

INTERNATIONAL COMMERCIAL NEGOTIATION: A COMPARISON BETWEEN BRAZILIAN AND FOREIGN TOBACCO DEALERS

Walter Nique¹

Rua Couto de Magalhães, 1155 apto. 1101 – Bairro Higienópolis

CEP: 90540-131 Porto Alegre/RS Brasil

Tel: (51) 3316-3827

E-mail: wmnique@ea.ufrgs.br

Fladimir de Oliveira²

Av. João Pessoa, 1800, Lote 87 B - Residencial Costa Norte

CEP: 96815-770 Santa Cruz do Sul/RS Brasil

Tel: (51) 3719-8800

E-mail: foliveira@sccgroup.com

Jorge Francisco Bertinetti Lengler²

Rua Buenos Aires, 543 Apto 502 - Bairro Petrópolis

CEP: 90670-130 Porto Alegre/RS Brasil

Tel: (51) 3388 9101

E-mail: jlengler@terra.com.br

¹ Universidade Federal do Rio Grande do Sul - UFRGS

Escola de Administração - EA

CEP: 90010-460 Porto Alegre/RS Brasil

² Universidade de Santa Cruz do Sul - UNISC

Departamento de Ciências Administrativas

CEP: 89000-000 Santa Cruz do Sul/RS Brasil

Abstract:

This study focuses on the international tobacco negotiations and the influence of the Brazilian culture, personal values and ethical behavior. In today's globalized world, the investigation and understanding of cultural differences is essential in the planning of negotiation strategies. The minimization of cultural shocks provides better results. The subject of cultural awareness provides the academia and the companies, especially dealers, relevant theoretical information as well as demonstrates a practical reality, introducing important considerations to the planning of negotiations. The overall goal of this research work is to determine the existence of differences and similarities in the culture, personal values, and ethical behavior among Brazilian dealers and dealers from other 24 countries when they engage in commercial negotiations, and analyze these differences and similarities. This is an exploratory-descriptive research with a multi-method approach: the qualitative and the quantitative. The first includes a bibliographic research of scales to measure culture, personal values, and ethical behavior existing and accepted in Brazil, which provide important

contributions to the formulation of this research instrument: the questionnaire, through which we collect the information for the quantitative phase. It was applied the questionnaire in the city of Santa Cruz do Sul, considered to be the center of the Brazilian tobacco industry, located in Rio Grande do Sul, the southernmost state of Brazil, and in the foreign countries. Total sampling was 147 questionnaires applied (42 in Brazil and 105 in the foreign countries). This research is structured according to the following theoretical sequence: international commercial negotiation, national culture, personal values, and ethical behavior. In a general way the results demonstrate the cultural differences and similarities in international tobacco commercial negotiations and provide a picture of the Brazilian and the foreign tobacco dealers' cultural characteristics, according to the cultural dimensions proposed by Hofstede (1997), the personal values identified by the School of Values of Kahle (LOV) (1983), and the ethical behavior according to Lewicki's (1998) model.

Keywords: Personal values, international negotiation, culture, tobacco.

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1. Introduction

In a globalized market context, an increasing number of companies has been compelled to internationalization. Nowadays the prospect of foreign trading is enhanced by the opening of markets - made possible by the WTC (World Trade Organization) -, the unprecedented demands generated by global competition, the formation of several blocks such as Nafta, Mercosul, and the European Union, the market saturation within countries, and the advance of telecommunications, specially the computer technology. Finding supply alternatives through foreign sources (financing, input, technology) and the need to establish alliances with foreign companies in order to gain competitiveness are strong aspects to be considered for the survival of companies.

According to Malhotra (2001), national and international negotiators must be prepared for this new situation, trying to know not only their reality, but also their business counterparts' as well. What may improve the quality of the negotiators is their ability to tune in and be aware of the existence of a predictable pattern of behavior and values different from their own, which should increase the chances of success in international business negotiations. This conduct pattern can be seen in specific cultural traits that characterize man.

The international commercial negotiation has been receiving a lot of attention from the academic community after the development of a series of researches. In the business world, researching negotiations becomes an excellent source of information about negotiators' perception of culture, personal values and ethics. The increase in business trading among countries implies an increase of interpersonal relations. The knowledge of different cultures may increase the chances of success of a commercial or personal relationship.

Due to cultural differences, international negotiations have the potential to become more complex, confusing and frustrating than intercultural negotiations (MILES, 1995). The more the negotiator learns about the negotiating styles and beliefs of other cultures, the more effective and efficient dealing with negotiators therefrom will be. For Floriani (2002), companies less prepared for negotiating will feel the burden of globalization, for information is more and more accessible, broadening markets and horizons.

It is in such context that the tobacco business comes into play. For the past 4 years, world tobacco companies have reduced their standing stocks of tobacco in an attempt to lower operational costs. The world tobacco production has been lower than the world consumption

of cigarettes since the 1999 crop. Projections predict a new equilibrium between consumption and supply only after 2004/2005 (STANDARD, 2003). According to Gazeta Grupo de Comunicações (2001), tobacco is key in the economy of 103 countries that exploit this culture and involves directly or indirectly over 100 million people in the production process. Jobs are created in the industry sector as well as in the commercial, in rural and urban areas. Tobacco accounts for high amounts of taxes collected by public coffers and generates exchanges with exports. Tobacco is one of the few cultures that can yield well in small patches (four times greater than other cultures), and extensively uses family labor (over 50% of the production cost). This causes a huge social impact and reduces rural exodus.

In Brazil, if we consider the number of direct and indirect jobs created by tobacco from planting to cigarette commercialization, we estimate that about 2.2 million people are linked to the sector, 650 thousand in the rural area alone. Still in the economy field, the tax collection in this sector, for example, was of about US\$ 5.5 billion in 2002 and the total exports reached US\$ 1 billion, that is, 2.5% of the country's foreign sales.

The huge reduction of tobacco planting in the United States of America and in Africa caused many new tobacco clients to veer to the Brazilian market, leading to an increase of businesses between Brazil and the rest of the world. As a result, the interpersonal relationship increased, which called for an acquaintance with other cultures. This way, it is essential that the tobacco negotiators know the behavior patterns and cultural aspects of their foreign peers in the international picture in order to provide them with the tools to form an efficient negotiation strategy. The international commercial negotiations, in a globalized context, become effective competitive strategies. The growing importance of international businesses creates a need of global, sophisticated negotiators, specialized in international personal relations. The changes that the world economy has faced in the past decades; the commercial opening, and the increase of foreign capital flow require companies to come up with an array of more aggressive strategies in relation to foreign trade and ways to operate in this market. The professionals acting in this area, highly affected by globalization, must be better prepared, that is, well informed people (FLORIANI, 2002).

This study aims to provide a material that professionals can profit from in order to get ready to negotiate without being restricted to their instincts.

This research deals with the international commercial negotiation focusing on culture, personal values and ethics, and trying to identify the differences and/or similarities between Brazilian and foreign tobacco dealers. It was fulfilled through means of tools used by acclaimed authors: Hofstede (1997), in the IBM research on culture; Kahle's List of Values

(LOV) (1983), to identify the difference among values; and the study carried out by Lewicki (1998) on ethics.

The outlined setting defined the general goal of this study which is to analyze cultural characteristics, personal values and ethics of Brazilian and foreign tobacco dealers in international commercial negotiations. Therefore, for the purpose of specific objectives, it will be necessary to identify the cultural characteristics of Brazilian and foreign tobacco dealers; the main personal values of Brazilian and foreign tobacco dealers; and finally the ethical traits of Brazilian and foreign negotiators.

2. Theoretical Framework

2.1 Negotiation

Negotiating is part of people's daily lives. In the business world, negotiating is pretty much a way of life for managers, directors and traders, taking most of their time (KARRASS, 1974). According to Karrass (1996), the customary negotiation is often empirical, only intuitive; this way, having no technique. The most important weapon is bargaining, which establishes a "win-lose" game, a dispute of wills. Traditionally we start the bargaining game assuming laid out attitudes. One of them emphasizes the importance of relationship. To keep it, you make offers and concessions, you trust the opposite side, and give in so as to avoid confrontation. One's own interests are put aside. As a result, you become vulnerable to underhandedness. Another one is negotiating with the opponent, pressing, threatening and striving to beat the other. Consequently, rage and tension result, and as usual the loser will try to get even. This type of game may neutralize the conflict, but does not set the grounds for a functional, healthy relationship that will encourage a continuing negotiation in the future to reach new and more productive situations. It is the kind of game where strength prevails and creates a great deal of dissatisfaction; it consumes more time and effort because the more radical the initial decisions and the smaller the concessions, the more time and effort will be required; and it is the game that represents a greater risk of failure. "Taking advantage" and "making concessions" are outdated concepts because they have a short-term effect. The objective of each individual is to meet one's interests, and this is possible only if we learn to *negotiate*.

There is no more room for empiricism, improvisation or for the merely innate ability. Competence to negotiate presupposes methodology, high-skilled work, adequate preparation. There are several negotiation processes. The one regarded as being the most efficient is picked, even if it needs continuous improving. It is the ethical method par excellence, which

recovers principles such as mutual respect and good faith. Because it is ethical it gets the best results (KARRASS, 1992).

Negotiating is an attempt at solving problems or conflicts between two parties, aiming to reach a goal. For Kennedy (1991), conflict is the reason to negotiate different view points, interests, needs and behaviors.

According to Matos (1982), it is useless to try to suppress conflicts; they are inherent to the human condition. Man fights with himself as he tries to surpass himself and reach perfection. A healthy dissatisfaction is important for growing, whose process presupposes crises resulting from conflicting situations (from what is established to what is renewed).

The negotiation - honesty when placing view points and objections on the table so as to have an open and solving discussion - is the healthy step to appease and solve tensions and personal disagreements. Without it, the conflict remains, worsens and perpetuates itself, having unpredictable consequences (MATOS, 1982, p. 02).

2.2 Geert Hofstede's General Culture

Hofstede refers to culture as a system of meanings - values, convictions, expectations and goals - shared by members of a particular group of people and that differ from those of another group. It is a product of a mental collective program (HOFSTEDE, 1997) that is acquired according to constant interaction with members from another group. Cultural differences can be found in different levels, professions, classes and religions; however, it is more evident in national levels due to the international community need of socialization. The individual gets to know one's own culture when confronted with others.

In his study with IBM employees, Hofstede used a questionnaire with 150 questions, of which 20 were used to create four dimensions of value where he compared the national culture in his sample: power distance; aversion to uncertainty; individualism versus collectivism; masculinity versus femininity.

According to Hofstede (1997), the 5th dimension identified by the CVS was named by Bond (apud HOFSTEDE, 1997) as "Confucian dynamism" in a reference to Confucius' teachings. Confucius was a thinker of humble origin who lived in China round about 500 BC. His teachings consist of lessons on ethics without a religious content, for Confucianism is not a religion, but rather a set of practical rules for everyday life, taken from the Chinese history.

This dimension is actually related to a long-term orientation versus short-term orientation comprising values that a western mind clearly recognizes, but that had not been established in western questionnaire constructs.

2.3 Personal Values

Values are part of a child's first attempts at learning, often times acquired unconsciously (MALHOTRA, 2001).

According to Marmitt (2001), in order to study and understand consumers' behavior, which involves culture, beliefs, generations, social classes, political and religious ideologies, it is essential that the aspects of personal values be taken into consideration.

Values are part of the everyday in the way someone acts in a given situation. They are important for the behavior study because they are the basis to understanding attitudes and motivations (FLORIANI, 2002).

Values are not merely labels that can be attributed, but rather registers of attitudes in a given situation, thoroughly examined and supported by beliefs.

According to Rokeach (1981), values do not work separately, but in connection with each other, forming systems of values. In general, systems of values can also be regarded as frames that delimit cultural settings whose design allows for configurative variations of different "scenarios" in which social performers (human beings) act.

According to Kahle (1980), since values are the most abstract element in social cognitions, they reflect the most basic characteristics of adaptation. These abstractions work as prototypes with which attitudes and behaviors are manufactured. "Cognitions and, therefore, values also show individuals the situations they should get into and guide them through these situations" - Kahle¹ (apud CARDIGA, 2002, p. 21).

In an attempt to come up with a model that would help a manager identify personal values, Kahle (1983) offered an instrument called List of Values - LOV. This list was put together based on Rokeach's list of 18 terminal values (1973) and on the hierarchy of values described by Maslow² (apud KAMAKURA and NOVAK, 1992, p. 125). The LOV collecting instrument, applied in this study to check the personal values of Brazilian and foreign negotiators, may serve as a measuring instrument to study social similarities and differences among individuals and countries (Beatty, Kahle, Homer, and Misra, 1985; Kahle, 1983; Kahle, Beatty, and Homer, 1986).

The values in the List of Values are the following (HOMER and KAHLE, 1988): sense of belonging (being accepted and needed by friends, family and community); fun and enjoyment in life (leading a pleasant and happy life); warm relationship with others (strong bonding and close friendship); self-fulfillment (having peace of mind and making the most of

¹ KAHLE. *Journal of Personality and Social Psychology*. 1980, n.38, p. 50-56.

² MASLOW, A.H. *Motivation and Personality*. New York: Harper, 1954.

one's skills); being respected (being recognized and admired by others); the need of a stimulus (being exposed to stimuli, thrills and emotions); accomplishment (success); security (being safe and protected from misfortune and attacks), and self-respect (being proud of and having confidence in oneself).

For Beatty et al. (1985), the LOV is preferred over other methods, first, because of its parsimony and higher degree of relevance and influence in the everyday; second, for being closer to Rokeach's methodology than other measuring techniques.

2.4 Lewicki's Ethics Model (1998)

Lewicki (1998) believes that negotiators perceive and distinguish the tactics that are going to be used in a negotiation. When they decide to use negotiating tactics that are not considered totally ethical, they examine these tactics in a "continuum" that ranges from ethically appropriate to ethically inappropriate. The tactics in one end of this "continuum" are considered ethically acceptable and are usually used in negotiations, even if small doses of underhandedness and fraud may be necessary. Tactics in the other end of the "continuum" are considered ethically inappropriate and hard to be supported or justified.

3. Research Method

This is an explanatory-descriptive research. According to Malhotra (2001), the main objective of the explanatory research is to increase the knowledge about the subject researched by clarifying concepts and supplying support to the subsequent steps of the investigation. The explanatory research is important in situations in which the researcher does not have enough information to carry out the research project and is characterized by flexibility and versatility in regards to methods.

This research used a multimethod approach that, according to Brewer and Hunter³ (apud HOPPEN et al., 2000, p. 3), is used in more than one researching methodology. The multimethod approach focus on the convergence principle so that the results of the same given research problem are similar or identical with the use of different methods.

During the qualitative phase of this study, we tried to synthesize all relevant information about negotiation, international negotiation, culture, personal values and ethics of the professionals surveyed. The collection of data in this phase was based on interviews and discussions with several professionals who knew the subject covered by the study, and on the

³ BREWER, J. e HUNTER, A (1989) **Multimethod Research: A Synthesis of Styles**. Sage Library of Social Research, n.175, Newbury Park (CA): Sage Publications.

research of secondary sources, such as books, dissertations and thesis about negotiation, international negotiation, culture, personal values and ethics.

With the data surveyed and collected in this phase, a data collection instrument was elaborated - a questionnaire that would allow measuring the data to be collected, for later use in the quantitative phase.

In the quantitative phase, convenience dictated the use the non-probabilistic sampling method due to its accessibility. According to Malhotra (2001), the sampling for convenience is less costly, but presents many potential sources of tendentiousness in selecting.

The study comprised 42 Brazilian tobacco dealers from the south of Brazil and 105 tobacco dealers from 31 countries, such as Uruguay, Argentina, Chile, Bolivia, Colombia and Dominican Republic (in Latin America), United States (in North America), Yemen Republic, Jordan, Iran, Malawi, Zimbabwe, Kenya and Sudan (Middle East/Africa), England, Belgium, Italy, France, Spain, Portugal, Austria, Sweden, Germany, Greece, Switzerland, Holland, Armenia and Russia (Europe) and Pakistan, China and Japan (Asia/Far East).

The collection of data was made in the months of October and November of 2003. A total of 147 questionnaires was used, of which 42 in Brazil and 105 in 31 other countries, as mentioned above. A total of 107 questionnaires was returned to the researcher which thus represents a successful return of 73%. In Brazil, 40 questionnaires were returned, representing a 95% return, and 67 questionnaires were filled out abroad (24 countries), that is, a 64% return.

4. Analysis of the Results

4.1 Sample Profile

Most of foreign respondents were North Americans (19.4% of the total) and another 16.5% were of African origin. Only 2% of respondents were Asian. Among the foreigners interviewed, 2.8% were female. In Brazil, all respondents were male. The average age of foreigners as well as Brazilians was 44 years old.

In regards to work or education, 42.5% of Brazilian respondents said they had either worked or studied for over 2 consecutive years away from their area or country. Among foreign respondents, 37.3% of tobacco dealers said they had already been away from their area or country for over 2 consecutive years.

Comparing their experience as negotiators showed that the average among Brazilian and foreign respondents is pretty much the same, with an average of 14.50 years of experience for

Brazilians against 14.79 for foreigners. The average experience in the whole sample is 14.68 years, with a standard deviation of 9.09.

In regards to education in the sample, of the 107 tobacco dealers who answered the questionnaire, 46.7% have college degree, closely matching the percentages of Brazil and abroad; 15% have not finished college yet, and 13.1% have master's degree. Only one (1) Colombian has a doctor's degree, thus representing 0.9% of the total sample of tobacco dealers.

4.2 International Commercial Negotiation

In order to know the negotiating characteristics of Brazilian and foreign tobacco dealers, respondents were asked about subjects pertinent to negotiation, seeing that this set of variables can be regarded as the strategy applied by tobacco dealers of each country. The subjects discussed were the aspects that the tobacco dealers considered important; the relevant information that they should get before the negotiation; the negotiating phases that negotiators gave more attention to. The first issues discussed were the aspects considered relevant in a commercial negotiation. The variables dealt with refer to the attributes a tobacco dealer needs in order to be able to negotiate.

Brazilian and foreign respondents (averages of 1.35 and 1.38, respectively, on a scale ranging from 1 to 5, where 1 is the most important) deemed the attribute "knowing the product" the most important, being essential in an international commercial negotiation. For foreigners, the second most important aspect is "being a good listener", with an average of 1.96. For Brazilians, both "being a good listener" and "being a good speaker" (1.85) came in second as the most important aspects. Foreign as well as Brazilian respondents agree that "a country's legislation" is the least important aspect in a negotiation, for they scored this variable with the highest grades, 2.57 and 2.20, respectively, on a scale where the higher the grade the least important the variable, 1 being extremely important and 5 not important at all.

A comparison between foreign and Brazilian averages shows that both attributed the same level of importance to these aspects, not having significant differences, statistically speaking, in their perception of the attributes assessed. Moreover, a dispersion of the averages was observed, ranging from 0.74 to 0.99. Among the attributes assessed, all five aspects dealt with were less important to foreigners than to Brazilians, that is, Brazilians care more about these aspects during a negotiation.

As to the information about the negotiator, foreign and Brazilian negotiators share very similar points of view, both believe information is very important, and scored averages of

2.04 and 2.20 on a scale where 1 is the most important score. These averages imply that, unlike Hofstede's theories (1997), Brazilian negotiators are not alone in their interest in personal relationship, for foreign tobacco dealers too believe it to be important, attributing an even greater importance to personal relationship.

Knowing the cultural aspects of the "country" you are going to do business with is not particularly important to either Brazilian tobacco dealers or foreigners, with a median degree of importance for both respondents, scoring 2.73 and 2.70, respectively. The significance test demonstrates, with 88% of certainty, that there is no difference between both negotiators, which shows that this information means the same to Brazilian and foreign negotiators.

In regards to the average dispersion, the one that varies the most among both Brazilians and foreigners is the importance of information about the "negotiator" (standard deviation of 1.04 and 0.98).

4.3 National Culture - Hofstede's Model

To measure the cultural differences between Brazilian and foreign tobacco dealers and to answer the second question of the survey - "*What are the cultural characteristics of tobacco dealers in an international negotiation?*" -, the variables used are compared to the level of national culture, that is, Brazilian tobacco dealers versus foreign tobacco dealers involved in the survey.

The analysis of this question is made according to the cultural dimensions proposed by Hofstede (1997): individualism versus collectivism; masculinity versus femininity; power distance; aversion to uncertainty, and short-term versus long-term orientation. The analysis of each one of these dimensions is made through a set of variables that are presented separately, then come the averages of the variables in each dimension, finally, the main differences according to the cultural dimensions, are presented in a general comparative chart.

The results were assessed on a scale of values ranging from 1 to 5.

It can be observed that when interviewees were questioned about the way they "generally do business", foreign tobacco dealers (3.69) as well as Brazilians (3.67) share the opinion that it should be a team work. This result shows that Brazilian and foreign companies use the strategy of team work. We are 96% sure that there is no difference in the way Brazilians and foreigners view this value.

When the negotiators were questioned about their "preference" as to negotiating individually or collectively, team work scored 3.39 among foreigners and 3.20 among

Brazilians. Therefore there is no significant difference between them as to their preference when negotiating.

In regards to the tobacco dealer's negotiating style - either autocratic or democratic -, foreigners scored an average of 3.79 and Brazilians, 4.05. Both respondents claim to be democratic, Brazilians being the ones who are closer to this principle (4.05). In relation to this question, there was no significant difference between Brazilians and foreigners, that is, both have similar view points.

The next question identifies the negotiator as a person who tends to direct or observe during the negotiating process. Here Brazilians and foreigners bear close averages, that is, 3.06 for foreigners and 3.00 for Brazilians. There is no significant difference between the negotiators.

When questioned about asking their families for advice to close a deal, both groups of negotiators stated that they hardly ever resort to that, scoring an average of 1.73 among foreigners and 2.02 among Brazilians. Therefore, there is no significant difference between Brazilians and foreigners. Nevertheless, Brazilian tobacco dealers ask their families for advice more often before closing a deal.

An analysis of all five variables shows that there was no significant difference in the way values are perceived. Moreover, a collectivist tendency characterizes the foreigner tobacco dealer as well as the Brazilian dealer.

The second cultural dimension identified is *masculinity versus femininity*. Male cultures are characterized by not caring about others, their interest in the quality of life and their concern with moneymaking and asset acquisition. Female culture is characterized by its concern with the quality of life and by caring about people and family.

The results show significant differences (sig. 0.03) between foreign (3.67) and Brazilian (4.10) tobacco dealers. Both have a tendency to close their deals based on profit, which is a characteristic of male societies. The Brazilian tobacco dealer is more strongly inclined towards male characteristics.

This result, analyzed individually, shows that the Brazilian tobacco dealer is more interested in the financial aspects of a negotiation outcome, which characterizes a male society, that is, the one where material success and profit prevail (HOFSTEDE, 1997).

Power distance indicates the level of inequality among people and demonstrates the hierarchical differences. Foreign (3.73) and Brazilian (3.47) respondents consider the negotiating style of their "immediate superior" as democratic. There is no significant difference of opinion between both groups of respondents. A greater tendency is observed

among foreigners to identify their superiors as being more democratic, which demonstrates a power distance relatively lower than among Brazilian tobacco dealers. Brazilian tobacco dealers see their superiors as more autocratic than foreigners do, a tendency of countries (Brazil) whose dimension is the great power distance, that is, the ideal boss is a benevolent autocrat (HOFSTEDE, 1997). The results obtained support the idea that Brazilian and foreign tobacco dealers bear a moderate level of power distance. Hofstede's research (1997) presupposes that power distance is high in Brazil, but the sample in this study did not confirm that.

Aversion to uncertainty: the level of uncertainty control of a country measures the level of unrest in view of unknown and uncertain situations. This feeling is measured by stress, the need of rules and, consequently, of predictability.

The question posed to respondents to assess the aversion to uncertainty tries to check if foreign and Brazilian tobacco dealers seek safe or risky options to negotiate. This question was the one that displayed the greatest difference in this dimension; however, this difference of opinion is not significant (sig. 0.13). The foreign respondents prefer a balance between safe and risky options, with an average of 2.57. Brazilians (2.23) are closer to safe options, represented by number 1 on the scale.

By analysing the set of variables of this construct it is possible to observe that negotiators tend to display a high level of aversion to uncertainty, which confirms Hofstede's (1997) result regarding Brazil.

The *fifth and last dimension* - short and long-term positioning - comprises aspects relevant to the economical development, which are not found in other dimensions.

Foreign (3.57) and Brazilian (4.22) respondents often save their salaries for future needs. But the tendency to save salary is greater among Brazilians.

The average presented by this dimension has a significant difference of 0.04 in the perception of this value. This result points to a connection with the great importance attributed to male values by both groups of tobacco dealers, who give more importance to material aspects and salary saving.

Regarding the statement "when negotiating, you generally think about the future (long-term) or the present (short-term)", most Brazilian respondents are more favorable to a long-term view in a negotiation process, scoring an average of 2.35; while foreigners tend to favor short-term, scoring an average of 2.64. The averages for this question did not show any significant difference between both groups of respondents.

The overall results of this dimension indicate that Brazilian tobacco dealers favor long-term, while foreign tobacco dealers favor medium-term negotiations.

Chart number 1 shows the "portrait" of the opinion of Brazilian and foreign tobacco respondents surveyed, according to the cultural dimensions proposed by Hofstede (1997) and what has been discussed thus far.

Country	Individualism*	Masculinity**	Power Distance	Aversion to uncertainty	Long Term Orientation***
Foreigners	Low	High	Moderate	High	Moderate
Brazilians	Low	High (+)	Moderate	High (+)	High

*A low score is synonymous with collectivism.

**A low score is synonymous with femininity.

***A low score is synonymous with short-term orientation.

Chart 1: comparison of different dimensions between foreign and Brazilian tobacco dealers.

Source: adapted from Hofstede (1997) plus data obtained with the research herein.

4.4 Personal Values

To assess *the most important personal values for Brazilian and foreign tobacco dealers*, values are presented as determined by the scale proposed by Kahle (1983). The analysis is made according to the level of importance given by foreign and Brazilian tobacco dealers to the attributes on the scale of values. The assessment of the attributes results from the average reached on a scale of importance where 1 means most important and 7 means least important. Also presented is the difference of values between Brazilian and foreign negotiators.

"Being respected" was the most important value for both groups of negotiators - Brazilians, 1.73 and foreigners, 1.87 -, which demonstrates how important it is to be admired by others and recognized for what you do. "Being respected" is also about morality. Therefore, both groups of respondents are very concerned with morals. This result corroborates the theoretical phase in which ethics is called a relevant factor in international businesses.

For Brazilians, the second most important personal value, with an average of 1.78, was "accomplishment", and the third, with 1.85, was "self-fulfillment". For foreigners, the second and third most important values were "self-fulfillment" (2.07) and "sense of belonging", with an average of 2.16 (being accepted and needed by friends, family and community),

respectively. The foreign tobacco dealer travels a lot, spending a long time away from family and the community.

To better view the main personal values singled out by foreign and Brazilian tobacco dealers, chart 2 presents the ranking of personal values.

Rank	Foreigner	Brazilian
1 st	Being respected	Being respected
2 nd	Self-fulfillment	Accomplishment
3 rd	Sense of belonging	Self-fulfillment
4 th	Fun and enjoyment in life	Fun and enjoyment in life
5 th	Accomplishment	Warm relationship with others
6 th	Warm relationship with others	Sense of belonging
7 th	Security	Self-respect
8 th	Self-respect	Security
9 th	Need of stimulus	Need of stimulus

Chart 2: ranking of personal values.

Source: collection of data.

4.5 Ethics

To answer the survey question regarding *the ethical characteristics of Brazilian and foreign tobacco dealers*, Lewicki's ethics model (1998) is applied.

Eighteen questions covered subjects concerning negotiating tactics that allow checking the ethical behavior of respondents. It is clear in both groups of respondents the prevalence of individuals who define themselves as being cooperative in a negotiation (92.5%). Likewise Lewicki's study, this question was the first one answered.

Next, there is a description of the results of the negotiating tactics. The attributes were assessed through a scale ranging from 1 (ethically inappropriate) to 7 (ethically appropriate), that is, the closer to 1 the average gets, the more ethically inappropriate the attribute is considered.

The Brazilian averages for the 18 ethical behavior variables range from 5.75 to 1.40, and for foreigners they range from 5.06 to 1.36. It is important to point out that the strategies "getting information through private sources"; "hiding the lowest acceptable offer"; "making an initial demand greater than the one expected in the final agreement", and "showing no promptness in closing the deal" are the ones scoring highest averages and closest to the strategies ethically appropriate. This group of tactics is widely accepted by Brazilian tobacco respondents as well as by foreigners.

For Brazilians, the standard average deviation of the answers ranged from a maximum of 2.17 to a minimum of 0.75. For foreigners, the standard average deviation of the answers

ranged from a maximum of 2.27 to a minimum of 0.98. Coincidentally, the lowest standard deviations involved the tactics with averages of lower value for both Brazilian and foreign tobacco dealers, thus describing a situation of great consistence (homogeneity) in the individuals' answers to these tactics.

The results indicate that of the 18 items comprising the instrument, only the strategy "getting information about a competitor's business opinion by supporting a network of friends, associates and contacts" showed a difference of 1% in the perception of ethics between Brazilian (1.50) and foreign (2.25) respondents (significance of 0.01). Brazilian tobacco dealers considered this tactic more ethically inappropriate than did foreigners. For all other 17 strategies, both groups of respondents displayed the same level of importance, with no significant difference in the perception of ethical values.

With the interviewees' answers at hand it was possible to establish a ranking of importance for the variables that measured the ethical behavior of respondents. Overall, the ranking of the questions for Brazilian and foreign respondents display a similar pattern. There are many questions with higher averages in Brazil. Only six of the 18 items showed higher averages abroad, being significantly different. Brazilian tobacco dealers are more likely to use aggressive and/or non-ethical tactics of negotiation than foreign tobacco dealers. However, foreign tobacco dealers may be more concerned about "hurting" their Brazilian counterparts in a negotiation, since they still expect to meet and socially interact with these individuals in situations that may once more involve a future negotiation.

Therefore, we can conclude that Brazilian tobacco dealers as well as foreign tobacco dealers are not prone to act differently from their beliefs about what they consider ethical during a negotiation process. There is no striking inconsistency between belief and action for respondents in both samples. Taking this aspect into consideration, Brazilian tobacco dealers might be a lot more similar to their peers abroad when they speak their mind and act accordingly. The difference between Brazilian and foreign tobacco dealers lies in the level of aggressiveness during a negotiation, it is higher among Brazilians in perception as well as in action.

This consistence among beliefs, intentions and actions suggests a minor disposition to formalities among Brazilian and foreign tobacco dealers. Both groups of negotiators can expect behaviors that will match their own cultural system of expectations, which makes the negotiating process more agile and safer, for they do not need descriptive phases and bureaucratic formalization.

4.6 Reliance on the Research Instrument

A scale is considered reliable when it consistently yields the same results in the same sample (GIL, 1994).

For the purpose of instrument reliability, Cronbach's Alpha coefficient was applied. Malhotra (2001) and Barbetta (1994) believe this type of coefficient is a reliability measure for internal consistency, which is the average of all possible coefficients, resulting from different divisions of the scale in two parts.

According to Evrard et al. (apud GASTALDELLO, 1999, p. 38), when the questions have an a close to 1, the scale has good internal coherence, that is, the questions are effectively measuring the same thing. The author herein considers an alpha between 0.6 and 0.8 desirable in explanatory researches.

The first four phases of the research instrument, which are *international commercial negotiation*, cultural scale, *Kahle's scale of values*, and *Lewicki's ethical scale*, resulted in the coefficients shown on Table 1.

Table 1: reliability test of the negotiation scale, cultural scale, personal values scale and ethical scale - Cronbach's *Alpha* (α).

Variable	No. of variables	Cronbach's α
Negotiation Aspects, Information Relevance and Negotiation Phases	19	0.8784
Culture according to Hofstede	16	0.8483
Kahle's personal values	9	0.8515
Ethics according to Lewicki	18	0.8959

Source: collection of data.

Table 1 shows that all questions in the data collection instrument have internal consistency, that is, they are reliable and indicate an internal consistency of the data.

5. Final comments and conclusions

This research was carried out with 40 of the 42 Brazilian tobacco dealers (hereafter referred to as "Brazilians"), which represents the majority of such negotiators in Brazil, and 67 foreign tobacco dealers (hereafter referred to as "foreigners") from 24 countries, which represents almost 50% of countries that buy Brazilian tobacco.

If we consider the dimensions in Hofstede's national culture (1997) - individualism versus collectivism, masculinity versus femininity, power distance, aversion to uncertainty and short/long-term orientation -, the questions do not allow a conclusive classification in the

dimensions. For this reason, the initial classification was based on the scale and the analysis of the average of each variable, which lead to a referential chart formed by significantly different tendencies in each cultural dimension (Chart 1).

This way, it was possible to display the cultural dimensions and classify respondents, thus forming a "portrait" of the sample taken (Chart 1).

The cultural dimensions proposed by Hofstede (1997) allowed checking some different tendencies as to the negotiators' culture, specially in regards to the short/long-term orientation dimension. The result of this dimension shows that foreigners are more likely to engage in short-term business dealings than Brazilians, although foreigners save money with the future in mind. Brazilians tend to care more about rewards, austerity and resource economy, they care less about the past and immediate results than foreigners.

Both groups of respondents gave evidence of a cultural tendency towards collectivism, they prize the group by prizing the adaptations within the group and reward the loyal members of the team (Hofstede, 1997; Lewicki, 1998). They showed a need of a stable relationship, so that the negotiations may come off among people who become familiar.

In regards to the masculinity dimension, both groups of respondents showed a high tendency towards male values, specially among Brazilians. Both groups often base their business dealings on profit, thus proving their inclination towards male values.

The dimension power distance proved both groups of respondents to be moderate and did not show any significant difference. Both groups of negotiators consider their superior a democratic person, though foreigners displayed a slightly higher tendency here. That means centralization is not common and subordinates do not always have to wait for the boss's final decision, which confirms a certain level of individualism by the negotiator and can therefore speed up the closing of a deal. However, superiors in both groups try to find clear answers to most of the questions raised by their subordinates.

As to the dimension aversion to uncertainty, both groups of respondents showed a high level of aversion, Brazilians being more prone to it. Most of the time, both groups of respondents prefer stability in the negotiation. Nevertheless, not only do Brazilians look for safer alternatives and hardly go back on their decisions, but also they hardly feel tense in a negotiation process, when compared to foreigners.

In the IBM research, the Brazilian respondent gave evidence of a moderate level of masculinity, tending to feminism. This research proved Brazilians to be more concerned with profit than foreigners when questioned about several aspects (values and negotiation phases) and attributed a higher level of masculinity to Brazilian respondents. The IBM research

showed a high level of power distance among Brazilian respondents, while the research herein showed a moderate level of power distance among Brazilians, who regard their superiors as democrats.

The results of this research partially corroborate the results of Hofstede's research (1997), with opposing results regarding dimensions "masculinity" and "power distance". This difference may have occurred, first because, in the tobacco business, the manager is usually a man, moreover the competition and the search for profit are strong, as is the urge to climb the corporate ladder. Second, since team work is encouraged, employers are expected to cooperate instead of competing among themselves, this way minimizing the inequality among roles and functions. Also encouraged is the interdependence among superiors and subordinates, provided the reduced hierarchy in each company is functional. However, the respect for leadership finds its balance on the respect for the organization and the leader's efficiency.

In regards to the personal values in both sample groups, it is observed that internal values are more important to Brazilians than to foreigners, that is, Brazilians tend to control more what they do with their lives and try to take better care of themselves. The external values, which are more important to foreigners, depend more on other people, that is, other people are involved. This situation gives evidence of a greater concern about the self than about others among Brazilian respondents, this way assigning Brazilians with a high level of masculinity (HOFSTEDÉ, 1997) and a cultural trait of personality (MOTTA; ALCADIPANI, 1999).

For both groups of respondents, the personal values are very close, which means there is a certain homogeneity between Brazilian and foreign negotiators. The same foreigners are dealing tobacco in several countries where oftentimes they meet the same Brazilians (Chart 2).

Values are regarded as the deepest layer of cultural expression, they are a sign of the ways and behaviors of a society, and show the satisfaction of the human needs.

This research also allowed the gathering of revealing results about the way tobacco dealers behave and think when ethics is involved.

Both groups of tobacco respondents display a very similar ethical behavior, which suggests a minor disposition to formalities among Brazilians and foreigners. Both groups behave similarly in regards to expectations, which may make the negotiation processes faster and safer, eliminating bureaucratic phases. Nonetheless, Brazilians are more likely to use aggressive and/or non-ethical negotiation tactics. The difference between these tobacco

dealers might lie in the level of aggressiveness during a negotiation, being higher among Brazilians in the way they think as well as in their actions during the negotiation process. This may be due to the fact that Brazil is the second biggest producer and the major tobacco exporter in the world, as well as to Brazilians' experience, for they constantly deal with people from several countries.

Only one strategy assessed - "getting information about a competitor's business opinion by supporting a network of friends, associates and contacts" - revealed a difference in the perception of ethics to a degree of 1%. This tactic is considered more ethically inappropriate to Brazilians than to foreigners.

Finally, it was observed that the main cultural differences among nations lie in values (HOFSTEDE, 1997). These results indicate that national culture, personal values and ethics influence the way people do business, because of the importance given to information and of certain actions. Culture influences behavior, attitudes and the deepest layers of a human being's nature, one's personal values.

Both groups of negotiators have cultural differences, and, in regards to personal values, as per what has been aforementioned, have differences that may influence their attitudes and perceptions during a negotiation. Brazilians strongly seek profit - male value -, while foreigners try to develop a more effective relationship that will meet their short-term needs. After all, they are aware that nowadays Brazil is the major world tobacco exporter/supplier.

Knowing cultural differences, personal values and ethics implies not only building a strategy to internationalize companies (forming joint ventures, mergers and acquisitions), and distribute products and/or services, but also managing and selecting human resources.

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