20,000	25			
Corrected Total	4,000	24			

a. R Squared = ,292 (Adjusted R Squared = ,190)

Several studies suggest that logistic regression and discriminant analyses lead to comparable results and assess equivalent statistically significant coefficients, with equivalent effect size and trend (Antonogeorgos et al., 2009; Doungporn & Krieng, 2012; El-Habil & El-Jazzar, 2014). Because of the difficulty in determining meaningful findings from the logistic regression, following the two-way ANOVA, it was, therefore, determined to perform a discriminant function analysis, even though the binomial independent variables violate the normality assumption, and the sample size is relatively

small (El-Habil & El-Jazzar, 2014; Perme et al., 2004). The discriminant model, including both the seller and the buyer motivation, confirms that Otas motivation is not necessary for predicting the dependent variable, as displayed in tables 5.11 and 5.12.

Table 5.11 - Standardized function coefficients

Standardized Canonical Discriminant Function Coefficients	
	Function
	1
Motivational Factor Auburn	,996
Motivational Factor Otas	-,222

Table 5.12 - Correlation between each variable and the discriminant function

Structure Matrix	
	Function
	1
Motivational Factor Auburn	,975
Motivational Factor Otas	-,129

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions
Variables ordered by absolute size of correlation within function.

Tables 5.13-5.17 display the discriminant function analysis results with Auburn motivation as the independent variable.

Table 5.13 - Summary of canonical discriminant functions: Eigenvalue

Eigenvalues				
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	,371 ^a	100,0	100,0	,520

a. First 1 canonical discriminant functions were used in the analysis.

Table 5.14 - Summary of canonical discriminant functions: Wilks' Lambda

Wilks' Lambda				
Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	,729	7,107	1	,008

Table 5.15 - Standardized function coefficients

Standardized Canonical Discriminant Function Coefficients	
	Function
	1
Motivational Factor	1,000
Auburn	

Table 5.16 - Correlation between the variable and the discriminant function

Structure Matrix	
	Function
	1
Motivational Factor	1,000
Auburn	

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions
Variables ordered by absolute size of correlation within function.

Table 5.17 - Unstandardized function coefficients

Canonical Discriminant Function Coefficients	
	Function
	1
Motivational Factor	2,248
Auburn	
(Constant)	-1,079

Unstandardized coefficients

The model explains 27.04% of the dependent variable variance and does significantly better than chance at separating the two groups (agreement and no agreement), $p = .008$. The standardized coefficients and the structure matrix confirm that the independent variable is essential in predicting the dependent variable.

The discriminant function is the following:

$$D_i = -1.079 + (2.248 \times \text{seller motivational factor}) \quad (5.1)$$

A seller's cooperative motivation is very likely to lead to an agreement (97.35% probability): on the other hand, the probability of a seller's competitive motivation heading towards an agreement, despite being considerably lower (57.89%), is still above 50%. The results of the discriminant analysis clarify the very few cases of no agreement in the simulations.

Overall, the study results indicate a significant difference in whether an agreement is reached or not when the seller's (Auburn) motivation is competitive, with a not agreement significantly more likely in the seller's competitive situation, even though still less probable than an agreement. Conversely, the buyer's (Otas) motivation has no impact on whether an agreement is reached.

The findings also lead to a remarkable corollary result: the 20 negotiations that ended in an agreement were all integrative. An accord was reached on all issues from 2 to 6, besides price: the two companies were negotiated as a package; jobs, salaries, and pensions were preserved; production was maintained in the UK; engines were continued to be sourced from Auburn (the time frame of the deal on engines differed, between 3 to 10 years); and finally, the buyer committed to continuing the planned investments. The outcome substantiates the relevant literature, suggesting that experience improves negotiators' ability to correctly assess the other party's interests, the commitment to employ problem-solving behaviour, and the ability to attain better individual and joint outcomes (Elfenbein et al., 2008; Thompson, 1990).

5.3.3.2 Final negotiation price

A preliminary qualitative analysis found a possible relationship between the condition and the final price mean value, as displayed in Table 5.18 and Figure 5.1.

Table 5.18 - Condition and the final price (mean and standard deviation)

Report			
Final Price Outcome			
Condition	Mean	N	Std. Deviation
Competitive - Competitive	3,1750	4	1,02754
Competitive - Cooperative	2,9833	3	,68981
Cooperative - Cooperative	2,8500	7	,45000
Cooperative - Competitive	2,7417	6	,31051
Total	2,9025	20	,57617

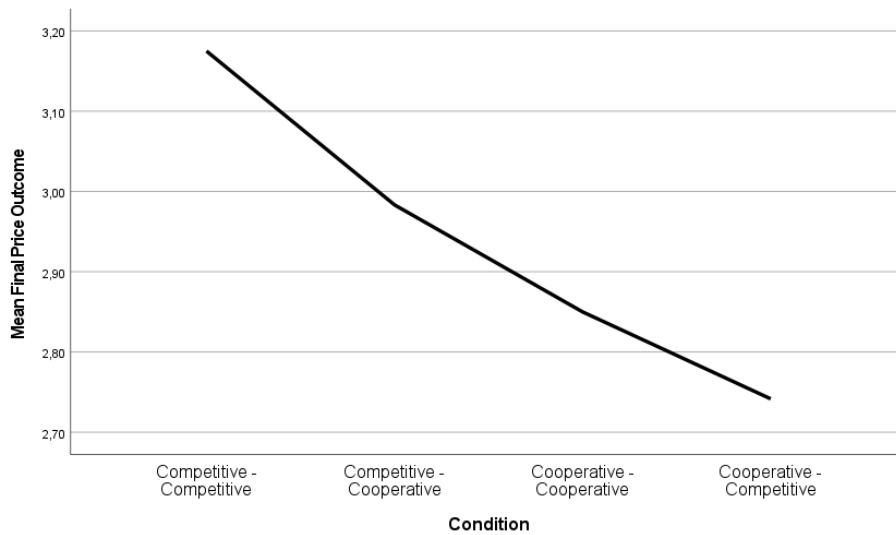


Figure 5.1 - Motivational factors and final price mean value

The Competitive-Competitive condition shows the highest mean value (\$3.18 bn) among all the states. In comparison, the condition Cooperative Auburn and Competitive Otas displays the lowest mean value (\$2.74 bn).

The next step in the analysis was to assess the combined impact of seller and buyer social motive on the final negotiation price through two-way analysis of variance with three variables: Auburn motivation, Otas Motivation, and their interaction, Auburn motivation*Otas motivation, as displayed in table 5.19.

Table 5.19 - ANOVA testing the effect of Auburn Motivation, Otas motivation, and Auburn*Otas motivation on the final negotiated price.

Tests of Between-Subjects Effects					
Dependent Variable: Final Price Outcome					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	,491 ^a	3	,164	,450	,721
Intercept	154,630	1	154,630	425,374	,000
Motivation Auburn	,360	1	,360	,989	,335
Motivation Otas	,008	1	,008	,021	,886
Motivation Auburn * Motivation Otas	,101	1	,101	,277	,606
Error	5,816	16	,364		
Total	174,797	20			
Corrected Total	6,307	19			

a. R Squared = ,078 (Adjusted R Squared = -,095)

The results show that neither the seller, buyer, or the combination of the seller and the buyer motivations significantly impact the price.

Figure 5.2 represents the marginal effects plot of the interaction between Auburn and Otas motivation. When the seller is competitive, the price will be higher if the buyer is

competitive than cooperative. On the other hand, when the seller is cooperative, the price will be higher under the cooperative-cooperative condition and lower when the buyer is competitive.

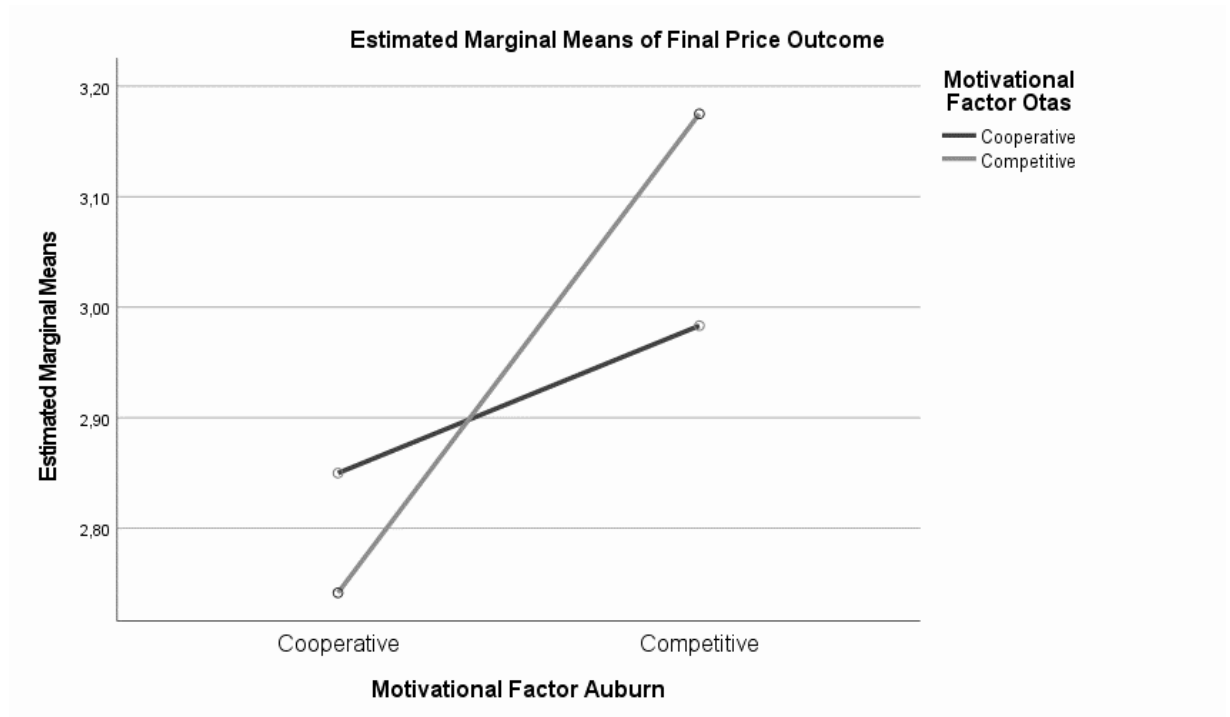


Figure 5.2 - Marginal effect plot of the interaction between Auburn and Otas motivation.

The data set's high variability due to the limited number of simulations could explain why the independent t-test did not confirm the seller's motivational factors' influence on the final price. Furthermore, it could also justify that the two-way analysis of variance (ANOVA) did not reinforce the effect of the four conditions on the negotiation result. However, the relationship between the condition and the final price should be further investigated. Figure 5.3 presents the graphical representation of the final price outcome's dispersion under the four conditions, highlighting the Competitive-Competitive condition's variability.

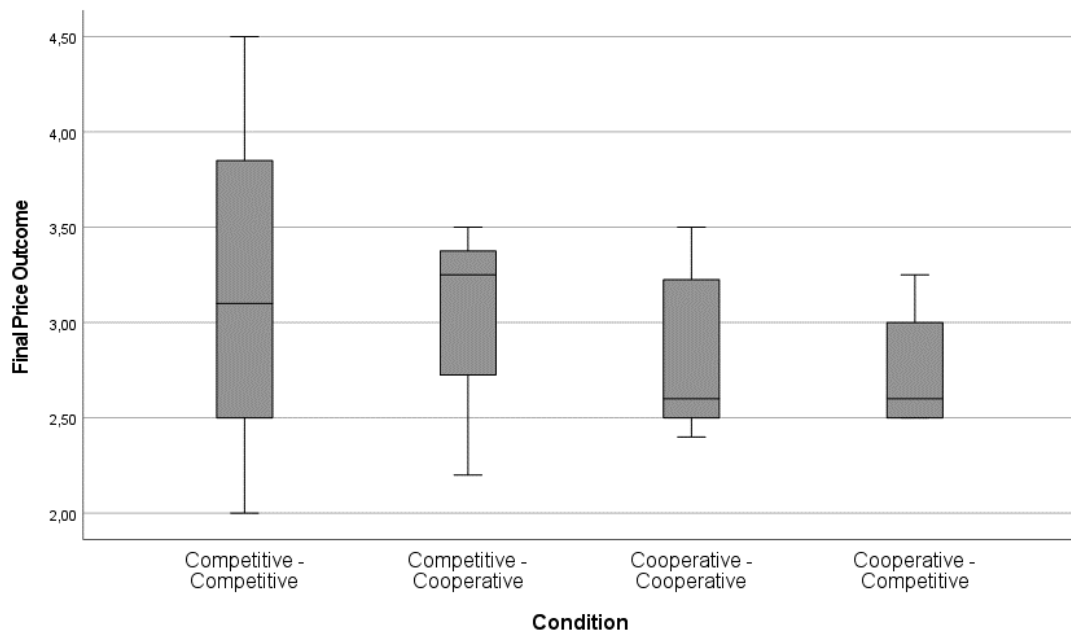


Figure 5.3 - Boxplot of the final price outcome under the four conditions.

Nevertheless, integrating the two findings, it can be tentatively stated that: A seller's competitive motivation is significantly more likely to lead to no agreement. Nevertheless, if an agreement is reached, then the final price will be higher. In other words, when the seller is primed with a competitive motivation, an agreement will only be reached if the final price is favourable to the seller. The highest price is most likely to occur when the buyer is primed with a competitive motivation. When the seller is primed with cooperative motivation, an agreement will be significantly more likely to be achieved. The buyer will reach the most favourable outcome (lowest final negotiation price), adopting a competitive motivation.

The finding conforms to the literature review, suggesting that competitive negotiators chase their goals by convincing the other party to yield, while cooperative negotiators display a prosocial attitude (De Dreu, 2004; Pruitt, 1983, 2002).

5.3.3.3 Summary

In summary, the seller's (Auburn) motivational factors influence whether an agreement is reached or not, with a competitive motivation significantly more likely to lead to no agreement. On the other hand, the buyer's (Otas) motivational factors do not significantly influence an agreement's attainment. Both Auburn and Otas motivational factors do not significantly impact the final negotiated price, even though a qualitative analysis found a relationship between Auburn motivation and final price: a seller's competitive motivation leads to a higher price. Further research would be needed to confirm the preliminary

conclusion: a seller's competitive motivation is more likely to lead to no agreement. However, if an agreement is reached, then the final price will be higher.

5.3.4 Impact of trust over the outcome

The fourth operational hypothesis intends to evaluate the influence of the degree of trust between the parties on negotiation outcomes.

Trust is a multidimensional concept founded on two main subfactors (Lewicki et al., 2006; Mayer & Davis, 1999). Cognitive trust is based on the other party's dependability and expertise. Affective trust is established through shared values and emotional connection. As displayed in Tables 5.20-5.21, the Trust questionnaire's cognitive and affective subscales showed an adequate internal consistency level, as determined by a Cronbach's alpha of 0.77 and 0.80, respectively (Cortina, 1993).

Table 5.20 - Cognitive trust Cronbach's alpha

Reliability Statistics - Cognitive Trust		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,765	,777	3

Table 5.21 - Affective trust Cronbach's alpha

Reliability Statistics - Affective Trust		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,795	,794	3

The analysis also showed, as expected (Olekalns & Smith, 2005b), a strong and significant correlation between negotiators' trust before and after the negotiation (cognitive trust, $r(48) = .64$, $p < .001$; affective trust, $r(48) = .76$, $p < .001$). Moreover, a moderate and significant correlation between participants' cognitive and affective trust, $r(48) = .43$, $p = .002$, confirmed the construct validity of the questionnaire and its ability to assess distinct dimension of trust (Druckman, 2005).

5.3.4.1 Agreement attainment

As displayed in tables 5.22 and 5.23, the point-biserial correlation analysis suggests a significant and moderate correlation between the sum of the buyer and seller affective trust after the simulation and whether an agreement is attained or not, $r_{pb}(23) = .49$, $p = .012$, with scores of the sum of the buyer and seller affective trust after the simulation when an agreement is reached higher than when an agreement is not attained, $M = 23.25$ ($SD = .84$) vs $M = 17.60$ ($SD = 2.52$). No significant correlation was found between the other trust-related variables and whether an agreement is attained.

Table 5.22 - Descriptive table of the sum of the buyer and seller affective trust after the simulation and agreement attainment.

Descriptives						
		Agreement has been reached?		Statistic	Std. Error	
Sum of the Affective trust after the negotiation	Yes	Mean		23,2500	,84254	
		95% Confidence Interval for Mean		Lower Bound	21,4866	
				Upper Bound	25,0134	
		5% Trimmed Mean		23,3333		
		Median		24,5000		
		Variance		14,197		
		Std. Deviation		3,76794		
		Minimum		16,00		
		Maximum		29,00		
		Range		13,00		
		Interquartile Range		5,00		
		Skewness		-,334		,512
		Kurtosis		-,849		,992
		No	Mean		17,6000	2,52190
	95% Confidence Interval for Mean		Lower Bound	10,5981		
			Upper Bound	24,6019		
	5% Trimmed Mean		17,7778			
	Median		20,0000			
	Variance		31,800			
	Std. Deviation		5,63915			
	Minimum		9,00			
	Maximum		23,00			
Range			14,00			
Interquartile Range			10,00			
Skewness			-1,029		,913	
Kurtosis			,075		2,000	

Table 5.23 - Point-biserial correlation between the sum of the buyer and seller affective trust after the simulation and agreement attainment

Correlations		
		Sum of the Affective trust after the negotiation
Agreement has been reached?	Pearson Correlation	-,493*
	Sig. (2-tailed)	,012
	N	25

*. Correlation is significant at the 0.05 level (2-tailed).

As presented in tables 5.24 and 5.25, to further explore the impact of the party's affective trust on whether an agreement is achieved, a point-biserial correlation was performed. The results indicate a significant and strong correlation between the buyer's (Otas) affective trust after the simulation and whether an agreement is attained, $r_{pb}(23) = .63$, $p = .001$, with scores of the buyer's affective trust after the simulation when an agreement is reached higher than when an agreement is not attained, $M = 12.10$ ($SD = .44$) vs $M = 8.20$ ($SD = .97$). No correlation was found between the seller's (Auburn) affective trust after the simulation and whether an agreement is achieved.

Table 5.24 - Descriptive table of buyer's Affective trust after the simulation and agreement attainment.

Descriptives							
		Agreement has been reached?	Statistic	Std. Error			
Affective Trust After Otas	Yes	Mean		12,1000	,44662		
		95% Confidence Interval for Mean	Lower Bound	11,1652			
			Upper Bound	13,0348			
		5% Trimmed Mean		12,1111			
		Median		12,5000			
		Variance		3,989			
		Std. Deviation		1,99737			
		Minimum		9,00			
		Maximum		15,00			
		Range		6,00			
		Interquartile Range		3,75			
		Skewness		-,240	,512		
		Kurtosis		-1,195	,992		
		Affective Trust After Otas	No	Mean		8,2000	,96954
				95% Confidence Interval for Mean	Lower Bound	5,5081	
Upper Bound	10,8919						
5% Trimmed Mean				8,1667			
Median				9,0000			
Variance				4,700			
Std. Deviation				2,16795			
Minimum				6,00			
Maximum				11,00			
Range				5,00			
Interquartile Range				4,00			
Skewness				,069	,913		
Kurtosis				-1,824	2,000		

Table 5.25 - Point-biserial correlation between Otas affective trust after the simulation and agreement attainment

Correlations			
		Affective Trust After Otas	Agreement has been reached?
Affective Trust After Otas	Pearson Correlation	--	
	N	25	
Agreement has been reached?	Pearson Correlation	-,626**	--
	Sig. (2-tailed)	,001	
	N	25	25

** . Correlation is significant at the 0.01 level (2-tailed).

A paired sample t-test was completed to explore the difference in the means between Otas affective trust before and after the simulation. The results presented in Table 5.26 indicate a significant increase in the score of Otas affective trust after the simulation, $M = 11.32$ ($SD = 2.54$) vs $M=10.04$ ($SD = 3.31$), $t(24) = 2.72$, $p = .012$.

Table 5.26 - Paired t-test on the difference in the means between Otas affective trust before and after the simulation

Paired Samples Test			
		Pair 1	
		Affective Trust Before Otas - Affective Trust After Otas	
Paired Differences	Mean		-1,28000
	Std. Deviation		2,35443
	Std. Error Mean		,47089
	95% Confidence Interval of the Difference	Lower	-2,25186
		Upper	-,30814
t			-2,718
df			24
Sig. (2-tailed)			,012

The first analysis found a significant and strong correlation between the buyer's affective trust after the simulation and whether an agreement is reached, with high scores leading to an agreement. The second evaluation suggests a significant increase in the buyer's affective trust after the simulation, when an agreement is attained, compared to before the simulation. Interestingly, of the five simulations that ended with no agreement, two present a decrease in the buyer's affective trust after the simulation, compared to before, and three display an equal score. None of them shows an increase in buyer's affective trust after the simulation.

A two-way mixed ANOVA was performed to assess the possible interaction between the buyer's affective trust before and after the simulation over agreement attainment. Table 5.27 shows the descriptive statistics, and table 5.26 presents the within-subjects effects.

Table 5.27 - Descriptive statistics of Otas affective trust before and after the simulation over agreement attainment.

Descriptive Statistics				
		Agreement has been reached?		
		Mean	Std. Deviation	N
Affective Trust Before Otas	No	8,8000	2,16795	5
	Yes	10,3500	3,51351	20
	Total	10,0400	3,31009	25
Affective Trust After Otas	No	8,2000	2,16795	5
	Yes	12,1000	1,99737	20
	Total	11,3200	2,54493	25

Table 5.28 - Within subjects' effects between Otas trust before and after the simulation and agreement attainment.

Tests of Within-Subjects Effects								
Measure: MEASURE_1								
Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	
Otas_affective_trust	Sphericity Assumed	2,645	1	2,645	1,097	,306	,046	
	Greenhouse-Geisser	2,645	1,000	2,645	1,097	,306	,046	
	Huynh-Feldt	2,645	1,000	2,645	1,097	,306	,046	
	Lower-bound	2,645	1,000	2,645	1,097	,306	,046	
Otas_affective_trust* AgreementB	Sphericity Assumed	11,045	1	11,045	4,579	,043	,166	
	Greenhouse-Geisser	11,045	1,000	11,045	4,579	,043	,166	
	Huynh-Feldt	11,045	1,000	11,045	4,579	,043	,166	
	Lower-bound	11,045	1,000	11,045	4,579	,043	,166	
Error (Otas_affective_trust)	Sphericity Assumed	55,475	23	2,412				
	Greenhouse-Geisser	55,475	23,000	2,412				
	Huynh-Feldt	55,475	23,000	2,412				
	Lower-bound	55,475	23,000	2,412				

The two-way interaction effect is statistically significant, $F(1, 23) = 4.57, p = .043$. As shown in Figure 5.4, the mean buyer's affective trust before the negotiation is higher when an agreement is reached ($M = 10.35$) than when an agreement is not reached ($M = 8.80$). Additionally, when an agreement is attained, the plot shows a strong increase in the mean buyer affective trust after the simulation ($M = 12.10$) compared to before ($M = 10.35$). On the other hand, when an agreement is not reached, there is a slight decrease in the mean buyer affective trust after the simulation ($M = 8.20$) compared to before ($M = 8.80$).

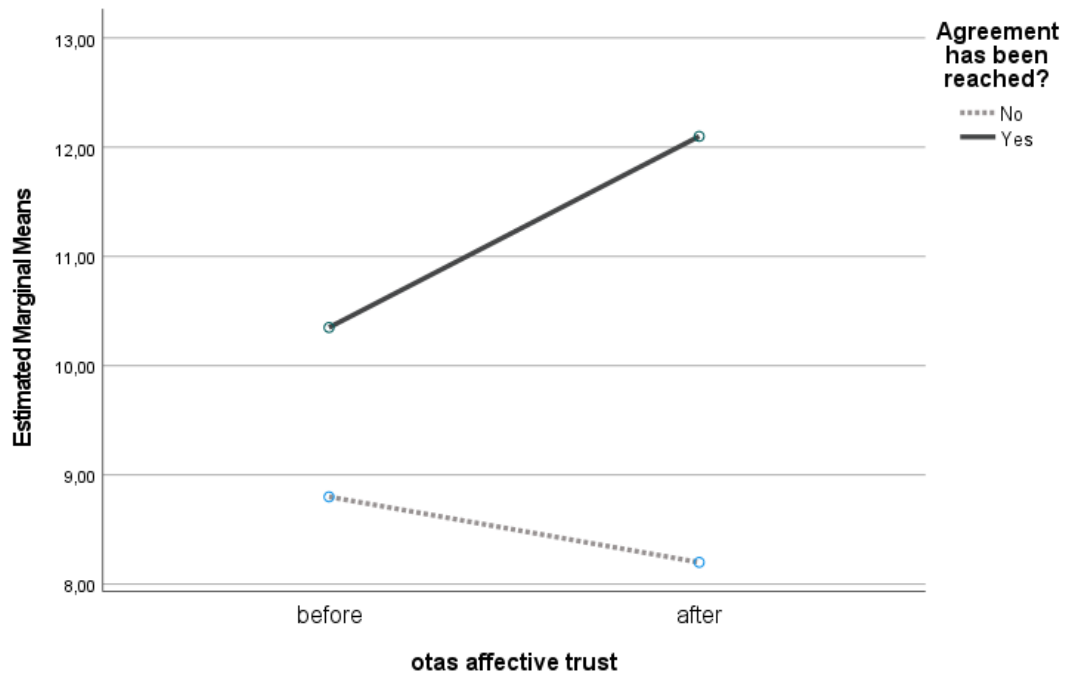


Figure 5.4 - Interaction between buyer affective trust before and after the simulation and agreement attainment.

A plausible explanation for the results is provided by the different development of the two trust dimensions. Cognitive trust is based on the other party's dependability and expertise. It develops slowly, and once formed, does not change over time. On the other hand, affective trust is established from the outset through shared values and emotional connections that can gradually shift during the negotiation process, affected by the frequency and length of interaction. Initial high affective trust leads to more information sharing, increased prosocial attitude, and, accordingly, increased affective trust leading to integrative outcomes (Lewicki & Stevenson, 1997; Lewicki & Polin, 2013; Morrow et al., 2004; Olekalns & Smith, 2005). The analysis supports the argument, suggesting a strong relationship between the buyer's affective trust before and after the simulation, $r(23) = .71, p < .001$.

Consequently, the following steps intend to assess the potential relationship between Otas affective trust after the simulation and Otas difference in affective trust between after and before the simulation. Additionally, the influence of the buyer difference in affective trust on whether an agreement is attained. Table 5.29 presents the analysis results showing no significant correlation between the buyer's affective trust after the simulation and the buyer's difference in affective trust between after and before the simulation.

Table 5.29 - Correlation between buyer affective trust after the simulation and buyer difference in affective trust between after and before the negotiation

Correlations			
		Affective Trust After Otas	Delta Affective Trust Otas
Affective Trust After Otas	Pearson Correlation	1	,089
	Sig. (2-tailed)		,673
	N	25	25
Delta Affective Trust Otas	Pearson Correlation	,089	1
	Sig. (2-tailed)	,673	
	N	25	25

The next step explored the influence of the buyer difference in affective trust on whether an agreement is attained. As displayed in table 5.30, the point-biserial correlation analysis suggests a significant and moderate correlation between the difference in the buyer's affective trust after and before the simulation and whether an agreement is attained or not, $r_{pb}(23) = .41$, $p = .043$.

Table 5.30 - Correlation between buyer difference in affective trust between after and before the negotiation and whether an agreement is reached.

Correlations			
		Delta Affective Trust Otas	Agreement has been reached?
Delta Affective Trust Otas	Pearson Correlation	1	-,407*
	Sig. (2-tailed)		,043
	N	25	25
Agreement has been reached?	Pearson Correlation	-,407*	1
	Sig. (2-tailed)	,043	
	N	25	25

*. Correlation is significant at the 0.05 level (2-tailed).

A hierarchical logistic regression model was performed to develop an equation for the relationship: Model 1 includes Otas affective trust after the simulation as an independent variable and whether an agreement is attained or not as the dichotomous dependent variable. Model 2 adds the difference of the buyer's affective trust before and after the simulation to the first model. Tables 5.31 to 5.38 display the results of the analysis.

Table 5.31 - Overall statistical significance of model 1

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	11,393	1	,001
	Block	11,393	1	,001
	Model	11,393	1	,001

Table 5.32 - Likelihood of model 1 improvement

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	13,627 ^a	,366	,579

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than ,001.

Table 5.33 - The estimated probability of prediction of model 1

Classification Table ^a					
Observed		Predicted			Percentage Correct
		Agreement has been reached?		No	
		Yes	No		
Step 1	Agreement has been reached?	Yes	20	0	100,0
		No	3	2	40,0
Overall Percentage					88,0

a. The cut value is ,500

Table 5.34 - Logistic regression predicting a no agreement based on model 1.

Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Affective Trust After Otas	1,029	,507	4,114	1	,043	2,798
	Constant	-9,001	4,893	3,384	1	,066	,000

a. Variable(s) entered on step 1: Affective Trust After Otas.

The first logistic regression model was statistically significant, $\chi^2(1) = 11.39$, $p = .001$. The improvement in model likelihood over the null model is 57.9% (Nagelkerke R^2), and the model correctly classified 88.0% of cases (compared to 80.0% of the null model). The predictive variable was statistically significant ($p = .043$). For each unit of increase in Otas affective trust score after the simulation, the odds of having an agreement increase by a factor of 2.80.

Table 5.35 - Overall statistical significance of model 2

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	2,636	1	,104
	Block	2,636	1	,104
	Model	14,029	2	,001

Table 5.36 - Likelihood of model 2 improvement

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	10,991 ^a	,429	,679

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than ,001.

Table 5.37 - The estimated probability of prediction of model 2

Classification Table ^a					
Observed		Predicted			Percentage Correct
		Agreement has been reached?		No	
		Yes	No		
Step 1	Agreement has been reached?	Yes	19	1	95,0
		No	1	4	80,0
Overall Percentage					92,0

a. The cut value is ,500

Table 5.38 - Logistic regression predicting whether an agreement will be reached based on model 2.

Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Affective Trust After Otas	,878	,484	3,291	1	,070	2,405
	Delta Affective Trust Otas	,673	,568	1,401	1	,237	1,959
	Constant	-7,959	4,781	2,771	1	,096	,000

a. Variable(s) entered on step 1: Affective Trust After Otas, Delta Affective Trust Otas.

With the addition of the independent variable difference in buyer affective trust between after and before the simulation, the model is still significant, $\chi^2(2) = 14.03$, $p = .001$. The improvement in model likelihood over the null model (Nagelkerle R^2) is 67.9% (compared to the 57.9% of model 1), and the model correctly classified 92.0% of cases (compared to the 88.0% of model 1). On the other hand, the difference in the buyer's affective trust between after and before does not show a significant impact on agreement attainment.

Testing the third hypothesis, a relationship between the seller's (Auburn) motivational factors and whether an agreement is reached or not was found. More specifically, a seller's competitive motivation is significantly more likely to lead to no agreement than a cooperative motivation. The findings of hypotheses 3 and 4 could be integrated to predict the probability that an observation falls into one of two categories of the 'yes or no agreement' dependent variable based on the seller motivation and the buyer affective trust after the simulation. The correlation analysis found no statistically significant relationship between Auburn's motivation and Otas' affective trust after the negotiation, $r_{pb}(23) = .25$, $p = .225$, as displayed in table 5.39.

Table 5.39 - Correlation analysis between Auburn motivation and Otas affective trust after the negotiation

Correlations		
		Motivational Factor Auburn
Affective Trust After Otas	Pearson Correlation	,252
	Sig. (2-tailed)	,225
	Sum of Squares and Cross-products	7,840
	Covariance	,327
	N	25

The binomial logistic regression performed to determine whether the addition of the seller motivation improved the percentage accuracy in classification, compared to the previously developed model 1, which included the buyer affective trust after the simulation, was again inconsequential. The model failed to converge mainly due to the small sample size and the limited variation (no cases of not agreement under the Auburn cooperative motive), resulting in exaggerated coefficient estimates and standard errors.

Because of the difficulty in determining a meaningful equation from the logistic regression results, it was, therefore, once again, determined to perform a discriminant function analysis, as presented in tables 5.40-5.44, even though the binomial independent variable violates the normality assumption and the sample size is relatively small (El-Habil & El-Jazzar, 2014; Perme et al., 2004).

Table 5.40 - Summary of canonical discriminant functions: Eigenvalue

Eigenvalues				
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	1,137 ^a	100,0	100,0	,729

a. First 1 canonical discriminant functions were used in the analysis.

Table 5.41 - Summary of canonical discriminant functions: Wilks' Lambda

Wilks' Lambda				
Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	,468	16,706	2	,000

Table 5.42 - Standardized function coefficients

Standardized Canonical Discriminant Function Coefficients	
	Function 1
Motivational Factor Auburn	-,663
Affective Trust After Otas	,826

Table 5.43 - Correlation between each variable and the discriminant function

Structure Matrix	
	Function 1
Affective Trust After Otas	,752
Motivational Factor Auburn	-,572

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions
Variables ordered by absolute size of correlation within function.

Table 5.44 - Unstandardized function coefficients

Canonical Discriminant Function Coefficients	
	Function 1
Motivational Factor Auburn	-1,491
Affective Trust After Otas	,407
(Constant)	-3,893

Unstandardized coefficients

The model explains 53.14% of the dependent variable variance and does significantly better than chance at separating the two groups (agreement and no agreement), $p < .001$. The standardized coefficients and the structure matrix confirm that both the independent variables are essential in predicting the dependent variable, with buyer affective trust after the negotiation carrying a slightly superior weight (.75 vs .57).

The discriminant function is the following:

$$D_i = -3.893 - (1.491 \times \text{seller motivational factor}) + (0.407 \times \text{buyer affective trust after the simulation}). \quad (5.1)$$

The subsequent chart displays the relationship between the discriminant function score and the probability of no agreement.

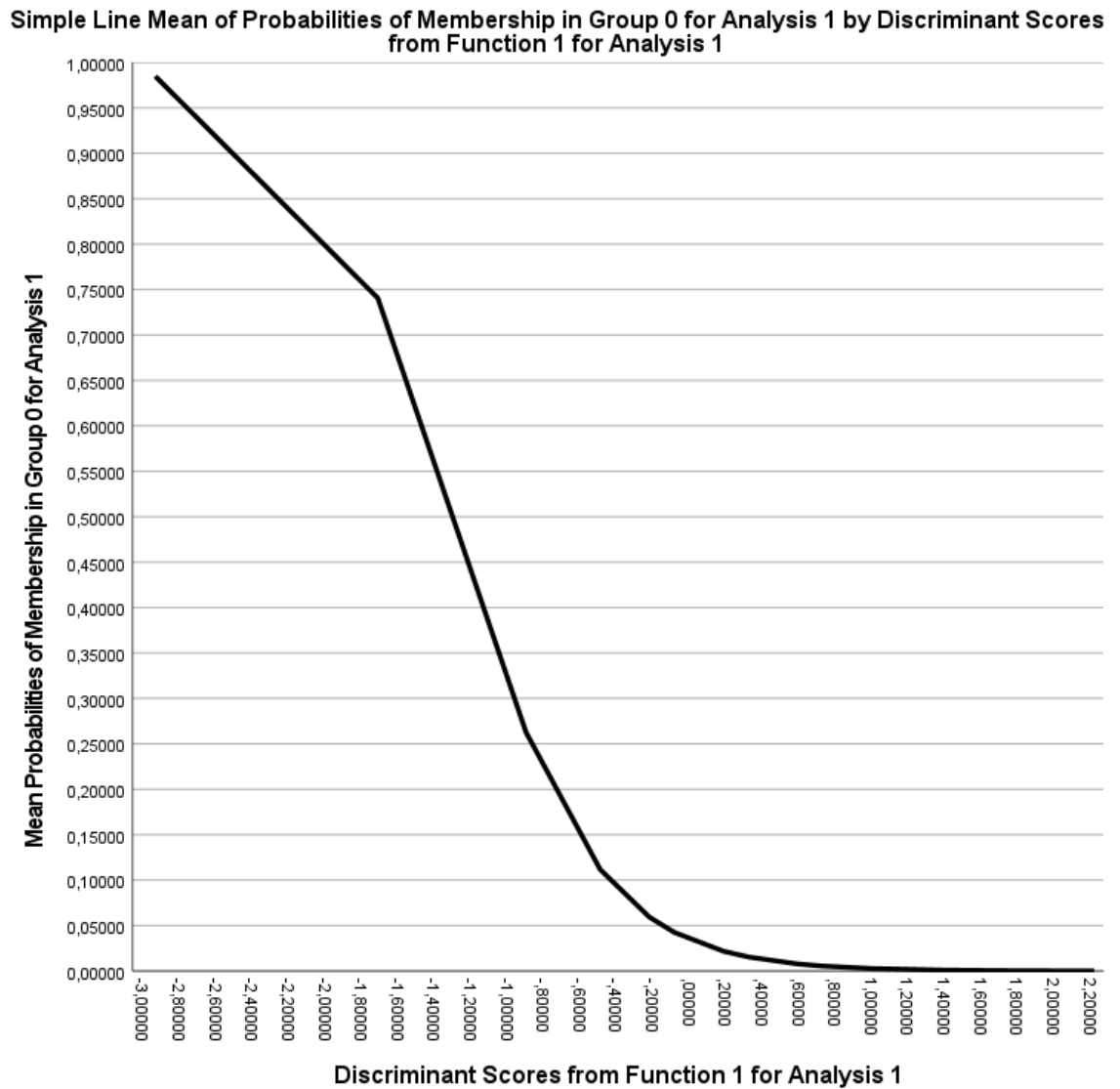


Figure 5.5 - The relationship between the discriminant function score and the probability of no agreement.

As displayed in Table 5.45, discriminant function scores close to zero or above are very likely to lead to an agreement.

Table 5.45 - Probability of no agreement based on the two independent variables, with high buyer affective trust after the simulation scores.

Seller Motivation	Buyer affective trust score after the simulation	Discriminant function score	Mean probability of a no agreement
Cooperative	9	-0.23	5.94%
Cooperative	10	0.18	2.18%
Cooperative	11	0.58	0.78%
Cooperative	12	0.99	0.28%
Cooperative	13	1.40	0.10%
Cooperative	14	1.81	0.04%
Cooperative	15	2.21	0.12%
Competitive	12	-0.5	11.17%
Competitive	13	-0.09	4.25%
Competitive	14	0.31	1.55%
Competitive	15	0.72	0.55%

Scores of the buyer affective trust after the simulation higher than 12 (the maximum score in the affective trust questionnaire is 15) are very likely to lead to an agreement regardless of the seller's motivation. Nevertheless, a seller's cooperative motivation is significantly likely to lead to an agreement. As displayed in table 5.46, the 99% confidence interval of the buyer affective trust after the simulation has a lower bound of 9.90 and an upper bound of 12.74. The probability of no agreement is above 90% when the seller has a competitive motivation, and the buyer's affective trust after the simulation score is ≤ 7 .

Table 5.46 - Descriptive statistics of Otas affective trust after the simulation

Descriptives			Statistic	Std. Error
Affective Trust After Otas	Mean		11,3200	,50899
	99% Confidence Interval for Mean	Lower Bound	9,8964	
		Upper Bound	12,7436	
	5% Trimmed Mean		11,4111	
	Median		11,0000	
	Variance		6,477	
	Std. Deviation		2,54493	
	Minimum		6,00	
	Maximum		15,00	
	Range		9,00	
	Interquartile Range		4,50	
	Skewness		-,473	,464
	Kurtosis		-,406	,902

The mean probability of no agreement is above 50% for a competitive seller with a buyer affective trust score after the simulation \leq ten and a cooperative seller with a buyer affective trust score after the simulation $<$ seven (notably, the minimum score in affective trust score after the simulation is six).

5.3.4.2 Final negotiation price

The correlation analysis performed between Auburn and Otas trust (both cognitive and affective) and the final negotiated price did not find any statistically significant relationship between trust and final price.

5.3.4.3 Summary

In summary, the analysis found that the buyer's (Otas) affective trust is significantly and strongly correlated with whether an agreement is reached or not. Consequently, the fourth hypothesis is partially confirmed: Otas affective trust after the simulation influences whether an agreement is attained.

Combining the findings from the third and fourth hypotheses testing indicates that the probability of an agreement is influenced by the seller motivation and the buyer's affective trust score after the simulation. Both a seller's cooperative motive and a high score in the buyer's affective trust increase the probability of an agreement.

5.3.5 Impact of power over the outcome

The fifth operational hypothesis aims at assessing the influence of perceived relative power on negotiation outcomes. The analysis showed, as expected (Druckman et al., 2009; Druckman & Olekalns, 2013), a significant correlation between negotiators' power perception before and after the negotiation, $r(48) = .62, p < .001$.

5.3.5.1 Agreement attainment

The point-biserial correlation analysis shows no significant influence of the sum of the buyer and seller power perception (both before, $r_{pb}(23) = .09, p = .657$, and after the simulation, $r_{pb}(23) = .16, p = .453$) on agreement attainment. The correlation analysis also indicates no significant association between the seller power perception before and after the simulation and agreement attainment at the negotiators' level. On the other hand, the point-biserial correlation analysis found a moderate and significant at 10% relationship between the buyer difference in power between after and before the simulation and agreement attainment, $r_{pb}(23) = .37, p = .073$.

A two-way mixed ANOVA was performed to assess the possible interaction between the buyer power perception before and after the simulation over agreement attainment. Table 5.47 shows the descriptive statistics, and table 5.48 presents the within-subjects effects.

Table 5.47 - Descriptive statistics of Otas power perception before and after the simulation over agreement attainment.

Descriptive Statistics				
	Agreement has been reached?	Mean	Std. Deviation	N
Power Perception Before Otas	No	70,0000	11,18034	5
	Yes	62,7500	13,90522	20
	Total	64,2000	13,51542	25
Power Perception After Otas	No	62,0000	12,54990	5
	Yes	67,2500	13,22627	20
	Total	66,2000	13,01281	25

Table 5.48 - Within subjects' effects between Otas power perception before and after the simulation and agreement attainment.

Tests of Within-Subjects Effects							
Measure: MEASURE_1							
Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Otas_power	Sphericity Assumed	24,500	1	24,500	,277	,604	,012
	Greenhouse-Geisser	24,500	1,000	24,500	,277	,604	,012
	Huynh-Feldt	24,500	1,000	24,500	,277	,604	,012
	Lower-bound	24,500	1,000	24,500	,277	,604	,012
Otas_power * AgreementB	Sphericity Assumed	312,500	1	312,500	3,528	,073	,133
	Greenhouse-Geisser	312,500	1,000	312,500	3,528	,073	,133
	Huynh-Feldt	312,500	1,000	312,500	3,528	,073	,133
	Lower-bound	312,500	1,000	312,500	3,528	,073	,133
Error(Otas_power)	Sphericity Assumed	2037,500	23	88,587			
	Greenhouse-Geisser	2037,500	23,000	88,587			
	Huynh-Feldt	2037,500	23,000	88,587			
	Lower-bound	2037,500	23,000	88,587			

The two-way interaction effect is statistically significant at 10%, $F(1, 23) = 3.53, p = .073$. As shown in Figure 5.6, the mean buyer power perception before the negotiation is lower when an agreement is attained ($M = 62.75$) than when it is not ($M = 70.00$). Additionally, in the case of no agreement, there is a decrease in the mean buyer power perception after the simulation ($M = 62.00$) compared to before ($M = 70.00$). On the other hand, when an agreement is attained, the plot shows a slight increase in the mean buyer power perception after the simulation ($M = 67.25$) compared to before ($M = 62.75$).

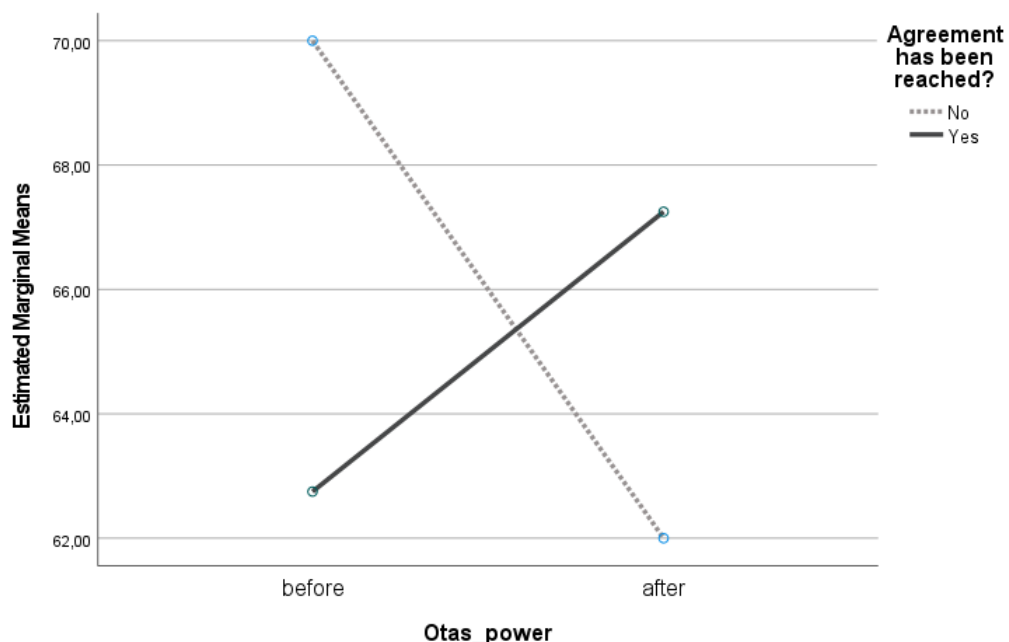


Figure 5.6 - The interaction between the buyer power perception before and after the simulation and agreement attainment

A relationship between the buyer's affective trust after the simulation and whether an agreement is reached or not was found, testing the fourth hypothesis. More specifically,

for each unit of increase in Otas affective trust score after the simulation, the odds of having an agreement increase by a factor of 2.798. The findings of hypotheses 4 and 5 could be integrated to predict the probability that an observation falls into one of two categories of the 'yes or no agreement' dependent variable based on the buyer affective trust after the simulation and the difference of buyer power perception before and after the simulation. The correlation analysis found no statistically significant relationship between Otas difference in power perception between after and before the simulation and Otas affective trust after the negotiation, $r = .25$, $p = .239$, as displayed in table 5.49.

Table 5.49 - Correlation analysis between the difference of Otas power perception before and after the simulation and Otas affective trust after the negotiation

Correlations		
		Delta Power Perception Otas
Affective Trust After Otas	Pearson Correlation	,245
	Sig. (2-tailed)	,239
	N	25

As displayed in tables 5.50-5.51, the binomial logistic regression was performed to verify the assumption by determining if the addition of the difference of buyer power perception before and after the simulation improved the percentage accuracy in classification, compared to the previously developed model that included the buyer affective trust after the simulation,

Table 5.50 - Overall statistical significance of the model

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	13,568	2	,001
	Block	13,568	2	,001
	Model	13,568	2	,001

Table 5.51 - Logistic regression predicting whether an agreement will be reached based on the model.

Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Affective Trust After Otas	1,004	,504	3,969	1	,046	2,730
	Delta Power Perception Otas	,080	,061	1,708	1	,191	1,083
	Constant	-8,365	4,755	3,094	1	,079	,000

a. Variable(s) entered on step 1: Affective Trust After Otas, Delta Power Perception Otas.

With the addition of the independent variable difference of buyer power perception between after and before the negotiation, the model is significant, $\chi^2(2) = 13.57$, $p = .001$. Nevertheless, despite correctly classifying 92.0% of cases (compared to 88.0% of model 1, the buyer power perception difference between after and before the negotiation does not significantly impact agreement attainment.

5.3.5.2 Final negotiation price

Concerning the second dependent variable, final negotiation price, the correlation analysis shows a significant and strong correlation between the seller (Auburn) difference in power perception after and before the simulation and the final price of the negotiation, $r(18) = 0.61$, $p = .004$, as presented in table 5.52. The correlation analysis also indicates no significant association between the buyer power perception before and after the simulation and the final negotiated price.

Table 5.52 - Correlation table between delta seller power perception and negotiation price outcome.

Correlations		
		Final Price Outcome
Delta Power Perception Auburn	Pearson Correlation	,611**
	Sig. (2-tailed)	,004
	N	20

** . Correlation is significant at the 0.01 level (2-tailed).

Linear regression with Auburn's difference in power perception between after and before the simulation as the independent variable and the final negotiated price as the dependent variable was performed to develop the equation model. Tables 5.53-5.55 present the results: Auburn difference in power perception between before and after the simulation can significantly and positively predict the final negotiated price, $F(1, 18) = 10.72$, $p = .004$, and accounts for 37.3% of the explained variability in negotiation outcomes.

Table 5.53 - Proportion of variance explained.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,611 ^a	,373	,339	,46860

a. Predictors: (Constant), Delta Power Perception Auburn

Table 5.54 - ANOVA of the relationship between seller delta power after and before the simulation and final price outcome.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,355	1	2,355	10,724	,004 ^b
	Residual	3,953	18	,220		
	Total	6,307	19			

a. Dependent Variable: Final Price Outcome
b. Predictors: (Constant), Delta Power Perception Auburn

Table 5.55 - Regression analysis between Auburn difference in power perception between after and before the simulation and negotiation final price

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,730	,117		23,288	,000
	Delta Power Perception Auburn	,024	,007	,611	3,275	,004

a. Dependent Variable: Final Price Outcome

The regression equation is the following:

$$\text{Final price outcome} = 2.730 + (0.024 \times \text{seller delta power perception}). \quad (5.2)$$

An increase of ten points in the seller difference in power perception between after and before the simulation is associated with an increase in the outcome price of \$0.24 bn. The finding supports the notion that unequal power between the parties leads to an unbalanced exchange distribution (Alavoine and Estieu, 2015; De Dreu, 2005; Giebels et al., 2000; Lopez-Fresno et al., 2018; Molm, 1991).

A relationship between the seller’s motivational factor and the final negotiation price was found testing the third hypothesis, even though not statistically confirmed because of the high variability under the competitive-competitive condition, with a competitive seller motivation leading to a higher price. The findings of hypotheses 3 and 5 could be combined to predict the final negotiation price based on the seller motivation and the difference in power perception between after and before the simulation. Multiple regression was performed to verify the assumption by determining whether the seller's difference in power perception between after and before the simulation enhanced the final negotiation outcome's prediction. Tables 5.56-5.58 provide the complete specifics of the analysis.

Table 5.56 - Proportion of variance explained.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,628 ^a	,394	,323	,47421

a. Predictors: (Constant), Delta Power Perception Auburn, Motivational Factor Auburn

Table 5.57 - ANOVA of the relationship between the difference in power perception between after and before the simulation and the final price outcome.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,485	2	1,242	5,524	,014 ^b
	Residual	3,823	17	,225		
	Total	6,307	19			

a. Dependent Variable: Final Price Outcome

b. Predictors: (Constant), Delta Power Perception Auburn, Motivational Factor Auburn

Table 5.58 - Multiple Regression analysis between Auburn difference in power perception between after and before the simulation and negotiation final price

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,677	,138		19,471	,000
	Motivational Factor Auburn	,172	,226	,146	,760	,458
	Delta Power Perception Auburn	,023	,007	,585	3,052	,007

a. Dependent Variable: Final Price Outcome

The full model is statistically significant, $F(2,17) = 5.524$, $p = .014$, and accounts for 32.3% of the explained variability in negotiation outcomes. As expected, the seller motivational factor was not significant in predicting negotiation outcomes because of the data set's high variability. Nevertheless, following the qualitative analysis performed in testing the third hypothesis, which established a weak relationship between Auburn motivation and final price, it was determined to include the independent variable in the exploratory equation.

The multiple regression equation is the following:

$$\text{Final price outcome} = 2.677 + (.172 \times \text{seller motivational factor}) + (0.023 \times \text{seller delta power perception}). \quad (5.3)$$

A seller's competitive motivation increases the final price outcome by \$0.17 bn. In comparison, an increase of ten points in the seller difference in power perception between after and before the simulation increases the final price outcome by \$0.23 bn. For predictive purposes, just the previously defined parsimonious model, including Auburn's difference in power perception between after and before the simulation, should be adopted.

The correlation analysis did not find any statistically significant relationship between Auburn's motivation and the difference of power perception between after and before the simulation, $r = -.11$, $p = .609$, as displayed in table 5.59.

Table 5.59 - Correlation analysis between Auburn motivation and Auburn difference of power perception between after and before the simulation

Correlations		Motivational Factor Auburn
Delta Power Perception Auburn	Pearson Correlation	-,108
	Sig. (2-tailed)	,609
	Sum of Squares and Cross-products	-18,400
	Covariance	-,767
	N	25

A paired sample test was performed to explore the difference in the means between Auburn power perception after and before the simulation. The results presented in Table 5.58 indicate a significant increase in the score of Auburn Power Perception after the simulation ($M = 55.60$, $(SD = 17.81)$ vs $M = 48.80$, $(SD = 14.38)$, $t(24) = 2.43$, $p = .023$, confirming the increase in the seller delta power perception, directly associated to an increase in the final price outcome. The mean increase in Auburn Power perception after the simulation is $M = 6.80$.

Table 5.60 – Paired sample t-test to assess the difference in means between Auburn Power perception after and before the simulation.

Paired Samples Test			
		Pair 1	
		Power Perception After Auburn - Power Perception Before Auburn	
Paired Differences	Mean		6,80000
	Std. Deviation		13,98511
	Std. Error Mean		2,79702
	95% Confidence Interval of the Difference	Lower	1,02723
		Upper	12,57277
t			2,431
df			24
Sig. (2-tailed)			,023

As displayed in Table 5.61, the mean increase in Auburn Power perception after the simulation ($M = 7.25$) is even more relevant considering only the simulations that ended into an agreement, $t(19) = 2.19$, $p = .041$.

Table 5.61 - Paired sample t-test to assess the difference in means between Auburn Power perception after and before the simulation (only simulations ending into an agreement)

Paired Samples Test			
		Pair 1	
		Power Perception After Auburn - Power Perception Before Auburn	
Paired Differences	Mean		7,25000
	Std. Deviation		14,82130
	Std. Error Mean		3,31414
	95% Confidence Interval of the Difference	Lower	,31342
		Upper	14,18658
t			2,188
df			19
Sig. (2-tailed)			,041

The literature review suggests a relationship between a competitive motive and a higher power perception (De Dreu, 2004; De Dreu et al., 2000). An increase in power perception is associated with a decrease in dependence (Bacharach & Lawler, 1981; Druckman &

Olekalns, 2013) or the assessment of having a better BATNA than the other party (Kim et al., 2005). As a result, each negotiator increases or decreases its power perception based on the information relative to the other party's BATNA during the negotiation.

5.3.5.3 Summary

In summary, the main findings of the fifth hypothesis testing are the following: Power perception has no significant influence on whether an agreement is attained, but it significantly affects the final negotiated price. Specifically, Auburn's difference in power perception between after and before the simulation significantly and positively predicts negotiation outcomes.

Moreover, the analysis led to developing the full statistically significant model of seller motivation and seller difference in power perception between after and before the simulation.

5.3.6 Coalition building and culture.

The second phase also aimed to confirm, from a micro-behavioural perspective, two first phase findings. Concerning coalition building, among internal precipitants, strategic ones are the main originators of turning points in CBMA negotiations between automobile manufacturers only if government and union support is not manifested during the early stages of the negotiation and must be secured during the negotiation process. The second outcome to be validated regards culture. The impact of cultural distance in generating turning points is secondary to strategic, contextual, and company-specific variables.

5.3.6.1 Difference between strategic and substantive precipitants.

As presented in table 5.62, in all the 25 analysed simulations turning points were mainly generated by substantive precipitants. The total proportion of substantive precipitants is 84.05%, with a minimum value of 58.33% and a maximum of 100%.

Table 5.62 - Descriptive table of precipitants categorization (number and proportion)

	Turning Points	Precipitants			
		Substantive Precipitants	Strategic Precipitants	Substantive Precipitants	Strategic Precipitants
1	17	15	2	88.24%	11.76%
2	14	11	3	78.57%	21.43%
3	19	18	1	94.74%	5.26%
4	11	8	3	72.73%	27.27%
5	13	11	2	84.62%	15.38%
6	13	12	1	92.31%	7.69%
7	13	13	0	100.00%	0.00%
8	22	15	7	68.18%	31.82%
9	23	19	4	82.61%	17.39%
10	14	11	3	78.57%	21.43%
11	14	11	3	78.57%	21.43%
12	11	9	2	81.82%	18.18%
13	8	8	0	100.00%	0.00%
14	9	8	1	88.89%	11.11%
15	14	11	3	78.57%	21.43%
16	10	8	2	80.00%	20.00%
17	12	11	1	91.67%	8.33%
18	10	10	0	100.00%	0.00%
19	10	9	1	90.00%	10.00%
20	10	9	1	90.00%	10.00%
21	8	7	1	87.50%	12.50%
22	22	18	4	81.82%	18.18%
23	12	7	5	58.33%	41.67%
24	8	7	1	87.50%	12.50%
25	9	8	1	88.89%	11.11%
Total	326	274	52	84.05%	15.95%

The paired-sample test confirms the preliminary descriptive analysis, as represented in tables 5.63-5.64.

Table 5.63 - Statistics of the paired-sample test between strategic and substantive precipitants

Paired Samples Statistics					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Number of Strategic Precipitants	2,0800	25	1,68127	,33625
	Number of Substantive Precipitants	10,9600	25	3,56464	,71293

Table 5.64 - Paired-sample test between strategic and substantive precipitants.

Paired Samples Test				
		Pair 1		
		Number of Strategic Precipitants - Number of Substantive Precipitants		
Paired Differences	Mean		-8,88000	
	Std. Deviation		3,38280	
	Std. Error Mean		,67656	
	95% Confidence Interval of the Difference	Lower		-10,27635
		Upper		-7,48365
t			-13,125	
df			24	
Sig. (2-tailed)			,000	

The number of substantive precipitants ($M = 10.96$, $SD = .71$) is significantly higher than the number of strategic ones ($M = 2.08$, $SD = .33$), $t(24) = -13.125$, $p < .001$. Because in the task instructions, it is assumed that discussions between the buyer, Otas, and the union had already occurred, the analysis supports the finding from phase one.

Consequently, it can be asserted that, among internal precipitants, strategic ones are the main originators of turning points in CBMA negotiations between automobile manufacturers, only if government and union support is not manifested during the early stages of the negotiation and must be secured during the negotiation process.

5.3.6.2 Impact of cultural differences.

The literature review, assessing the impact of culture on international negotiations from a micro-behavioural perspective, outlined two main research directions. The prevalent avenue claims that cultural distance has a negative impact on international negotiations. The second line of inquiry argues that culture's impact is subordinate to strategic, contextual, and company-specific variables, specifically where organizations and negotiators undergo a learning process from previous CBMA experiences.

The candidate and the second independent researcher adhered to the same guideline adopted in phase one in weighing the impact of culture during the second step of the turning points analysis: "Culture is defined as the socially transmitted behaviour patterns, norms, beliefs and values of a given community" (Salacuse, 1998: 222) influencing the

negotiation process, with specific reference to communication, emotions, time perception, attitude, negotiating style, decision making, risk-taking (Salacuse, 1999).

The analysis of the 326 precipitants generating turning points in the 25 simulations provides a crucial finding: only one (0.31%) of the precipitants triggering turning points was ascribable solely to cultural differences between the negotiators (specifically the negotiator representing Otas explicitly mentioned potential problems in the M&A due to cultural barriers between British and Indians).

Table 5.65 represents the number and proportion of precipitants leading to turning points that could also be imputable to cultural differences, alongside other contextual, strategic, and company-specific variables.

Table 5.65 - Number and proportion of precipitants generating turning points, ascribable also to cultural distance.

#	Total Turning Points	Precipitants that could be referable to cultural distance	Precipitants that could be referable to cultural distance
1	17	1	5.88%
2	14	0	0.00%
3	19	1	5.26%
4	11	0	0.00%
5	13	0	0.00%
6	13	1	7.69%
7	13	0	0.00%
8	22	1	4.55%
9	23	1	4.35%
10	14	0	0.00%
11	14	0	0.00%
12	11	0	0.00%
13	8	0	0.00%
14	9	0	0.00%
15	14	0	0.00%
16	10	0	0.00%
17	12	0	0.00%
18	10	0	0.00%
19	10	0	0.00%
20	10	0	0.00%
21	8	0	0.00%
22	22	1	4.55%
23	12	1	8.33%
24	8	0	0.00%
25	9	0	0.00%
Total	326	7	2.15%

The second step of the turning points analysis of the 326 precipitants generating precipitants in the 25 simulations provides a second critical finding: only seven (2.15%)

of the precipitants triggering turning points could also be imputable cultural differences, alongside other contextual, strategic, and company-specific variables.

The paired-sample test in Tables 5.66-5.67 supports the qualitative result. The number of precipitants not ascribable to cultural distance is significantly higher than the number of precipitants also referable to cultural distance alongside other contextual, strategic, and company-specific variables ($M = 12.76$, $SD = 4.10$ vs $M = 0.28$, $SD = .46$), $t(24) = 16.48$, $p < .001$.

Table 5.66 - Paired sample t-test statistics between the number of precipitants not ascribable to cultural distance and the number of precipitants also referable to cultural distance alongside other contextual, strategic, and company-specific variables.

Paired Samples Statistics					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Precipitants not ascribable to culture	12,7600	25	4,09553	,81911
	Precipitants referable also to culture	,2800	25	,45826	,09165

Table 5.67 - Paired sample t-test between the number of precipitants not ascribable to cultural distance and the number of precipitants also referable to cultural distance alongside other contextual, strategic, and company-specific variables.

Paired Samples Test				
		Pair 1		
		Precipitants not ascribable to culture - Precipitants referable also to culture		
Paired Differences	Mean		12,48000	
	Std. Deviation		3,78726	
	Std. Error Mean		,75745	
	95% Confidence Interval of the Difference	Lower		10,91670
		Upper		14,04330
t			16,476	
df			24	
Sig. (2-tailed)			,000	

From a micro-behavioural perspective, the results support phase one findings: the impact of culture is secondary to strategic, contextual, and company-specific variables, specifically where organizations and negotiators undergo a learning process from previous international negotiation experiences.

5.4 Summary

By exploring the impact of motivational and relational factors on CBMA negotiations between automobile manufacturers, and despite the limitations due to the global pandemic, phase two has accomplished the last three research objectives:

1. To evaluate the role of motivational factors in shaping the CBMA negotiation process.
2. To evaluate the role of relational factors in shaping the CBMA negotiation process.
3. To identify the main factors that influence the outcome of cross-border M&A negotiations between automobile manufacturers and provide managers and practitioners with strategies to prepare better.

The main findings of phase two follow the structure of the three operational hypotheses testing and are summarized according to the two dependent variables, agreement attainment and the final negotiated price.

The last section outlines the study's secondary findings.

5.4.1 Agreement attainment

The results of the third hypothesis testing indicate that there is a significant correlation between Auburn's motivation and whether an agreement is reached or not. When the seller's motivation is competitive, no agreement is significantly more likely. Nevertheless, according to the discriminant analysis results, the probability of a no agreement is lower than 50%, even under the Auburn competitive motive. An Auburn cooperative motivation is significantly likely to lead to agreement. Conversely, the buyer's (Otas) motivation has no impact on whether an agreement is reached.

Although the correlation analysis did not determine any statistically significant relationship between power factors and agreement attainment, the fourth hypothesis testing conclusions suggest a significant and strong correlation between Otas affective trust after the simulation and agreement attainment: a high score in Otas affective trust after the simulation increases the probability of reaching an agreement. Because the logistic regression model failed to converge due to the independent categorical variable Auburn motivation, a discriminant function analysis was performed to assess the probability of no agreement based on the two identified independent variables: seller motivation and buyer affective trust after the negotiation.

The main findings of the discriminant function model are three. First, buyer affective trust after the simulation scores higher than 12 are significantly likely to lead to an agreement regardless of the seller's motivation. Second, based on the buyer affective trust 95% CI [10.27, 12.37], it can be stated that a seller's cooperative motivation is significantly likely to lead to an agreement. Lastly, for no agreement to be significantly more likely, the seller competitive motivation should be combined with a buyer's affective trust after the simulation score lower than seven (notably, the minimum score in affective trust score after the simulation in the 25 simulations is six).

5.4.2 Final negotiation price

A relationship between the seller motivational factor and the final negotiated price was found testing the third hypothesis, even though not statistically confirmed because of the high variability under the competitive-competitive condition, with a competitive seller motivation leading to a higher price.

While the correlation analysis did not find any statistically significant relationship between trust factors and the final negotiated price, the fifth hypothesis testing results show a significant and strong correlation between the seller (Auburn) difference in power perception after and before the simulation and the negotiation's final price.

Having identified the main factors influencing the final negotiation price, the full regression model, including seller motivation and difference in power perception after and before the simulation, was obtained to present managers and practitioners with an equation to predict the final negotiated price.

$$\text{Final price outcome} = 2.677 + (.172 \times \text{seller motivational factor}) + (0.023 \times \text{seller delta power perception}). \quad (5.3)$$

Integrating the findings concerning the two dependent variables, it can be asserted that a seller's competitive motivation is significantly more likely to lead to no agreement than a cooperative one when associated with a relatively low buyer affective trust after the simulation score. In that condition, an agreement will only be reached if the final price is more favourable to the seller. The highest price is most likely to occur when both parties are primed with a competitive motivation. When the seller is primed with cooperative motivation, an agreement will be significantly more likely to be achieved. Under this condition, the buyer will reach the most favourable outcome (lowest final negotiation price), adopting a competitive motivation, with a subsequent reduction in the seller power

perception after the simulation, compared to before. The correlation analysis finds no significant relationship between Otas motivation and Auburn's difference in power perception between after and before the simulation, $r_{pb}(23) = -.049$, $p = .816$.

As already stated, the laboratory simulation was based on a real case, Tata's acquisition of Jaguar and Land Rover from Ford in 2008 for \$2.3 bn, a value that most analysts assessed as very favourable to the buyer. Based on the regression equation, it can be assumed that Ford entered the negotiations with a cooperative motivation (their main aim, besides the final price, was to preserve the company image in the UK). Tata, on the other hand, employed a distributive strategy. As a result, Ford's power perception between after and before the negotiation decreased during the negotiation process, possibly due to an increase in dependence and the assessment of possessing a weaker BATNA than Tata, leading to a relatively low final price.

5.4.3 Coalition building and culture.

Finally, the second phase also confirmed, from a micro-behavioural perspective, two findings of the first phase: First, concerning coalition building, among internal precipitants, strategic ones are the main originators of turning points in CBMA negotiations between automobile manufacturers only if government and union support is not manifested during the early stages of the negotiation and must be secured during the negotiation process. Moreover, the impact of culture in generating turning points is secondary to strategic, contextual, and company-specific variables, specifically where organizations and negotiators undergo a learning process from previous CBMA experiences.

Chapter 6. Discussion and Conclusion

6.1 Introduction

The thesis has explored CBMA negotiations in the automotive industry under two levels of analysis, the macro-strategic, mainly focused on structural and contextual factors influencing strategic decisions, and the micro-behavioural, centred on negotiators' behaviour and relationship, answering the following research question:

To what extent contextual and behavioural factors shape CBMA negotiations between automobile manufacturers?

The automotive industry was chosen because Global Automotive M&A activity accounted for \$177 billion and approximately 1650 deals in the two years 2018-19, representing roughly 15% of the total of all worldwide industrial M&As. The automotive sector experiences chronic overcapacity, high product and technology development costs, and regional business cycles. Via M&As, automotive manufacturers can achieve economies of scale and scope, enter new markets and product lines, acquire technology and know-how, reduce costs and risks in new product development and obtain fiscal advantages (Capron, 1999; Kang & Johansson, 2000). A wave of M&As is even more likely today, enhanced by the considerable investments required to meet regulatory changes and develop new mobility models and new technologies, such as electric, connected, and autonomous vehicles (Campbell, 2019).

Despite the substantial deal value and volume, research has repeatedly determined that over 70 per cent of M&As and Cross-Border Mergers and Acquisitions (CBMAs) fail to deliver the expected results (Distler, 2018; Joshi et al., 2018). Research indicates three critical factors explaining CBMAs failure: an incorrect evaluation of financial and operational synergies, inadequate planning of the post-merger integration phase, and ineffective management of the negotiation process (Cartwright & Shoenberg, 2006; Joshi et al., 2018).

The evidence asserts the profound relationship between the negotiation process and CBMA post-closing behaviour, offering a convincing foundation for this research: a few contentious issues can lead to failure if not adequately addressed during the negotiation process (Datta, 1991; DePamphilis, 2013; Distler, 2017; Gomes et al., 2013; Graebner et al., 2016; Hart & Schweitzer, 2020; Lander & Kooning, 2013; Mignerat & Marmenout, 2017; Steigenberger, 2017). However, while the different stages of the CBMA process

have been comprehensively examined, research on CBMA negotiations is limited. As a result of the complexity inherent in CBMA negotiations, the key factors that can predict, describe, and shape negotiation outcomes remain to be determined (Lander & Kooning, 2013; Parola & Ellis, 2013; Underdal, 2002; Weber et al., 2011; Welch et al., 2019).

The literature review highlighted three main areas warranting further examination. Firstly, theory development in the domain of international negotiations is challenging because multiple actors lead to several potential dyadic relationships, greatly accelerating the complexity of the negotiation process (Bazerman et al., 2000; Dupont & Faure, 2002; Mermet, 2012). Secondly, research on the M&A negotiation phase is limited and chiefly focused on cultural distance and financial and economic factors affecting the premium price paid to the target firm (Lander & Kooning, 2013; Parola & Ellis, 2013). Consequently, to some extent, disregarding crucial contextual, structural, motivational, and relational factors influencing the negotiation process. Current studies on CBMA negotiations in the automotive industry are grounded on single-case studies, chiefly exploring the motives leading to the negotiations rather than the factors impacting the negotiations process itself. Lastly, CBMA negotiations, considered a subcategory of international negotiations, have been examined through two distinct analysis levels. The macro-strategic, centred on structural and contextual factors, and the micro-behavioural, based on negotiators' behaviour and relationship (Reynolds et al., 2003; Weiss, 2006), but only a few studies have attempted to integrate the two approaches, and none of these papers has focused on CBMA negotiations in the automotive industry.

The three identified themes led to the following research objectives:

1. To identify the appropriate framework to analyse complex negotiations integrating the macro-strategic and micro-behavioural levels of analysis.
2. To explore the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers.
3. To evaluate the role of motivational factors in shaping the CBMA negotiation process.
4. To evaluate the role of relational factors in shaping the CBMA negotiation process.
5. To identify the main factors that influence cross-border M&A negotiations between automobile manufacturers and provide managers and practitioners with strategies to prepare better.

The thesis's research design, logically developed from the research question and objectives, pointed to a mixed-method choice. The two stages of the research provided a supplementing perspective to the negotiation process analysis, integrating the macro-strategic and micro-behavioural analysis levels. The mixed-methods design was sequential. The first phase consisted of a qualitative small-N focused comparative analysis case study performed to inform the quantitative stage by identifying which type of precipitants lead to departures in CBMA negotiation between automobile manufacturers, investigating the first two operational hypotheses:

H1: Internal precipitants are the main originators of turning points in CBMA negotiations between automobile manufacturers.

H2: Internal precipitants are the main originators of abrupt turning points in CBMA negotiations between automobile manufacturers.

The second phase comprised of two elements:

First, the experimental simulation assessing the influence of motivational factors in shaping negotiator's response to precipitants in CBMA negotiation between automobile manufacturers by investigating the third operational hypothesis:

H3: Motivational factors influence negotiation outcomes.

Secondly, the questionnaires filled by participants before and after the experimental simulation examining the role of relational factors in shaping negotiator's response to precipitants in CBMA negotiation between automobile manufacturers by exploring the last two operational hypotheses:

H4: The degree of trust between the parties influences negotiation outcomes.

H5: Perceived relative power influences negotiation outcomes.

The second phase consisted of a complex simulation that extensively conformed to a real case and involved participants with at least seven years of B2B negotiation experience (Herbst & Schwarz, 2011; Steinel et al., 2007) in overcoming the two crucial external validity threats of experimental simulations: external validity due to simulations based on simplified assumptions and external validity due to students as participants (Druckman, 2005; McDermott, 2002; Weiss, 2004).

The structure of the final chapter takes the form of six sections, presenting the findings of the two stages of the research organized around the research objectives, exploring

theoretical, methodological, and managerial implications, acknowledging the study's limitations, and advancing recommendations for further research.

6.2 The findings

Figure 6.1 provides a representation of the study's findings according to the research objectives and outlines the structure of the section. The first research objective has been accomplished by the selection of the turning points framework. The second has been undertaken in the first phase of the research, highlighting the limited impact of contextual factors (including culture) and the significance of early coalition building on the negotiation process. The third and fourth research objectives have been achieved in the second phase of the study, identifying the crucial motivational and relational factors influencing the negotiation process. The last research objective has been completed integrating the findings of the two phases of the research.

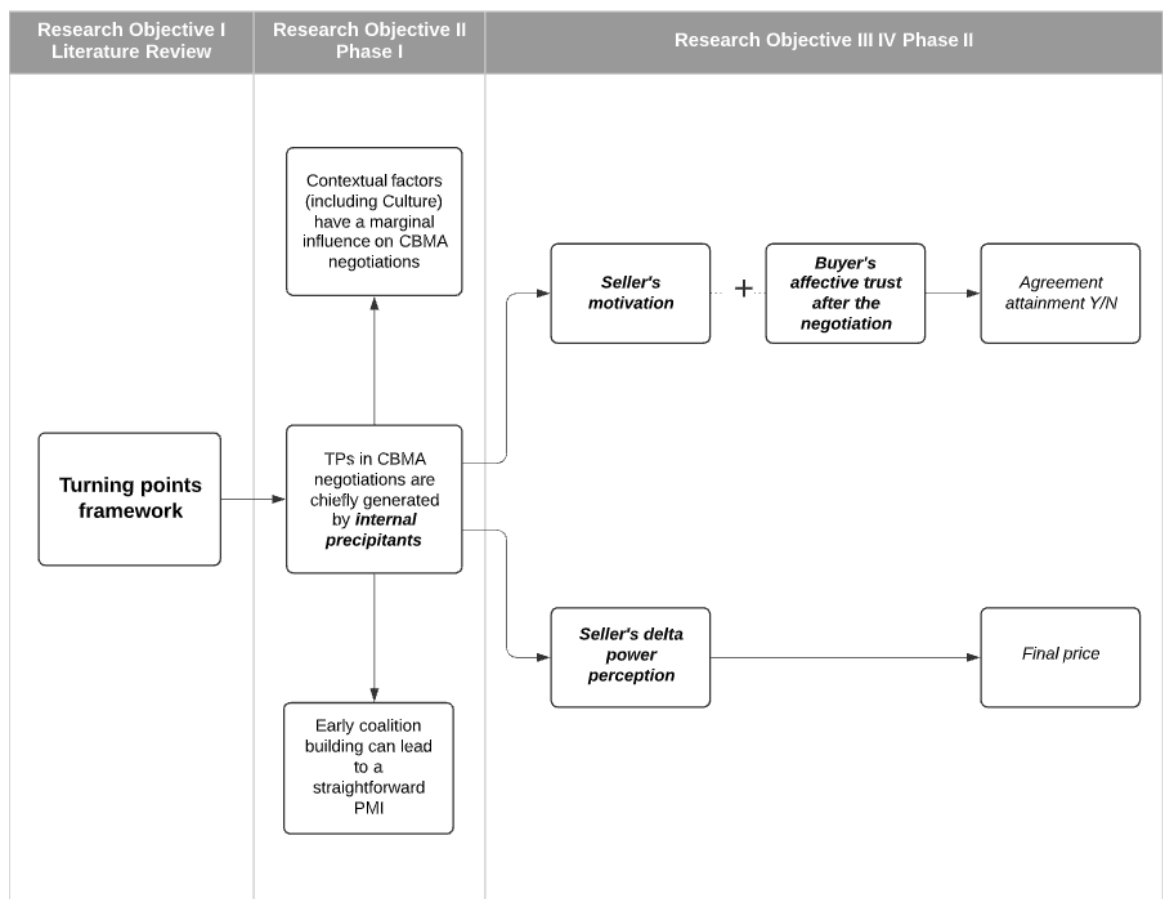


Figure 6.1 - Study's findings

6.2.1 The appropriate framework for analysis

The first research objective was attained by identifying and comparing five alternative frameworks for analysing IB negotiations: Ghauri (1986, 2003), Tung (1988), Weiss (1993), Khakhar (2007), and Druckman (2001).

All the frameworks combined the macro-strategic and micro-behavioural approaches and displayed high consistency and internal reliability. Still, the first four models face three crucial challenges. To begin with, they mainly focus on the main players, disregarding the influence of secondary parties (e.g., unions and governments) on the negotiation process. Secondly, they discount boundary-role conflicts and agency issues provided by the organizational context, considering each party as monolithic. Finally, the substantial number of interrelated variables included in the theories renders establishing a causal relationship challenging and, consequently, restricts their empirical application.

The turning points framework, based on the notion of departure (turning point), separated by a preceding contiguous occurrence (precipitant), and by a subsequent adjacent event (consequence) (Druckman, 2001; Crump & Druckman, 2012, 2016), provides an answer to the three critical limitations faced by the other four models. Additionally, the framework has been widely adopted in the analysis of different types of real-world negotiations. Identifying the type of precipitant that generates the discontinuity (turning point) in the negotiation process and how negotiators react to these precipitants is crucial to understand the causal relationship between process and outcome and to provide both a retrospective and predictive analysis of the negotiation process (Druckman, 2001; Green & Wheeler, 2004).

Although the current turning points framework is appropriate (Druckman, 2001), two improvements, suggested by the literature review and the analysis of the cases, were required to make the framework more relevant for evaluating CBMA negotiations between automotive manufacturers. First, the addition of the strategic internal precipitant classification, described as planned actions taken by the parties to achieve their interests and improve their position in the negotiation through other players: coalition building, talks with third parties acting as BATNA for one or both the parties (Putnam & Fuller, 2014). Secondly, the introduction of the supplementary external actor category, which considers external individuals' influence, such as journalists, analysts, and judges, over whom the negotiators' have limited control (Hall, 2008).

The next section presents the findings relative to the second research objective.

6.2.2 The impact of contextual and structural factors

The macro-strategic level of analysis consisted of a focused comparison study of nine CBMA negotiations between automobile manufacturers held between 1998 and 2019. The central aim of phase one was to investigate the impact of contextual and structural factors on CBMA negotiations between automobile manufacturers by identifying which type of precipitant leads to departures. As a result, direct the second phase's focus towards one specific (internal or external) or both types (internal and external) of precipitants by testing the first two operational hypotheses.

The turning points analysis confirmed the two hypotheses. Internal precipitants are the main generators of turning points in CBMA negotiations between automobile manufacturers both in terms of frequency (internal precipitants are 7.75 times more likely to originate turning points than external precipitants) and impact (internal precipitants are eight times more likely to arise abrupt turning points, defined as turning points that lead to a significant and sudden variation in the negotiation process, than external turning points). External precipitants represented roughly eleven per cent of the total number of precipitants generating turning points and abrupt departures.

The research also explored the impact of two crucial structural and contextual factors on CBMA negotiations: coalition building and cultural distance. About coalition building, the turning points analysis of the case studies in the macro-strategic phase determined that if government and union support is manifested during the early stages of the negotiation, the turning points (and abrupt departures) are originated mainly by substantive precipitants. Otherwise, if government and union support has to be secured during the negotiation process, the main generators of turning points and abrupt departures are strategic among internal precipitants. Among internal precipitants, the proportion of procedural precipitants is, in both cases, modest.

The finding is confirmed by the results of the turning points analysis of the simulations performed in the micro-behavioural stage: the number of substantive precipitants is significantly higher than the number of strategic ones because, in the simulation's instructions, it was stated that the buyer, Otas, had already secured the support of the union before the negotiations. Additionally, the case studies and the literature review findings indicate a strong relationship between the negotiation process and post-closing behaviour (Distler, 2017; Graebner et al., 2016; Hart & Schweitzer, 2020; Lander & Kooning, 2013; Mignerat & Marmenout, 2017). Consequently, it can be tentatively

suggested that a successful coalition-building in the early stage of the negotiation process could lead to a more straightforward post-merger integration; the focus of the negotiation can move towards relevant topics (represented by substantive precipitants) whose discussion would be otherwise postponed.

Concerning the second factor, the analysis of the relationship between culture and negotiation process has gained growing standing since the 1980s, following a prevailing avenue of research, arguing that culture deeply affects negotiators' thinking, communication, and behaviour in international negotiations (Adair et al., 2001, 2003; Adair & Brett, 2005; Ahammad et al., 2016; Cai et al., 2000; Brett et al., 1998; Brett & Okumura, 1998; Dinkevych et al., 2017; Faure, 2000; Graham, 1983, 1984, 1993; Malik & Yazar, 2016; Ramirez et al., 2019; Ribbink & Grimm, 2014).

A different stream of research suggests that despite culture indeed affecting negotiation outcomes, its influence is often overstated and secondary to contextual, strategic, and company-specific factors, specifically where organizations and negotiators undergo a learning process from previous international negotiation experiences (Adair et al., 2009; Dikova & Sahib, 2013; Bond, 2002; Ebner, 2019; Fu et al., 2007; Galavotti, 2019; Jones, 2007; Li et al., 2016; Pressey & Selassie, 2006; Teerikangas & Very, 2006; Watkins, 2002; Zartman, 1993).

The turning points analysis of the case studies confirms the second standpoint, determining that none of the precipitants triggering turning points (both abrupt and non-abrupt) was ascribable solely to cultural differences between the negotiators. The number of precipitants generating turning points also imputable to cultural distance, alongside other contextual, strategic, and company-specific variables, is 5% of the total number of turning points. Likewise, the number of precipitants generating abrupt turning points, also imputable to cultural distance, is 5.56% of the total number of abrupt turning points.

The micro-behavioural level of analysis supports the results from phase one: only one (0.31%) of the 326 precipitants triggering turning points in the simulations was ascribable solely to cultural differences between the negotiators. Additionally, the number of precipitants not ascribable to cultural distance (319, 97.85%) is significantly higher than the number of precipitants also referable to cultural distance alongside other contextual, strategic, and company-specific variables (7, 2.15%).

The next section presents the findings relative to the third and fourth research objective.

6.2.3 The impact of motivational and relational factors

The micro-behavioural stage aimed at assessing the role of motivational and relational (trust and perceived power) factors in shaping the negotiator's response to the precipitants identified in phase one by testing the last three operational hypotheses.

The impact of motivational factors in influencing negotiation outcomes was evaluated through experimental simulations, consisting of a 2x2 factorial design matrix (role and motivation) that led to four possible matchings. Based on the results of the first phase, the simulations comprised only internal precipitants.

As previously mentioned, negotiation analysis based on experimental negotiation simulations suffers from two critical external validity limitations (Druckman, 2005; McDermott, 2002; Weiss, 2004): External validity due to simulations based on simplified assumptions and external validity due to students as participants. Accordingly, two solutions were adopted to minimize the external validity threats. The laboratory simulation was based on a real case (Tata's acquisition of Jaguar and Land Rover from Ford in 2008) that extensively conformed to the real-life scenario. It was set in the present day to enhance participant's engagement. It adopted fictitious names to reduce the possibility of participants' personal biases (Tata was named Otas, while Ford was identified as Auburn) (Fisher & Fisher-Yoshida, 2017; Poitras et al., 2013). Additionally, the experimental participants' sample involved executives meeting three criteria: Participants holding at least seven years of negotiation experience in a B2B setting involving complex solutions, that have previously attended an introductory negotiation class (Herbst & Schwarz, 2011; Steinel et al., 2007).

The second phase also employed two different questionnaires to assess the impact of relational factors in shaping the negotiator's response to precipitants. First, preceding and immediately after the simulation, participants filled out an amended form of McAllister (1995) to determine the degree of trust between the negotiators; the Trust questionnaire's cognitive and affective subscales showed an adequate level of internal consistency, as determined by a Cronbach's alpha of 0.77 and 0.80, respectively (Cortina, 1993). Secondly, participants also completed a single-item revised version of Wolfe & McGinn (2005) to ascertain the perception of their relative power in the negotiation.

The dependent variable, negotiation outcome, was further decoupled into whether an agreement is reached and the final negotiated price. The following sections integrate the main findings of the second stage analysis.

6.2.3.1 Agreement attainment

The micro-behavioural level of analysis found that the only two variables significantly influencing whether an agreement is attained, are the seller's motivation and the buyer's affective trust after the negotiation.

A seller's cooperative motivation is significantly likely to lead to an agreement, regardless of the buyer's affective trust score. On the other hand, a competitive motivation to lead to no agreement needs to be matched with a low buyer affective trust after the negotiation. The results help elucidate the very few cases of no agreement in the simulations.

The probability of an agreement for the specific simulation adopted in the study could be predicted by the chart presenting the relationship between the discriminant function score and the probability of no agreement, as presented in Figure 6.2. Equation 6.1 describes the discriminant function equation.

$$D_i = -3.893 - (1.491 \times \text{seller motivational factor}) + (0.407 \times \text{buyer affective trust after the simulation}) \quad (6.1)$$

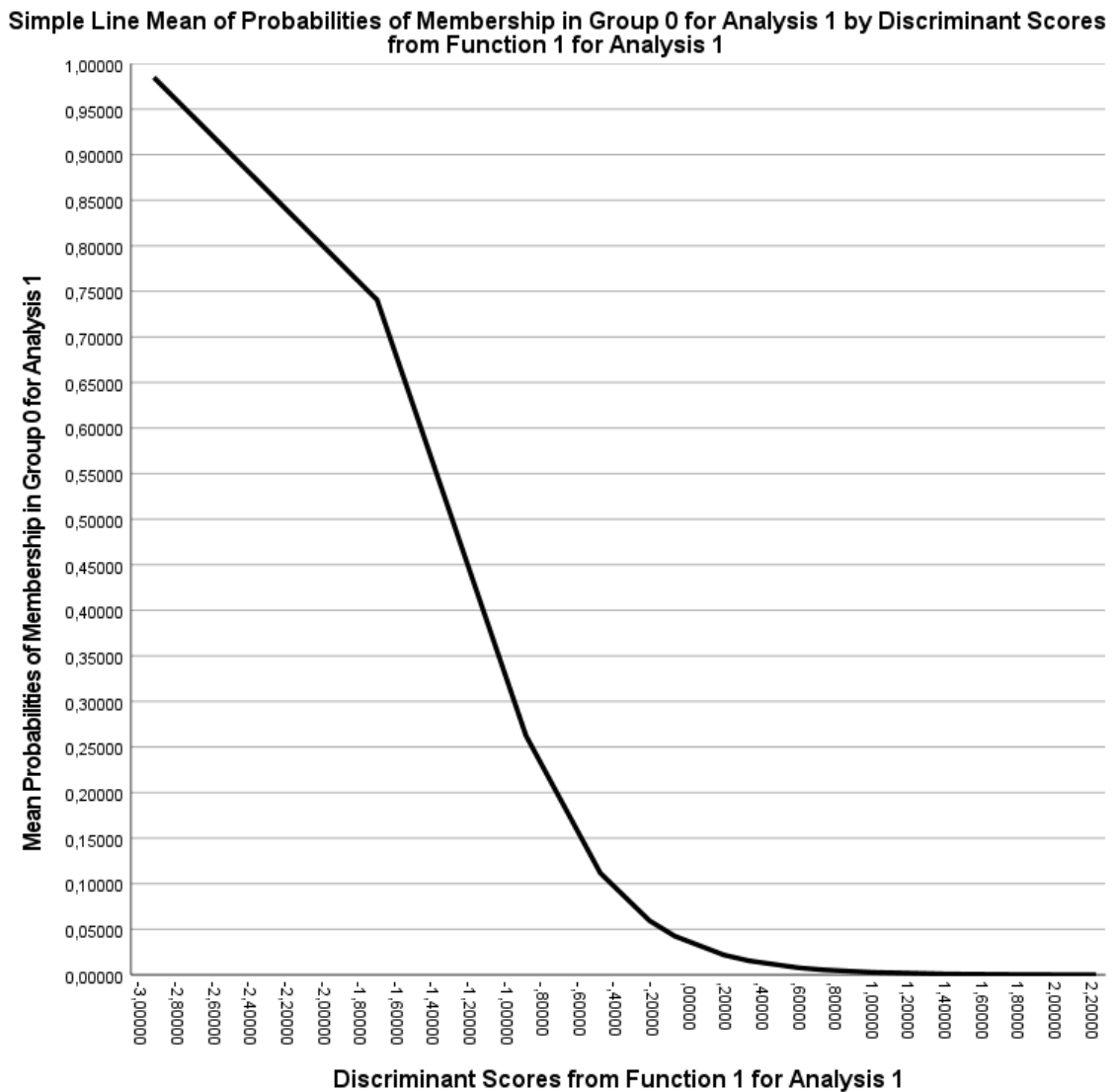


Figure 6.2 - The relationship between the discriminant function score and the probability of no agreement.

The findings also lead to an interesting consequence: the 20 negotiations that ended in an agreement were all integrative. An agreement was attained on all five issues besides price.

6.2.3.2 Final negotiation price

The micro-behavioural level of analysis revealed that only one variable significantly affects the final negotiation price: an increase of ten points in the seller (Auburn) difference in power perception between after and before the simulation is associated with an increase in the final price outcome of \$0.24 bn.

The following equation predicts the final negotiation price of the specific simulation adopted in the study:

$$\text{Final price outcome} = 2.730 + (0.024 \times \text{seller delta power perception}). \quad (6.2)$$

A preliminary qualitative analysis testing the third hypothesis established a weak relationship between Auburn motivation and final price, not statistically significant because of the high variability under the competitive-competitive condition. Nevertheless, it was concluded to comprise the independent variable in the exploratory equation. As a result, a seller's competitive motivation increases the final price outcome by \$0.17 bn; an increase of ten points in the seller difference in power perception between after and before the simulation increases the final price outcome by \$0.23 bn.

$$\text{Final price outcome} = 2.677 + (.172 \times \text{seller motivational factor}) + (0.023 \times \text{seller delta power perception}). \quad (6.3)$$

6.2.3.3 Summary

Phase two hypotheses testing led to the following findings:

H3: Among motivational factors, only the seller's social motive influences negotiation outcomes: specifically, it significantly impacts whether an agreement is reached and could possibly affect the final negotiated price.

H4: Among trust factors, just the buyer's affective trust after the simulation influences negotiation outcomes. In particular, it significantly impacts whether an agreement is reached. Trust factors have no significant influence on the final negotiated price.

H5: Among power factors, solely the seller difference in power perception between after and before the simulation influences negotiation outcomes. Specifically, it significantly impacts the final negotiated price. Power factors have no significant influence on whether an agreement is reached.

The following section combines the conclusions of the two research phases.

6.2.4 Integrating the findings of the two stages.

The last research objective intended to identify the main factors that influence cross-border M&A negotiations between automobile manufacturers. Five crucial conclusions can be drawn by integrating the findings of the two stages.

Firstly, negotiation outcomes are significantly influenced by elements internal to the negotiation process. Contextual factors (including culture) exhibit only a marginal influence. Secondly, regarding structural variables, effective coalition-building in the early stages of the negotiation process positively affect the negotiation outcome and, conceivably, post-merger integration. Furthermore, only the seller's social motive among motivational factors significantly influences negotiation outcomes, specifically in terms of agreement attainment. The impact of the seller's social motive on the negotiation final price should be further explored. Concerning the trust variable, only the buyer's affective trust after the negotiation significantly affects negotiation outcomes, specifically in terms of agreement attainment. Finally, regarding the power factor, only the seller difference in power perception between after and before the negotiation significantly affects negotiation outcomes, specifically in connection with the final price.

The following three sections discuss the contributions of the research, starting with the theoretical implications.

6.3 Theoretical implications

The study's findings supplement the current theoretical knowledge of international business research. Following the seven main theoretical contributions are outlined.

Firstly, the study uncovered that contextual factors' impact is marginal compared to process-related ones. The results support previous studies on labour and trade negotiations (Crump & Druckman, 2012; Druckman, 2001; Llorente et al., 2013; Putnam & Fuller, 2014).

Also, it underlined the role of coalitions in reducing the complexity of CBMA negotiations by combining parties with common interests (Dupont, 1994, 1996; Zartman, 2002a). The study complements the literature finding that coalition-building should be achieved during the initiation phase of the negotiation to increase the probability of attaining an agreement and, possibly, pave the way for a successful post-merger integration.

Furthermore, it weakens the foundation of prevailing studies on international negotiations, centred on cultural factors both under the macro-strategic (Ahammad et al., 2016; Chakrabarti et al., 2009; Di Guardo et al., 2016a; Faure, 2000; Malik & Yazar, 2016; Yeganeh, 2011) and the micro-behavioural levels of analysis (Adair et al., 2001, 2003; Adair & Brett, 2005; Cai et al., 2000; Brett et al., 1998; Brett & Okumura, 1998; Graham, 1983, 1984, 1993; Ribbink & Grimm, 2014; Dinkevych et al., 2017; Ramirez et al., 2019). The findings suggest that culture, in an age of globalization, international interdependence, and a growing number of IB negotiations, is only one of the many variables that can explain negotiation outcomes. Particularly, when negotiators experience a learning process from previous complex negotiations (Adair et al., 2009; Bandura, 2002; Dikova & Sahib, 2013; Ebner, 2019; Elango & Pattaik 2011; Elgström, 1994; Galavotti, 2019; Li et al., 2016; Jemison & Sitkin, 1986; Pressey & Selassie, 2006; Rubin, 2002; Teerikangas & Very, 2006; Watkins, 2002; Zartman, 1993), a crucial requirement for participants to the simulations.

Additionally, the findings supplement existing literature suggesting that motivation's crucial role in shaping negotiation outcomes depends on the negotiator's role (Beersma & De Dreu, 1999; De Dreu, 2004; Deutsch, 1949, 2006; Elfenbein, 2015; Pruitt, 1983, 2002;). The study found that only the seller's motivation significantly influences negotiation outcomes. The buyer's motivation has no significant impact on negotiation results.

Moreover, the results of the study supplement current literature (Albin, 2019; Au & Wong, 2019; Beersma & De Dreu, 1999; Donohue & Hoobler, 2002; Druckman & Olekalns, 2013; Druckman & Wagner, 2017; Lewicki & Polin, 2013; Lu et al., 2017; Olekalns & Smith, 2005b; Weingart et al., 1993), highlighting that the influence of trust on negotiation outcomes is based only on one dimension and is, again, determined by the negotiator's role. Among the twelve trust-related variables included in the simulations' analysis, only the buyer's affective trust after the negotiation influences negotiation outcomes, specifically whether an agreement is attained.

Likewise, the findings of the study complement existing literature (Alavoine, 2012; Alavoine and Estieu, 2015; Brett et al., 1996; Butt & Choi, 2010; De Dreu, 2005; Giebels et al., 2000; Jäger et al., 2017; Kim et al., 2005; Lopez-Fresno et al., 2018; Pinkley et al., 1994; Pinkley, 1995; Wolfe & McGinn, 2005) indicating that the influence of power on negotiation outcomes is also contingent to the negotiator's role. Among the six power-related variables included in the simulation's analysis, only the seller's difference in power

perception between after and before the negotiation influences negotiation outcomes, precisely the final negotiated price. Additionally, the finding reinforces the standpoint that unequal power between the parties leads to an unbalanced exchange distribution (Alavoine and Estieu, 2015; De Dreu, 2005; Giebels et al., 2000; Lopez-Fresno et al., 2018; Molm, 1991).

Notably, throughout the last paragraphs, the common thread is the role effect (Adair & Olekalns, 2013; Graham et al., 1988; Olekalns et al., 1996; Weingart et al., 1990). The influence of motivational and relational factors on the negotiation process is contingent on the negotiator's role.

Lastly, the results of the simulations show all integrative agreements when a deal has been reached. Combined with the effectiveness of the manipulation checks, the findings support the claim that negotiation experience (Elfenbein et al., 2008; Thompson, 1990) and the amount of negotiation training received (ElShenawy, 2010; Herbst & Schwarz, 2011; Steinel et al., 2007), two requirements of participants to the simulations, could predict the ability to assess the other party's interests correctly and the commitment to employ integrative behaviour.

The next section will examine the methodological implications of the research.

6.4 Methodological implications

The thesis also provides four significant methodological contributions.

To our knowledge, it is the first study on CBMA negotiations in the automotive industry integrating the macro-strategic and micro-behavioural levels of analysis, adopting case studies and laboratory simulations. Case studies under the macro-strategic level of analysis identify the type of precipitant that generates the turning point during CBMA negotiations in the auto industry. Laboratory experiments under the micro-behavioural approach explore negotiators' response to the previously identified precipitants to predict the turning points leading to a specific outcome in CBMA negotiations in the auto industry.

Moreover, the study is one of the few to challenge the two critical external validity limitations inherent to experimental negotiation simulations (Druckman, 2005; McDermott, 2002; Weiss, 2004). External validity due to simulations based on simplified assumptions is reduced by employing a simulation based on a real case. The role-play extensively conformed to the real-life scenario. It was set in the present day to enhance

participant's engagement. It adopted fictitious names to reduce the possibility of participants' personal biases (Tata was named Otas, while Ford was identified as Auburn) (Fisher & Fisher-Yoshida, 2017; Poitras et al., 2013). External validity due to students as participants was minimized by including participants meeting three strict requirements: Participants holding at least seven years of negotiation experience in a B2B setting involving complex solutions, that have previously attended an introductory negotiation class (Herbst & Schwarz, 2011; Steinel et al., 2007).

Finally, the research selected the turning points framework as the most appropriate to explore CBMA negotiations by integrating the macro-strategic and micro-behavioural levels of analysis. The model provides a theoretical structure to categorize and analyse the different events and transitions during the negotiation process. It determines the causal relationships among turning points, precipitants, and consequences. It provides a conceptual causal model that serves as a bridge between theory and practice, identifying a series of events that shape real-world negotiation processes and outcomes (Donohue, 2017; Druckman, 2001; Druckman et al., 1991; Hall, 2008, 2017; Putnam, 2017). In summary, the turning points framework overcomes the three crucial limitations of current models in analysing complex negotiations, as suggested by Watkins (2002): simplicity, sterility, and passivity.

The next section will address the fifth research objective, discussing the implications for managers and advisors.

6.5 Implications for practice

The study's findings have relevant implications for negotiators and M&A advisors.

Academic and management literature on M&As provides a plethora of articles and textbook chapters concerning the different phases of the M&A process: the motives leading to an M&A, the development of a business plan, the screening and selection of potential partners, the due diligence and valuation of the company, the legal and tax framework, the structure and financing of the deal, the corporate governance, and the post-merger integration.

On the other hand, very little space has been devoted to the M&A negotiation stage in relevant textbooks (DePamphilis, 2013; Gaughan, 2010; Weber et al., 2013). The few studies on the M&A negotiation phase have either centred on cultural distance (Ahammad et al., 2016; Weber et al., 2011) or adopted a financial and economic perspective (Fich et

al., 2011; Galpin, 2014; Officer, 2003; Wulf, 2004). The result is only a partial exploration of the relationship between the negotiation process and its outcomes (Jemison & Sitkin, 1986; Parola & Ellis, 2013).

Following the four contributions to practice are listed. First, the study provides managers and consultants with a model for conceptualizing complex negotiations. The turning points framework delivers a theoretical structure to categorize and analyse complex negotiations' different events and transitions. Furthermore, it offers a theoretical causal model that identifies the causal relationships between process and outcome in real-world negotiation processes and outcomes.

Secondly, the study provides a methodology combining the macro-strategic and the micro-behavioural levels of analysis that could be adopted to determine any IB negotiation and extended to govern other types of complex negotiations. The case studies identify the type of precipitant that generates a turning point in the negotiation process. The experimental simulations and the questionnaires determine the three key factors influencing how negotiators react to these precipitants.

Moreover, the findings could be converted into guidelines for managers and consultants by providing a priority list to better prepare for CBMA negotiations in the automotive industry. Above all, the preparation should prioritize the study of strategic precipitants to build coalitions before or during the initiation phase of the negotiation and explore the parties' alternatives. The preparation should then move to substantive precipitants focusing on the players' interests, developing potential offers, proposals, and concessions. Once the strategic and substantive precipitants have been fully explored, the negotiators can move to procedural precipitants. Lastly, the potential impact of contextual factors (including culture) and external actors should be examined after the internal precipitants' preparation has been completed.

Additionally, the study provides levers to shape the negotiation process in the desired outcome direction. The focus is on the three critical relational and motivational variables that affect the negotiator's response to the substantive and strategic precipitants, as identified in phase one of the study. Among motivational factors, only the seller's social motive significantly influences agreement attainment and could possibly affect the final negotiated price. Among relational factors, the buyer's affective trust after the negotiation is positively related to the probability of reaching an agreement. Furthermore, the seller's

increase in the power perception between after and before the negotiation is positively linked with an increase in the final negotiated price.

Therefore, a two-point roadmap for the buyer to influence the negotiation process towards the preferred conclusion can be outlined.

Suppose the seller displays a competitive motivation. In that case, to reach an agreement, the buyer has to develop the affective dimension of trust by establishing and sustaining a definite relationship between the parties from the outset of the negotiation, adopting a cooperative motivation. Simultaneously, the buyer has to moderate the seller's increase of power perception during the negotiation by weakening the other party's BATNA. On the other hand, if the seller displays cooperative motivation, reaching an agreement is very likely. Consequently, the buyer can attain the best individual outcome by adopting a distributive strategy.

Likewise, a two-points plan for the seller to guide the negotiation process towards the desired outcome can be defined. With a competitive motivation, the seller has to increase the buyer's affective trust during the negotiation by improving the relationship between the parties to reach an agreement. Concurrently, the seller has to strengthen the BATNA to raise his/ her perceived power between after and before the negotiation. Conversely, with cooperative motivation, reaching an agreement is very likely. Therefore, the seller should reach the best deal for both parties by ensuring the buyer will not adopt a distributive strategy.

A seller's competitive motivation is appropriate when there are multiple bidders, and post-merger integration of the new entity is less critical for the target company. A buyer's competitive motivation is suitable when the target has no alternative potential acquirers, and again, post-merger integration of the new entity is not crucial for the acquiring company.

Equation 6.1, combined with the chart represented in figure 6.1, provides a mathematical statement to predict the probability of no agreement for the specific negotiation, based on the seller's motivation and the buyer's affective trust at the end of the negotiation.

$$D_i = -3.893 - (1.491 \times \text{seller motivational factor}) + (0.407 \times \text{buyer affective trust after the simulation}). \quad (6.1)$$

Equation 6.3 provides a mathematical statement to predict the specific negotiation's final price based on the seller's motivation and the seller's power perception difference between after and before the negotiation.

$$\text{Final price outcome} = 2.677 + (.172 \times \text{seller motivational factor}) + (0.023 \times \text{seller delta power perception}). \quad (6.3)$$

The next sections will recognize the study's shortcomings and present recommendations for further research.

6.6 Limitations of the study

The research is subject to several limitations, besides shortcomings inherent to the chosen methods. Firstly, a shared limitation of both analysis phases is the researcher's subjectivity in applying coding rules founded on the turning points framework. Employing two independent researchers mitigated the risk. The candidate (not blind to hypothesis) and an assistant (blind to hypothesis) proceeded independently and made amendments to categorization until a specific interpretative reliability level was achieved. All differences were settled through consultation. Additionally, a detailed instruction sheet, including definitions and guidance, was provided to the reviewers to ensure consistency (Hall, 2008).

Secondly, data collection for the first phase is solely based on secondary sources. The construct validity threat was reduced by establishing a systematic literature review and triangulating distinct pieces of information from several sources. Material from newspapers, industry publications, company documents, and reports has been systematically assessed to create a converging chronology of events (Rowley, 2002).

A third limitation for phase one is purposive sampling's propensity to be susceptible to researcher bias and lack of representativeness. A foundation for case selection was provided by eight specific predetermined criteria (Chasek, 1997; Hall, 2008; Irmer, 2003; Yin, 2013), leading to the nine final cases, similar in all conditions, except the period of the negotiations.

Purposive sampling's propensity to be vulnerable to lack of representativeness, systematic bias, and external validity limitations was also a limitation of phase two. A stringent sampling procedure was implemented to lessen that threat. The process included a random assignment to the role, conditions, and teams and a random choice of negotiators among

the team members meeting the three critical requirements (Druckman et al., 2009; Druckman & Olekalns, 2013).

During negotiation training courses, experienced managers' availability represented the last and most critical limitation of the study's second phase. COVID-19 pandemic further reduced access to participants meeting the three strict requirements of the study. During the experimental simulations, each condition was replicated six times (seven the cooperative-cooperative situation), meeting the minimum requirement but still leading to the high variability of the data set and a limited variation of agreement attainment (very few cases of not agreement).

6.7 Suggestions for future research

The previous sections lead to several areas deserving of further investigation. First, additional research should be carried out to untangle some of this research's tentative findings, which may be due to the smaller than expected sample size (due to COVID-19).

Second, a larger number of replications would further investigate the impact of the seller's motivation on the final negotiated price and explore the influence of individual factors such as age, gender, educational background, role in the company, seniority level, and sector membership on the negotiation process. Most importantly, it would advance the understanding of the role effect on negotiation outcomes.

Additionally, a bigger sample size could find significant relationships between motivational and relational factors that were not uncovered in the study, despite being suggested by the literature (Albin, 2019; Anderson & Thompson, 2004; Beersma & De Dreu, 1999; Druckman & Olekalns, 2013; Kim et al., 2005; Lu et al., 2017; Olekalns & Smith, 2007, 2009; Weingart et al., 1993).

Furthermore, a more international sample of participants (90% are Italians and 10% Europeans) would be required to strengthen the study's findings concerning the impact of culture on CBMA negotiations and explore the influence of an extra individual factor, nationality, on negotiation outcomes.

Moreover, the availability of primary sources for data collection in the first phase, through interviews with negotiators and direct observation of real-world CBMA negotiations, could provide original and reliable information not available solely via newspapers and literature.

Also, the replication of the same methodology adopting a simulation based on a different CBMA negotiation in the automotive industry could confirm the findings of phase two of the study, disregarding the potential influence of inherent attributes of the specific simulation on the negotiation outcome.

Moreover, practical guidelines besides the questionnaires should be introduced to provide managers and consultants with a tool to quickly assess the power perception and the degree of affective trust of the negotiators, and consequently, to understand the direction of the negotiation and shape negotiation outcomes.

Furthermore, additional research would be required to investigate the potential relationship between early coalition building and successful post-merger integration, which was tentatively proposed by phase one of the study.

Additionally, COVID-19 has triggered the adoption of virtual platforms. Further research would be needed to explore the impact of technology on the negotiation process and outcome, investigating its effect on motivational and relational factors.

Finally, the study provided a methodology to define any IB negotiation and explore other complex negotiations. Therefore, last and conceivably most valuable, the theoretical framework and research design could be replicated to analyse other CBMA negotiations in different industries and complex negotiations. The implication of extending the findings relative to CBMA negotiations in the automotive industry to other complex negotiations by uncovering the crucial few motivational and relational factors that shape the negotiation process in specific complex negotiations would be highly relevant for academia and practice.

6.8 Conclusion

The study offers an answer to theory development challenges in international business negotiations, providing valuable insights and a new perspective to explore complex negotiations. The methodology and the findings supplement current theoretical knowledge and, most importantly, have relevant implications for managers and practitioners involved in M&As. Finally, the thesis outlines essential issues for future research, specifically to improve the internal reliability of the experimental simulations and extend the findings to other industries and complex negotiation types.

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Appendices

Appendix A: Comparison matrix of the selected CBMA negotiations

Table A.1 - Case comparison matrix of first and second wave CBMAs. Adapted from Allen Nan, 1999: 49.

	Variables	Negotiation			
		Daimler-Chrysler	Renault-Nissan	Fiat - GM (Opel)	Fiat - Chrysler
1	Industry	Automotive	Automotive	Automotive	Automotive
2	Size	> 50,000 cars	> 50,000 cars	> 50,000 cars	> 50,000 cars
3	Type	Cross-Border	Cross-Border	Cross-Border	Cross-Border
4	Countries	Germany - US	France - Japan	Italy - US - Germany	Italy - US
5	Interests	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D and new product development costs	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D and new product development costs	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D and new product development costs	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D and new product development costs
6	Complementary Relationship	Daimler: premium segment, limited global reach (focus on Europe). Chrysler: low-end segment, light trucks, SUVs, Vans, limited global reach (focus on US)	Nissan: premium segment, global reach, size, high debt. Renault: low-end segment, cash, limited global reach (focus on EU)	Fiat: low-end segment, low-emission engine technology, limited global reach (Europe, S. America). Opel: low-end segment, limited global reach (Europe and S. America), know-how, financial problems	Fiat: low-end segment, low-emission engine technology, limited global reach (Europe, S. America). Chrysler: low-end segment, light trucks, SUVs, Vans, limited global reach (US), financial problems, large engine technology.
7	Period	1998 - 1st consolidation wave in the auto industry	1999 - 1st consolidation wave in the auto industry	2009 - 2nd consolidation wave in the auto industry	2009 - 2nd consolidation wave in the auto industry
8	Available secondary sources	yes	yes	yes / <i>failed negotiation</i>	yes

Table A.2 - Case comparison matrix of second and third wave CBMAs. Adapted from Allen Nan, 1999: 49.

Variables	Negotiation				
	Geely - Ford (Volvo)	Mahindra - Ssang Yong	PSA - GM (Opel)	FCA - Renault	FCA - PSA
1 Industry	Automotive	Automotive	Automotive	Automotive	Automotive
2 Size	> 50,000 cars	> 50,000 cars	> 50,000 cars	> 50,000 cars	> 50,000 cars
3 Type	Cross-Border	Cross-Border	Cross-Border	Cross-Border	Cross-Border
4 Countries	China - US	India - Korea	France - US - Germany	Italy - US - France	Italy - US - Germany - France
5 Interests	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D and new product development costs	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D costs	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D and new product development costs	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D and new product development costs	1. Economies of scale - 2. access to new markets - 3. access to new segments - 4. sharing R&D and new product development costs
6 Complementary Relationship	Volvo: premium segment, global reach, size, know-how, financial problems. Geely: low-end segment, limited reputation, cash, limited global reach (focus on China), lower know-how	Ssang Yong: SUV segment, more global reach, size, know-how, bankrupt. Mahindra: low-end segment, limited reputation, cash, limited global reach (focus on India), lower know-how	PSA: low-end segment, limited global reach, know-how, cash. Opel: low-end segment, limited global reach, know-how, financial problems	FCA: strong presence in US, EU, Latin America, present in all segments. No electric car technology. Renault: strong presence in EU, Russia and Turkey, low-end segment, Electric car technology.	FCA: strong presence in US, EU, Latin America, present in all segments. No electric car technology. PSA: strong presence in EU, low-end segment, Electric car technology.
7 Period	2010 - 2nd consolidation wave in the auto industry	2011 - 2nd consolidation wave in the auto industry	2017 - 3rd consolidation wave in the auto industry	2019 - 3rd consolidation wave in the auto industry	2019 - 3rd consolidation wave in the auto industry
8 Available secondary sources	yes	yes	yes	yes / <i>failed negotiation</i>	yes

Appendix B: Trust and Power Surveys

Trust Survey

The trust survey will be repeated before and at the end of the negotiation. At the end of the role-play, the instructor will explain how to interpret this questionnaire.

Rate the person in front of you on the following five-point scale (rate the person, not the role she (he is playing)).

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

Table A.3 - Trust Questionnaire. Source: McAllister (1995): 37

		Score
1.	I can easily and freely share my ideas, opinions, and expectations with the individual in front of me.	
2.	I can talk easily to this individual about problems I am having at work and know that (s)he cares to listen.	
3.	If I shared my troubles with the person in front of me, I know (s)he would respond positively and supportively.	
4.	This person manages his/her job with competence and commitment.	
5.	Knowing this person's reputation, I see no reason to question his/her capability and relevance for the job.	
6.	Most people who cooperate at work with this person trust and appreciate him / her.	

Power Survey

The Power Survey will be repeated before and at the end of the negotiation. At the end of the role-play, the instructor will explain how to interpret this questionnaire.

On a scale from “O (Zero) to 100 (One Hundred), How much power do you have in this negotiation?”

Table A.4 - Power Questionnaire. Source: Wolfe & McGinn (2005): 9

<i>0</i>					<i>25</i>					<i>50</i>					<i>75</i>					<i>100</i>
I have no power										We have identical power									I have full power	

Appendix C: Definitions and guidelines for categorization

Table A.5 - Definitions and guidelines for categorization. Adapted from Crump & Druckman, 2016: 7-8 and Hall, 2008: 77-79.

Framework Element	Category	Definition
Turning Point		A distinct and apparent variation in the negotiation process
	<i>Abrupt</i>	A significant and sudden departure of the negotiation process from the previous pattern.
	<i>Non-Abrupt</i>	An expected and progressive transition from one stage to the next in the negotiation process.
Precipitant		A distinct and apparent situation/event/behaviour that generates a turning point.
	<i>Internal Substantive</i>	Internal to the negotiation, communicating the parties' interests and the issues involved: new ideas, offers, proposals, concepts, information, concessions.
	<i>Internal Procedural</i>	Internal to the negotiation, shaping the structure and negotiation process: board meetings, intra-party negotiations, cross-functional teams, shareholders, creditors, structure, format, and venue of the talks.
	<i>Internal Strategic</i>	Internal to the negotiation, strategic actions taken by the parties to achieve their interests and improve their position in the negotiation through other players: coalition building (unions, governments, key advisors), talks with third parties acting as BATNA for one or both the parties
	<i>External Contextual</i>	External to the negotiation: context, environment, regulatory, and industry-related factors over which the negotiation parties have no control
	<i>External Actor</i>	External to the negotiation: individuals such as journalists, analysts, and judges, over which the parties have minimal influence opportunity.
Consequence		The direction of the negotiation process as an evident and apparent result of the turning point.
	<i>De-Escalatory</i>	A consequence that progresses the negotiation process towards an agreement
	<i>Escalatory</i>	A consequence that progresses the negotiation process towards impasse (away from an agreement)

Appendix D: Turning points analysis example from the negotiation between Fiat-Chrysler (case 3)

May-August 2007: Since the acquisition by Ceberus, Chrysler co-president Tom LaSorda approaches all the most prominent automotive manufacturers in the quest for a potential partner or buyer. (Foley et al., 2010; Mayne, 2008; Treece, 2009). He specifically meets Fiat, Nissan-Renault, and General Motors. Both the companies show their interest in Chrysler, more specifically in the Jeep brand.

TP #1: Chrysler meets Renault-Nissan: Internal/Strategic Precipitant (t-1) → Renault-Nissan is not very interested in acquiring Chrysler: Non-Abrupt Departure → Away from Agreement Consequence (t+1)

September 2007: Chrysler co-President Tom LaSorda and Fiat's number two, Alfredo Altavilla, hold their first meeting in Detroit to discuss a partnership to share platforms and distribution networks in the US and Europe (Mayne, 2008; Snyder & Ciferri, 2009; Treece, 2009).

TP #2: First meeting between Chrysler and Fiat: Internal/Substantive Precipitant (t-1) → Potential limited Partnership is discussed: Non-Abrupt Departure → Toward Agreement Consequence (t+1)

February 2008: Renault-Nissan talks lead to cross-company teams' development to investigate potential synergies of around \$18 billion over eight years. During the same period, Chrysler explores a possible acquisition by General Motors, reporting likely savings up to \$30 billion over six years. (Mayne, 2008; Treece, 2009).

TP #3: Talks with Renault-Nissan and General Motors proceed: Internal/Strategic Precipitant (t-1) → Potential synergies are assessed: Abrupt Departure → Away from Agreement Consequence (t+1)

September 2008: Chrysler CEO Bob Nardelli and co-President Tom LaSorda meet Fiat's CEO, Sergio Marchionne, and Mr Altavilla at Fiat headquarters in Turin, Italy. For the first time, Marchionne introduces the possibility of equity participation in Chrysler by Fiat, not through a financial investment, but by offering Fiat's engine technology in exchange for a minority equity stake in Chrysler (Snyder & Ciferri, 2009).

TP #4: Meeting in Turin, Italy, between the two CEOs and their deputies: Internal/Substantive Precipitant (t-1) → A potential alliance is discussed for the first time: Abrupt Departure → Toward Agreement Consequence (t+1)

October 2008: pending the worsening economic and market conditions, talks break down with both Nissan-Renault and General Motors (Mayne, 2008; Treece, 2009).

TP #5: Worsening economic conditions: External/Contextual Precipitant (t-1) → Talks are suspended with both Renault-Nissan and General Motors: Abrupt Departure → Toward Agreement Consequence (t+1)

November 18, 2008: on the brink of financial collapse, Chrysler joins GM and Ford in requesting federal government relief: using funds from the Troubled Asset Relief Program (TARP), the U.S. Treasury offered a \$4 billion bridge loan to Chrysler on January 2, 2009. In exchange for the credit, Chrysler agreed to specific conditions that included: (1) a viable plan for international market entry; (2) development of low-emission engines; (3) reduction of hourly employee compensation in line with industry standards; (4) debt reduction. (Foley et al., 2010; Spekman & Fritz, 2009).

TP #6: Chrysler requests federal funds: Internal/Procedural Precipitant (t-1) → Funds are provided under the condition that Chrysler finds a suitable partner that provides low-emission engines: Non-Abrupt Departure → Toward Agreement Consequence (t+1)

January 13, 2009: Altavilla and LaSorda sign a non-binding letter of intent for a global alliance, where Fiat would receive 35 per cent of Chrysler, with an option to acquire a further 20 per cent after one year, in exchange for its low-emission engine technology (Caputo, 2015; Snyder & Ciferri, 2009).

TP #7: Fiat agrees to acquire a minority stake in Chrysler: Internal/Substantive Precipitant (t-1) → In exchange, Chrysler receives fuel-efficient engines technology and access to international markets, meeting the Government requirements for the funding: Abrupt Departure → Toward Agreement Consequence (t+1)

February 17, 2009: Chrysler presents a plan to the Auto Task Force appointed by President Obama U.S. based on three different scenarios: (1) Chrysler as an independent company would negotiate with creditors and suppliers to reduce its debt and achieve savings on purchased components. (2) A strategic alliance with Fiat. (3) bring the company to an end (Foley et al., 2010).

Scenario number three is dismissed because of the forecasted loss of over 2 million jobs. Scenario number one is also rejected because Chrysler cannot survive as a stand-alone entity. Hence, the Auto Task Force endorses the alliance with Fiat; however, because Fiat held its position not to invest any cash in the company, to avoid public opinion criticism, the Task Force required Fiat to access Chrysler following a more measured route: Fiat would receive an initial 20 per cent of Chrysler (instead of the agreed 35 per cent) with

the option to increase its share with the scheduled transfer of know-how and engine technologies (Caputo, 2015; Foley et al., 2010; Harreld et al., 2010).

TP #8: *The White House Auto Task Force evaluates Chrysler plan:* **Internal/Substantive Precipitant (t-1) → The alliance with Fiat is approved: Abrupt Departure → Toward Agreement Consequence (t+1)**

March 2009: To complete the alliance within the April 30 deadline imposed by the US government, Chrysler had first to reach an agreement with its various stakeholders, including equity holders, creditors, the union (specifically the United Automobile Workers - UAW), management, suppliers, and dealers. Fiat was allowed to sit at the various negotiation tables. The two primary equity holders, Ceberus (with an 80,1 per cent equity interest) and Daimler (with a 19,9 per cent equity interest), pulled out, forgiving almost \$2 billion of second lien debt.

TP #9: Chrysler starts negotiations with its main stakeholders: **Internal/Substantive Precipitant (t-1) → Chrysler reaches an agreement with equity holders: Non-Abrupt Departure → Toward Agreement Consequence (t+1)**

April 22, 2009: Chrysler reaches an agreement with the UAW to decrease employee hourly compensation in line with non-union factories in the US, to maintain pension plans, and to transfer retiree health care benefits to the Chrysler Voluntary Employees Beneficiary Association (VEBA) that would hold 55 per cent of the new company's equity (Caputo, 2015; Foley et al., 2010; Harreld et al., 2010).

TP #10: Chrysler reaches an agreement with the union: **Internal/Substantive Precipitant (t-1) → The UAW becomes a shareholder of the company: Abrupt Departure → Toward Agreement Consequence (t+1)**

Most of Chrysler's creditors half-heartedly accepted a settlement submitted by the US Treasury. However, around twenty entities, including financial institutions, investment firms, and hedge funds, stood their ground, forcing Chrysler to file for Chapter 11 and seal the alliance with Fiat in the U.S. Bankruptcy Court. The group of creditors sustained that the suggested alliance between Chrysler and Fiat was illegitimate for three main reasons: (1) it abused the Chapter 11 process ignoring creditors' rights; (2) the bidding process for the sale of the company was unfair; (3) the role of the US Government and the use of TARP funds to support the company was unfair. (Caputo, 2015; Foley et al., 2010; Harreld et al., 2010).

TP #11: Chrysler cannot find an agreement with a group of creditors by the April 30 deadline: **Internal/Procedural Precipitant (t-1)** → Chrysler files for Chapter 11: **Abrupt Departure** → **Away from Agreement Consequence (t+1)**

June 1, 2009: Judge Gonzalez rules favouring the alliance between Chrysler and Fiat over more than 300 objections by dissenting creditors (Foley et al., 2010; Merced, 2009).

TP #12: *Judge Gonzales approves the alliance:* **External/Actor Precipitant (t-1)** → *The New post-bankruptcy Chrysler is created:* **Abrupt Departure** → **Towards Agreement Consequence (t+1)**

June 10, 2009: Chrysler and Fiat conclude an agreement based on the creation of a new post-bankruptcy company which includes the assets of Chrysler, with the following shareholding structure: 68.5% to the unions (as a guarantee for the pension credits), 20% to Fiat (with the option to increase the share to 35% upon achievement of specific pre-established targets), 9.2% to the US government, and 2.3% to the Canadian government, which also contributed additional funding to Chrysler's survival (Fiat Group, 2009: 89).

Appendix E: Cohen's Kappa calculations. Phase one

Tables A.6 and A.7 provide the estimate of the chance agreement of the Turning Points classification in Abrupt and Non-Abrupt departures for cases 2 and 3 in the first and second rounds of coding.

Table A.6 - Chance agreement calculation example in the first round of coding

CASE 2		Coder 2			CASE 3	Coder 2			
		A	NA	Row Marginal			A	NA	Row Marginal
Coder 1	A	8	1	9	Coder 1	A	7	0	7
	NA	2	4	6		NA	2	3	5
Column Marginal		10	5	15	Column Marginal		9	3	12
A		Abrupt departure			A		Abrupt departure		
NA		Non-Abrupt departure			NA		Non-Abrupt departure		
Pe		0.53			Pe		0.54		

Table A.7 - Chance agreement calculation example in the second round of coding

CASE 2		Coder 2			CASE 3	Coder 2			
		A	NA	Row Marginal			A	NA	Row Marginal
Coder 1	A	10	1	11	Coder 1	A	8	0	8
	NA	0	4	4		NA	0	4	4
Column Marginal		10	5	15	Column Marginal		8	4	12
A		Abrupt departure			A		Abrupt departure		
NA		Non-Abrupt departure			NA		Non-Abrupt departure		
Pe		0.58			Pe		0.56		

Appendix F: Turning points analysis.

Table A.8 - Full results of Phase One analysis.

1 Daimler - Chrysler		Precipitant					Departures - Turning Points	
Internal			External			Abrupt	Non-Abrupt	
13			0			7	6	
100.00%			0.00%			53.8%	46.2%	
Substantive	Procedural	Strategic	Contextual	Actors	Consequence			
8	4	1	0	0	Towards agreement	Away from agreement		
61.5%	30.8%	7.7%			11	2		
total TPs	13				84.6%	15.4%		

2 Renault - Nissan		Precipitant					Departures - Turning Points	
Internal			External			Abrupt	Non-Abrupt	
13			2			10	5	
86.67%			13.33%			66.7%	33.3%	
Substantive	Procedural	Strategic	Contextual	Actors	Consequence			
5	4	4	2	0	Towards agreement	Away from agreement		
38.5%	30.8%	30.8%	100.0%	0.0%	12	3		
total TPs	15				80.0%	20.0%		

3 Fiat - Chrysler		Precipitant					Departures - Turning Points	
Internal			External			Abrupt	Non-Abrupt	
10			2			8	4	
83.33%			16.67%			66.7%	33.3%	
Substantive	Procedural	Strategic	Contextual	Actors	Consequence			
3	3	4	1	1	Towards agreement	Away from agreement		
30.0%	30.0%	40.0%	50.0%	50.0%	9	3		
total TPs	12				75.0%	25.0%		

4 GM - Fiat (Opel)		Precipitant					Departures - Turning Points	
Internal			External			Abrupt	Non-Abrupt	
16			3			11	8	
84.21%			15.79%			57.9%	42.1%	
Substantive	Procedural	Strategic	Contextual	Actors	Consequence			
4	3	9	2	1	Towards agreement	Away from agreement		
25.0%	18.8%	56.3%	66.7%	33.3%	8	11		
total TPs	19				42.1%	57.9%		

5 Ford - Geely (Volvo)		Precipitant					Departures - Turning Points	
Internal			External			Abrupt	Non-Abrupt	
10			2			7	5	
83.33%			16.67%			58.3%	41.7%	
Substantive	Procedural	Strategic	Contextual	Actors	Consequence			
4	0	6	2	0	Towards agreement	Away from agreement		
40.0%	0.0%	60.0%	100.0%	0.0%	9	3		
total TPs	12				75.0%	25.0%		

6 SsangYong - Mahindra		Precipitant			Departures - Turning Points	
Internal		External			Abrupt	Non-Abrupt
14		4			10	8
77.78%		22.22%			55.6%	44.4%
Substantive	Procedural	Strategic	Contextual	Actors	Consequence	
3	2	9	1	3	Towards agreement	Away from agreement
21.4%	14.3%	64.3%	25.0%	75.0%	13	5
total TPs	18				72.2%	27.8%

7 GM - PSA (Opel)		Precipitant			Departures - Turning Points	
Internal		External			Abrupt	Non-Abrupt
13		0			8	5
100.00%		0.00%			61.5%	38.5%
Substantive	Procedural	Strategic	Contextual	Actors	Consequence	
3	2	8	0	0	Towards agreement	Away from agreement
23.1%	15.4%	61.5%			11	2
total TPs	13				84.6%	15.4%

8 Renault - FCA		Precipitant			Departures - Turning Points	
Internal		External			Abrupt	Non-Abrupt
17		3			11	9
85.00%		15.00%			55.0%	45.0%
Substantive	Procedural	Strategic	Contextual	Actors	Consequence	
4	3	10	2	1	Towards agreement	Away from agreement
23.5%	17.6%	58.8%	66.7%	33.3%	9	11
total TPs	20				45.0%	55.0%

9 PSA - FCA		Precipitant			Departures - Turning Points	
Internal		External			Abrupt	Non-Abrupt
18		0			9	9
100.00%		0.00%			50.0%	50.0%
Substantive	Procedural	Strategic	Contextual	Actors	Consequence	
9	4	5	0	0	Towards agreement	Away from agreement
50.0%	22.2%	27.8%			13	5
total TPs	18				72.2%	27.8%

Appendix G: Cohen's Kappa calculations. Phase two

Table A.9 provides the estimate of the chance agreement of the Turning Points identification for simulations 2 and 3.

Table A.9 - Chance agreement of the Turning Points identification for simulations 2 and 3.

simulation 2		Coder 2		Row Marginal
		TP	NTP	
Coder 1	TP	13	1	14
	NTP	0	6	6
Column Marginal		13	7	20
	TP	Turning Point		
	NTP	Not Turning Point		
	Pe	0.56		

simulation 3		Coder 2		Row Marginal
		TP	NTP	
Coder 1	TP	18	1	19
	NTP	1	7	8
Column Marginal		19	8	27
	TP	Turning Point		
	NTP	Not Turning Point		
	Pe	0.58		

Table A.10 provides the estimate of the chance agreement of the Turning Points classification in Abrupt and Non-Abrupt departures for simulations 2 and 3 in the first and second rounds of coding.

Table A.10 - Chance agreement calculation example in the first and second round of coding for simulations 2 and 3

simulation 2		Coder 2		Row Marginal
		A	NA	
Coder 1	A	8	1	9
	NA	1	4	5
Column Marginal		9	5	14
	A	Abrupt departure		
	NA	Non Abrupt Departure		
	Pe	0.54		

simulation 2		Coder 2		Row Marginal
		A	NA	
Coder 1	A	10	0	10
	NA	0	4	4
Column Marginal		10	4	14
	A	Abrupt departure		
	NA	Non Abrupt Departure		
	Pe	0.59		

simulation 3		Coder 2		Row Marginal
		A	NA	
Coder 1	A	10	2	12
	NA	1	6	7
Column Marginal		11	8	19
	A	Abrupt departure		
	NA	Non Abrupt Departure		
	Pe	0.52		

simulation 3		Coder 2		Row Marginal
		A	NA	
Coder 1	A	10	1	11
	NA	0	8	8
Column Marginal		10	9	19
	A	Abrupt departure		
	NA	Non Abrupt Departure		
	Pe	0.50		