

## The Comparison on Negotiation Styles Preference between Thai and Bhutanese

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### Abstract

The purpose of this research is to compare negotiation styles preference between Thai and Bhutanese in order to examine whether there is significant difference in negotiation between people from these two countries. A total of nineteen students both Thais and Bhutanese who enrolled in the Business Negotiation and Presentation course at a selected public university were participated in this study. Data were collected through a 28-item of negotiation styles questionnaire, which encompassed five dimensions of negotiation styles including collaborating, accommodating, competing, compromising, and avoiding styles. Findings indicated that the most dominant negotiation style of Thais and Bhutanese was collaborating style while the least preferred negotiation style of people from both countries was avoiding style. Results of interdependent samples t-test analysis revealed no significant differences of preferred negotiation styles in nationality.

**Keywords:** Negotiation, Negotiation styles, Thai, Bhutanese

### Introduction

Negotiation is the process of searching for a mutually acceptable solution when two parties engaged have different needs and goals (Schermerhorn, Hunt, & Osborn, 2008). Interest in negotiation has grown increasingly in the past years. Based on the literature reviews, the studies on negotiation have been dominated and concentrated on four primary approaches including individual differences, situational characteristics, game theory, and cognitive approach (Griffin & Moorhead, 2014). In particular, previous studies placed an emphasis on individual differences in order to answer why some people are better negotiators than others. Research found that four factors that affect the effective negotiation of individuals include personality and traits, mood and emotions, culture, and gender (Robbins & Judge, 2013). Various studies attempted to explore demographic characteristics of the negotiators, which included gender, age, and nationality to describe whether people with different characteristics have negotiated distinctively. Cellich and Jain (2004) noted that people with the different cultural backgrounds, professional responsibilities, and environments possess a certain negotiation style, and cultural differences can have a significant impact in business negotiation. In the light of this, the investigation on the cross cultural negotiation has been steadily grown in the negotiation research area (Lewicki et al., 2004). However, research on cross cultural negotiation in Thailand has been limited and needs to be explored to enhance the body of knowledge in this field (Punturaumporn, 2001). Promsri (2013) also suggested conducting the comparative study between Thais and other nationalities with different cultures and backgrounds. The relationship between Thailand and Bhutan has been established in 1989 and tremendously grown over the years, which benefited both countries, especially Bhutan in numerous areas (Dema & Phuntsho, 2017). According to Thai Government information, trade between the

two countries reached \$15.5 million in 2012 and continuously increased over the years (The Nation, 2013). The strong connection between the two countries enhances the opportunities for businesspeople in all areas. Doing business with people from Bhutan requires more understanding on their perspectives and goals. In order to successfully deal with people with different cultures and backgrounds, Thais need to understand the negotiation styles of their business counterparts, and vice versa. In addition, based on Hofstede's model of international culture, four dimensions of culture needs to be considered in cross-cultural negotiation including power distance, individualism/collectivism, masculinity/ femininity, and uncertainty avoidance (Bisk, 2018). Moreover, Hofstede has developed two additional dimensions to explore the deep understanding of people in the different cultures. The new two dimensions include long term orientation and indulgence (Hofstede-insights, 2018). According to Hofstede-insights (2018), both Thai and Bhutanese cultures are power distance in orientation, but the scores of their individualism/collectivism dimension in which tied directly to two dimensions (assertiveness and cooperativeness) that ascertain distinctive negotiation style were different. Moreover, Thailand also has the same score on uncertainty avoidance dimension whereas the second highest score of Bhutan was individualism dimension. Regarding the individualism/ collectivism, Thailand is perceived as a highly collectivist country whereas Bhutan has an intermediate score, which can be interpreted as either individualist or collectivist society. In the light of this, this can be assumed that people from these two countries might employ either the same or different negotiation styles. Thus, the purpose of this research is to compare the preferred negotiation styles between Thai and Bhutanese so as to examine whether there is significant difference in negotiation between these two countries.

## Literature Reviews

Griffin and Moorhead (2014, p. 417) defined negotiation as "the process in which two or more parties (people or groups) reach agreement on an issue even though they have different preferences regarding that issue." Robbins and Judge (2013, p. 492) also provided the similar definition of negotiation, which refers to "a process that occurs when two or more parties decide how to allocate scarce resources." In sum, negotiation is viewed as the process that occurs when two or more parties who have different needs and goals try to search for a mutually acceptable solution. Although these definitions placed an emphasis on mutual agreement of both parties, which refers to a win-win consequence, negotiation outcomes can be distinguished based on the degree of goal compatibility and the importance of the interaction to goal attainment. In other words, negotiation solutions depend on the degree of assertiveness and cooperativeness perceived by both parties. These two dimensions are roughly correlated to Hofstede's individualism and collectivism dimension. The combination of these two dimensions generates five distinctive negotiation styles in which negotiators can apply in the different situation in negotiation as no single style is the best approach. Even though negotiators are capable of utilizing all of these five styles in different situations, they tend to have one or two dominant styles that automatically use when involved in negotiation (Coburn, n.d.). The five negotiation styles are described as the following:

- 1) *Competing style* – This style is used when one party attempt to pursue their own needs and goals at the expense of others. They have a high assertiveness, and a low cooperativeness. This style can be useful and effective when negotiators need to get quick results and are not concerned the long-term relationship with other parties. This style can lead to a win-lose consequence.

- 2) *Accommodating style* – Negotiators who intend to use this style are primarily concerned the relationship between both sides. They try to fulfill the other party by providing what they want. This style is very useful when negotiators want to develop a long-term relationship and the issue of their side is not as important as the other side. This style can create a lose-win consequence.
- 3) *Avoiding style* – Negotiators who use this style might not like to confront with the other people. This style can be used as a typical reaction to high compete negotiators. In many cases, avoiding style is utilized in the situation that one party is furiously emotional and cannot control oneself in negotiation. Using this style can allow emotional people to calm down first before proceeding to talk about the issue. However, rather than using this style as a timeout tactic to cool down emotions, if both sides never want to talk about the issues in order to find the solution or concession, this style can result in a lose-lose outcome.
- 4) *Compromising style* – Many people tend to perceive this style as a positive approach in negotiation. However, since both sides will not fully get what they really want at the first place, the compromising style can produce the result in a win some- lose some solution.
- 5) *Collaborating style* – This style produces a win-win outcome in which both parties' needs and goals are met. This style is suggested as the primary style that negotiators should use in business negotiations. However, collaborating style may take time to reach concessions and agreements. Also, negotiators need to be aware of using this style and ensure that the other side is willing to collaborate with their side.

These five negotiation styles have been widely used in business negotiations along with other strategies and tactics. Numerous studies attempted to focus on the use of preferred negotiation style from people with different cultures, backgrounds, and contexts. In particular, studies on examining differences in negotiation styles preferences between Thai and other countries have steadily been paid more attention over the past years. Recent studies relating to this issue have been systematically reviewed and briefly discussed.

Promsri (2013) studied the comparison between Thais and Germans in negotiation styles. Respondents were collected from both Thai students in MBA program at RMUTP and German students at FHWS University. ROCI-II developed by Rahim was used as the instrument for data collection. This study reported the different alpha scores of English version ( $\alpha = 0.63$ ) and Thai version ( $\alpha = 0.82$ ). Results indicated that both Thais and Germans preferred collaborating as the dominant negotiation style. For the least preferred negotiation style, Thais rated competing style as the lowest score while Germans' lowest score was avoiding style. To compare the significant differences between Thais and Germans, independent samples t-test analysis was employed. Findings revealed that there were significant differences between Thais and Germans in collaborating style, compromising style, and avoiding style in which Thais scored higher than Germans in all of these styles. However, this study found no significant differences in competing style and accommodating style between Thais and Germans. In contrast, the recent study of Attapum, and Thumawongsa (2015) found the different results when they examined the significant differences in business negotiation between Thai and Chinese. This study gathered data from Thai and Chinese businesspeople in renewable energy firms. Five business negotiation styles including avoiding, accommodating, competing, compromising, and collaborating were investigated in this study. Findings demonstrated significant differences in competing, accommodating, and compromising styles between Thai and Chinese businesspeople. Although previous research attempted to examine the differences in preferred negotiation styles of Thais and people from other

countries both eastern and western cultures, the comparison on negotiation styles preference between Thais and Bhutanese was not found and overlooked. This present study is the first study in its field to explore the differences in preferred negotiation style between Thai and Bhutanese. According to Hofstede's model of international culture, four dimensions of culture needs to be considered in cross-cultural negotiation including power distance, individualism/ collectivism, masculinity/ femininity, and uncertainty avoidance (Bisk, 2018). Recently, two additional dimensions have been developed to examine the deep understanding of people in the different cultures. The new two additional dimensions are long term orientation and indulgence (Hofstede-insights, 2018). Based on the literature reviews, both Thai and Bhutanese cultures are power distance in orientation; however, Thailand also has the same score on uncertainty avoidance dimension whereas Bhutan has the second highest score on individualism dimension. Regarding the individualism/ collectivism, Thailand is perceived as a highly collectivist country whereas Bhutan has an intermediate score, which can be viewed as either individualist or collectivist society. Taking into consideration, the comparative study of Hofstede can imply that Thais and Bhutanese might use either the same or different negotiation styles.

Based on these reviews, this present study, therefore, proposed the research hypothesis as: *“There are significant differences in negotiation styles between Thai and Bhutanese”*

## **Methodology**

A total of nineteen students both Thais and Bhutanese who enrolled in Business Negotiation and Presentation course at International Business Program (English Program), Faculty of Business Administration, Rajamangala University of Technology Phra Nakhon were participated in this study. A 28-item of a five-point rating scale (1-strongly disagree; 5-strongly agree) questionnaire modified by Idrus, Amer, & Utomo (2010) was used for data collection. This scale measurement encompassed five dimensions of negotiation styles including collaborating (6-item), accommodating (7-item), competing (5-item), compromising (6-item), and avoiding (4-item) styles. Cronbach's alpha was tested to ensure the reliability of this instrument. The alpha score of 0.678 indicated the acceptable value for data collection (Hair et al., 2010). An analysis of independent samples t-test was conducted to examine the significant negotiation styles differences in nationality.

## **Results**

Amongst nineteen students who agreed to participate in this study, 11 of total respondents were males (57.9%), and 8 of them were females (42.1%). For their nationality, 9 of them were Thai (47.4%) and the rest of them were Bhutanese students (52.6%).

To compare preferred negotiation style between Thai and Bhutanese, results found that the most dominant negotiation style of Thais and Bhutanese was the same, which was collaborating style. Compromising style was rated as the second preferred negotiation style by both Thais and Bhutanese following by accommodating style, competing style, and avoiding style, respectively. As Thais and Bhutanese rated the same level of score for each negotiation preference, results of independent samples t-test analysis showed no significant differences of preferred negotiation styles in nationality (Table 1). Thus, research hypothesis was rejected.

**Table 1 Results of the Independent Samples T-Test of Negotiation Style Preference Related to Nationality (n=19)**

Negotiation Styles	Thai (n =9)		Bhutanese (n=10)		df	t	p
	M	SD	M	SD			
Collaborating Style	3.77	.583	3.90	.504	17	-.490	.630
Accommodating Style	3.33	.384	3.32	.369		.028	.978
Competing Style	3.17	.405	3.12	.551		.258	.800
Compromising Style	3.70	.498	3.66	.503		.161	.874
Avoiding Style	2.77	.341	3.00	.772		-.794	.438

### Conclusion, Discussions, and Recommendations

This present study aimed at examining differences in negotiation styles preference between Thai and Bhutanese. Results found that the most preferred negotiation style of Thais and Bhutanese was collaborating while avoiding style was rated as the least preferred negotiation style. These findings partially supported the study of Promsri (2013), which collaborating was found to be the most preference of negotiation style. This finding also confirmed Katz's study (2008), which Thai businesspeople were found as a preferred joint problem-solving process negotiator. However, this present study's finding was partly inconsistent with Promsri's study (2013) in which competing style was found as the least preferred negotiation style of Thai. For Bhutanese, the results of this present study discovered a new knowledge and increase more understanding about Bhutanese's negotiation style. In addition, analysis of independent samples t-test revealed no significant differences in preferred negotiation style between Thai and Bhutanese, which supported the implication of Hofstede's model of international culture. The comparison on Hofstede's international culture dimensions indicated that Thai and Bhutanese had a high score on power distance, but the different score on individualism/ collectivism dimension, which can be implied that people from these two countries might have either the same or different negotiation style. Thus, the results of independent samples t-test analysis confirmed the implication of Hofstede-insight's findings (2018), which Thai and Bhutanese had no significant differences in negotiation style. The main reason to describe these findings is the knowledge that students from both countries gained from the negotiation class. They may be influenced by the lessons learned relating to negotiation styles and strategies in this course. From their perspectives, in order to produce a win-win outcome, collaborating style should be utilized as it is suggested to be the primary style that negotiators should use in business negotiations (Coburn, n.d.). On the other hand, in order to avoid a lose-lose solution, they have learned to minimize the use of avoiding style. This is not surprised why the score of each dimension of negotiation styles preference of both countries was rated in the same level.

Like other studies, this present study has some limitations. Firstly, the sample size of this study was too small, and could not be generalized to other studies as it focused only on students who registered for the Business Negotiation and Presentation course. Thus, the further study should expand the sample size and gather data from businesspeople of these two countries rather than students. Secondly, respondents in this present study had sufficient knowledge about negotiation, and they understood and realized that collaboration should be implemented in business negotiation in order to reach the mutually acceptable outcomes for both parties. Hence, gathering data from different groups of people from these two countries should increase the reliability of the study in the future. Lastly, as the alpha score of the instrument used in this study was quite low, the further study should develop and modify a new instrument to ensure validity and reliability of the scale measurement.

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