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Research Report

Intercultural Competence: An exploration of its role in international trade negotiations in the steel-related flat-rolled products industry sector

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Linda O'Riordan / Piotr Zmuda (Hrsg.)

Intercultural Competence

An Exploration of its Role in International
Trade Negotiations in the Steel-related
Flat-rolled Products Industry Sector

~
Kristina Erwig

KCC Schriftenreihe



KCC Kompetenzzentrum
für Corporate Social Responsibility
der FOM Hochschule für Oekonomie & Management

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Intercultural Competence

An exploration of its role in international trade
negotiations in the steel-related flat-rolled
products industry sector

Kristina Erwig

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Preface

This work presents a remarkably interesting investigation of the role of transcultural competence in international trade negotiations.

Kristina Erwig's focus on the relationship between the economic and cultural dimensions in the global steel-related flat-rolled products industry sector highlights her exceptional understanding of the overarching importance of connectedness through values in international business relationships and negotiations. This appreciation stands in stark contrast with the fragmented, reductive and compartmentalising forces of traditional industrial approaches.

In the introduction to his masterpiece 'Maps of the Mind', Professor Dr. Charles Hampden-Turner wrote that transcultural conflicts arise primarily because we compulsively exaggerate our differences while ignoring what we have in common. Hence, cultural competence is required to establish equilibrium given the significant potential for conflict arising in the encounters, communication, and interactions between cultures. According to Prof. Dr. Fons Trompenaars, examining cultural orientations leads to enhanced understanding. Those insights can serve to improve the intergration between people (values, attitudes, and potentials) and organisations (structures, systems, and processes).

In her very thorough analytical exploration of the essential factors in culturally competent global negotiations, Kristina Erwig enhances our understanding of complex management challenges in a transcultural context. The results of her qualitative research deliver both practical recommendations for international decision-makers in the steel-related flat-rolled products industry, as well as new perspectives for scientific research in the study of transcultural competence. Kristina Erwig's contribution provides valuable insights into transcultural learning and thereby supports business leaders dealing with the complexities of competing demands within and beyond organisational and international borders.

Dr. Linda O'Riordan

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Essen, August 2022

Abstract

Against the background of intensifying globalisation driven by increasing international trade, which necessitates intercultural cooperation and negotiations, this study presents the findings of a research project that set out to explore the role of intercultural competence in international trade negotiations in the globally connected steel-related flat-rolled products industry sector.

The areas of interest for the research included the identification of the features that comprise intercultural competence as well as the assessment of the role that these identified features of intercultural competence play in the international steel trade. A third research area was concerned with the assessment of the applicability of the value dimensions by Trompenaars and Hampden-Turner as the most suitable scientific model for the research setting.

By employing a qualitative research approach based on six expert interviews, this study provides recommendations for Business Practice and further impulses for scientific research in the field of intercultural competence and cross-cultural negotiations.

Keywords: intercultural competence, international trade negotiations, steel-related flat-rolled products, value dimensions, successful business practices

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1 Introduction

1.1 Context and Research Focus

Globalisation – the growing combination of economic and social aspects of daily business and private life – is a versatile concept of immediate interest to many scientific disciplines, such as economics and business studies, as well as sociology, psychology, and other social and environmental studies. The reason is the far-reaching influence of globalisation on people's interactions worldwide and the effects that result from them (Salem Press, 2014). Globalisation consists of numerous dimensions – including the economic, political, cultural, social, and ecological – that represent various perspectives on the concept (Steger, 2017).

This study focuses in particular on the relationship of the economic and cultural dimensions. The primary economic aspect of globalisation is international trade, “the flow of goods, services and finances across national borders” (Samuelson & Nordhaus, 2010, p. 31). In the course of international trade, individuals as well as groups need to engage in constant negotiations with business partners from a variety of cultural backgrounds to maintain and expand their trade relations and ensure business success. This is why the core of the global economy is composed of countless cross-cultural negotiations of varying scales and intensities (Brett, 2014).

Within international trade negotiations, negotiators consistently face parties from different cultural spheres with partially divergent or even contrasting patterns of thinking, feeling, and acting. At the same time, both parties are confronted by mutual issues that they are able to solve only through collaboration. However, collaboration often fails, because the differences in these patterns of thinking, feeling, and acting are not sufficiently considered by the involved participants (Hofstede et al., 2010). Furthermore, intercultural interactions such as negotiations bear the risk of miscommunication not only because of differing mindsets, behaviour, and values but also because of language barriers. Misunderstandings inevitably increase when parties must use sophisticated terminology in a foreign language while discussing complicated technical and engineering issues. This necessitates certain skills and abilities to manoeuvre through such challenging encounters and to enable the arrival at a successful outcome for both sides – in other words, intercultural competence. In addition to the different cultures involved, the parties engaging in international trade – such as producers, consumers, and other intermediaries – may employ a variety of bargaining and negotiation strategies. This imbalance of power has the potential

to result in tensions within different cultural settings and further emphasises the importance of intercultural competence (Spitzberg & Changnon, 2009).

The steel industry, with flat-rolled products as a major product category, is an illustrative example of an almost perfectly globalised industry. Its principal producers are located primarily in Asia, Europe, and North America, while consumers are spread all over the world, which results in a large volume of international steel trade (World Steel Association, 2020). Steel is defined as a wrought alloy of iron and carbon with a maximum 2% carbon content (World Steel Association, n.d.a)). Characteristic for any steel-related products are special properties in the areas of flexibility, ductility, and weldability (The Economic Times, 2019). Since steel is one of the most frequently traded manufactured goods, the industry requires numerous intercultural interactions and negotiations that typically feature classic business-to-business discussions due to the technological nature of the material with regard to production and application. For this reason, the steel industry is well-suited to function as a research object for scientific inquiries in the field of international trade negotiations.

Against the background of ever-increasing globalisation, this study addresses anyone who encounters, communicates or deals with people from different cultures in their daily business life regardless of the focus industry investigated in particular.

1.2 Research Gap

Current academic literature and scientific studies indicate that globalisation continues to intensify, driven by growing flows of migration, advances in technology and, especially, increasing figures of world trade (Steger, 2017). As an integral part of world trade, the international steel trade continues to expand, with steel-related flat-rolled products alone contributing 51% of the overall total (World Steel Association, 2020). Furthermore, the World Steel Association (2020) reinforces that 90% of the steel production and consumption take place in Asia, Europe, and North America, which hence comprise the focus areas of this study.

Consequently, an increase in international trade leads to a rising number of intercultural negotiations, making intercultural competence even more important, because cultural differences make the already-challenging context of negotiations even more complex. However, the main scientific models on intercultural competence are conceptualised to generically cover all types of cross-cultural encounters or they often focus on management within multinational

companies and intercultural leadership styles. None of them are designed to analyse the role of intercultural competence in cross-cultural negotiations in particular. When reviewing the relevant literature related to cultural interactions, there is an indication that, while numerous models address cultural differences in general and negotiation theories in specific, scientific discourse ceases to connect the two concepts in greater detail. The intercultural aspect of negotiations is relatively neglected or, at most, considered only as a subsidiary theme within academic literature. Furthermore, no scientific consensus exists on which specific abilities and skills constitute intercultural competence – in other words, the boundaries of this particular competence (Rothlauf, 2014).

1.3 Research Objective and Questions

For this reason, the underlying research of this study aimed to firstly determine what comprises intercultural competence in international trade negotiations in the steel-related flat-rolled products industry sector. This means that all intercultural competence features that a negotiator must acquire need to be identified from the primary research findings.

Once this has been established, the role of intercultural competence in steel trade negotiations itself can be explored and evaluated in a second step. Since the stipulated definition of intercultural competence is “the appropriate and effective management of interactions between people” (Spitzberg & Changnon, 2009, p. 7), the link between intercultural competence and the effective course of negotiations, as well as their successful outcome, is to be assessed. It is assumed that awareness of a negotiator’s own mental models and cultural predispositions, paired with the ability to understand and respect the legitimate differences of another culture, can enable reconciliation of these differences. As a result, this allows wealth and value to be created for both negotiating parties from different cultural backgrounds, which increases the effectiveness of the course of negotiations and the likelihood of their successful outcome (Trompenaars & Hampden-Turner, 2012).

To further explore the underlying research area, an existing scientific model was applied to the focus industry sector to evaluate the extent of applicability of the current state of research. The generic model on value dimensions by Trompenaars and Hampden-Turner was chosen as the most suitable one for this purpose. In this context, the role of these value dimensions was investigated and

assessed for sufficiency and it was explored whether there were indications for further relevant aspects.

Finally, this study aims to elaborate on the implications of these findings for both scientific theory as well as for management and business practice. On the one hand, questions intended to be answered include to what extent the results of the primary research suggest that intercultural competence models might need to be adapted or extended and, on the other hand, what recommendations for specific mindsets and best-practice behaviour arise for intercultural negotiators in the steel-related flat-rolled products industry sector.

Table 1: Research Questions

Research Question 1: Which features comprise intercultural competence in international trade negotiations in the steel-related flat-rolled products industry sector?
<ul style="list-style-type: none"> – Which intercultural skills do negotiators need in the focus industry? – What are the implications of the findings for scientific theory? – What are the implications of the findings for business practice?
Research Question 2: Which role do these intercultural competence factors play in the effectiveness and success of negotiations within the steel industry?
<ul style="list-style-type: none"> – How is the success of the course and outcome of negotiations related to intercultural competence factors? – What are the implications of the findings for scientific theory? – What are the implications of the findings for business practice?
Research Question 3: How does Trompenaars' and Hampden-Turner's generic model on value dimensions apply to intercultural negotiations in the steel industry?
<ul style="list-style-type: none"> – What role do these classical value dimensions play in the research setting? – What are the implications of the findings for scientific theory? – What are the implications of the findings for business practice?

1.4 Research Design

Two main research approaches were employed in the underlying research project to explore the role of intercultural competence in international trade negotiations in the steel-related flat-rolled products industry sector. As a first step a secondary research by means of a literature review was carried out, with the objective to illustrate the current state of scientific research and to introduce the relevant concepts to ensure a common understanding. Using the main scientific standard works for each topic as a starting point, a mixture of a snowball system and a systematic search for literature in university indices by key words was applied to identify further relevant sources. To cover all of the concepts appropriately, various sources as well as types of sources were utilised. These included classic academic literature, scientific papers and journals as well as reports by government agencies and organisations further enriched by current internet sources.

As a second step a primary research project was conducted, which applied a qualitative research approach by means of interviews as the data collection strategy. This approach aimed to utilise the expert knowledge of the six participants to identify the role that intercultural competence plays in international trade negotiations in the steel-related flat-rolled products industry sector. Due to the limited scope of a maximum of 80 pages and the timeframe of four months of the underlying research project, a fixed sampling strategy was employed. As a consequence of the pre-fixed sampling, the importance of a relevant selection of each participant increased significantly. Therefore, selection categories were derived from the research question to ensure an informed choice. This procedure resulted in the six participants that were chosen.

Once the data had been collected, verbatim transcripts of the interviews were produced to enable a subsequent content analysis by means of a thematic analysis procedure. This data analysis strategy was chosen due to its integral triangulation principle, which requires a mandatory comparison of the research findings with scientific literature, linking the primary to the secondary research and ensuring that the identified themes were reviewed from various angles to reduce researcher bias. The combination of the secondary and primary research approaches enabled the researcher to answer the research questions adequately, to identify the implications of the findings for scientific theory and business practice, and to make recommendations for further projects in the research area. At the end the quality of this research project was critically

evaluated against the most commonly established quality criteria of validity and reliability.

1.5 Structure Outline

This study is composed of six chapters. Following this introduction that provides a brief overview of the content and approach, chapter 2 is concerned with the presentation of the findings of the literature review on the relevant theoretical principles and conceptual frameworks. Firstly, globalisation is reviewed, particularly the component of international trade as the main impetus for people from many cultures to engage in interactions within this study's setting. Next is the concept of culture itself. Since culture is a considerably versatile topic and subject to many scientific disciplines, the focus is placed on the anthropological and psychological views, which are the most relevant perspectives for the purpose of this research. When people of different cultures meet in international trade settings, they engage in negotiations. Hence, negotiation theories, both general and those in intercultural contexts, are presented in the subsequent section. Intercultural competence is assumed to be of essential importance in such negotiations, which is why the constituting features and the roles they play are elaborated upon, followed by the introduction of the scientific models on value dimensions as the primary tools in comparative cultural studies. Since this study's underlying research focuses on the steel-related flat-rolled products industry sector, the sector's relevant characteristics are outlined as well.

While chapter 3 briefly outlines the methodology of the underlying primary research, the findings of the primary research are then presented in chapter 4, followed by a discussion of the implications of these findings for theoretical models and intercultural business practice in chapter 5. This study is finalised in chapter 6 by a conclusion that answers the relevant research questions as accurately as the findings allow. Furthermore, the quality and methodology are critically evaluated with regard to their limitations and identified recommendations for future research. Chapter 6 also provides an outlook on the future relevance of intercultural competence in the steel-related flat-rolled products industry sector.

2 Theoretical Principles and Conceptual Frameworks

2.1 Overview

This chapter sets out to achieve two objectives. Firstly, the findings of the literature review as the method of the secondary research are presented to outline the current state of scientific discourse on the relevant topics. Secondly, these principles and frameworks are described and explained as the context influencing the behaviour, views, and values of the parties investigated in the subsequent primary research project. Their statements and remarks must be examined within this context of the specific environment in which they operate; otherwise, the behaviour and ways of thinking of the research participants as members of social groups and realities cannot be sufficiently understood (Bryman, 2016).

2.2 Globalisation and International Trade

The following sub-sections define the starting point of this research project. Due to globalisation and its component of international trade, people from different cultures meet within the setting of this research.

2.2.1 The Concept of Globalisation

Conclusively defining “globalisation” is a serious challenge, because scholarly discourse has not yet reached a final consensus on the limitations of the term. The nature of globalisation itself is additionally the subject of disagreement (Steger, 2014). Steger (2017) highlights this by noting that globalisation has been described in academic literature with numerous labels, such as “a process, a condition, a system, a force and an age” (p. 11). For this reason, it is important to examine this key concept in more detail in order to arrive at a meaningful definition on which this study may be based.

Economists tend to focus solely on the economic perspective of globalisation, often defining it as an intensification of international trade and the integration of markets. While this holds true, this definition alone is too narrow. The approach traces back to the 19th century and the dawn of industrial globalisation, during which debates on the topic were mainly limited to concepts of “free trade” versus “protectionism” (Callens, 2018). However, due to increased international trade and migration as well as advances in technology, globalisation is more than

simply an economic component. Besides the global integration of markets, the concept today also captures the changing legal and political processes as well as the rapidly growing interconnected nature of social and cultural life (Steger, 2014, 2017).

The increased complexity and changing dynamics of global markets due to globalisation have impacted the legal and political frameworks of nation states (Gutiérrez Castañeda, 2018). New global institutions such as the International Monetary Fund, the World Bank or the World Trade Organization have been established to reduce this complexity while simultaneously strengthening the links between their member states. In this way, countries have relinquished certain sovereignties, reshaping their legal procedures, which often also influenced their political customs (Reuvid & Sherlock, 2011). Globalisation does not stop at the macro level of economics and legal-political aspects, but also influences and transforms the micro level of people's social and cultural daily life.

An increased global awareness changes the boundaries within which people imagine their social existence. This does not mean that the national and local social and cultural frameworks are losing their relevance; instead, the human consciousness is expanded by a global dimension which "extends deep into the core of the personal self and its dispositions, facilitating the creation of multiple individual and collective identities nurtured by the intensifying relations between the personal and the global" (Steger, 2017, p. 16). Globalisation also enhances cross-cultural networks with intensified social relationships and interactions. Thus, Battersby (2014) summarises the social and cultural sphere of globalisation as "multiple individual and collective acts of becoming global in outlook, of becoming globally networked, and globally engaged" (p. 45), while Steger (2017) further condenses it to "shifting forms of human contact" (p. 12).

One significant cause for scholarly discord on the scope of globalisation is the fact that it is, in itself, "a fragmented, incomplete, uneven, and contradictory set of social processes" (Steger, 2014, p. 52) that affects people in diverse geographic and cultural regions in considerably different ways and to varying extent, which makes it difficult to arrive at a statement that is universally applicable. However, to summarise all of the above into one overarching definition, globalisation may be described as the current age which is characterised by dynamic processes of intensified international trade, migration, and advanced technology that have re-shaped the economic, political, and social conditions of people in different regions on different levels, with globalisation acting as a self-accelerating force of worldwide interconnectivity. Furthermore,

globalisation is not a status that will be fully achieved at one point in time, but rather a dynamism towards increased global consciousness across world-time and world-space (Steger, 2017).

2.2.2 International Trade

A major component of the economic dimension of globalisation is international trade, which is nurtured by a consistently growing “share of national output devoted to imports and exports” (Samuelson & Nordhaus, 2010, p. 31). International trade results from one of two scenarios. In the first scenario one country trades goods or services with another country, because it is either unable to produce them at all or is unable to produce them in a sufficient quantity. The reason for trading internationally is quite comprehensible in this case, because the variety of goods and services is increased in this way. The second scenario is less straightforward but accounts for the largest share of international trade transactions. In this case countries trade with one another regardless of their ability to produce the goods and services in question themselves. The reasoning behind this may be due to distinctive features of the exchanged products, including lower prices, higher quality or advanced design as well as higher status and technical details. Increasing the variety of choice is also cited as a reason for trading similar goods internationally (Reuvid & Sherlock, 2011).

Furthermore, the concept of comparative advantage plays an important role. The theory was first developed by David Ricardo at the beginning of the 19th century, stating that countries greatly benefit from specialising in goods and services for which they have a relative advantage (i.e., a lower opportunity cost) and then engage in trade with other countries that have specialised in the products they are relatively good at producing (Reuvid & Sherlock, 2011). Samuelson and Nordhaus (2010) confirm that with improved transportation and communication accompanied by a reduction of barriers to trade, specialisation and the division of labour continue to intensify across the globe. They go on to argue that the division of labour – which means dividing the production process into numerous steps, thus allowing for specialisation – enables countries to accumulate expertise and hence achieve higher productivity over the long term (Samuelson & Nordhaus, 2010).

Higher productivity is driven not only by the concept of comparative advantage but also by another aspect inherent in international trade. If companies conduct business across national borders, markets expand, since a significantly higher

customer base can now be reached (European Commission, n.d.a). Simultaneously, competition also increases because companies are now competing with foreign suppliers as well as with domestic ones. This makes the need to innovate and consistently improve productivity more pressing in order to remain competitive. It is creative destruction that causes inefficient firms to exit markets while enabling innovative firms to thrive (The Economist, 2018).

Nonetheless, international trade also has severe downsides. These include negative social and environmental impacts such as inequality and exploitation of both human capital and natural resources (Salem Press, 2014). Not all parties involved in international trade benefit equally from it, and some are even worse off than before (The Economist, 2018).

Table 2: World Trade Volume and Value in Billion USD 1950–2019

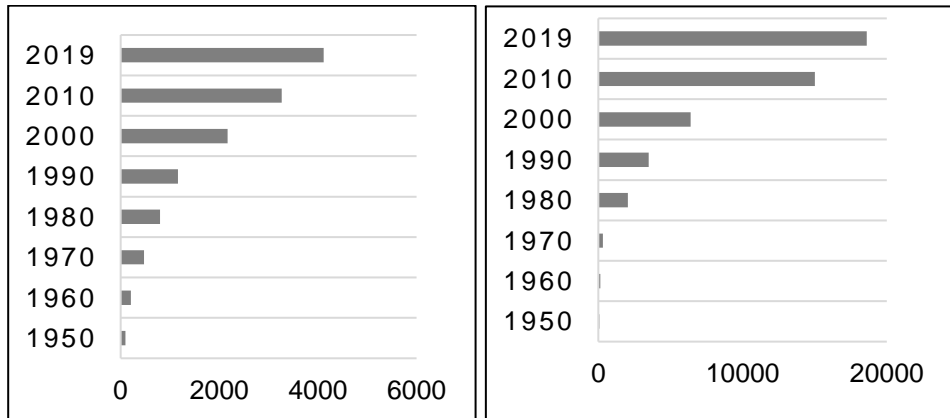
Years	Volume index	Billion USD	Years	Volume index	Billion USD	Years	Volume index	Billion USD
1950	100	63	2000	2,171	6,390	2010	3,266	15,014
1955	148	97	2001	2,170	6,148	2011	3,436	17,978
1960	210	134	2002	2,252	6,413	2012	3,514	18,142
1965	310	194	2003	2,375	7,490	2013	3,610	18,468
1970	476	323	2004	2,601	9,124	2014	3,698	18,552
1975	605	893	2005	2,767	10,399	2015	3,777	16,178
1980	798	2,050	2006	3,000	11,975	2016	3,840	15,669
1985	885	1,971	2007	3,196	13,845	2017	4,004	17,368
1990	1,165	3,494	2008	3,264	16,010	2018	4,108	19,135
1995	1,550	5,093	2009	2,868	12,349	2019	4,116	18,619

Source: Modelled after World Trade Organization, n.d.

However, overall world trade as the share of global output that is traded across borders – in other words, the entirety of international trade – has boosted overall economic growth and, in that, the living standards in almost all regions of the world (Krugman et al., 2015). World trade volumes have grown substantially by 4,136% from 1950 to 2019, and the corresponding world trade value has sharply

risen as well, from 61 billion US dollars in 1950 to 18,619 billion US dollars in 2019 (World Trade Organization, n.d.).

Figure 1: World trade volume index and value in billion USD 1950–2019



Source: Modelled after World Trade Organization, n.d.

In conclusion, world trade figures are growing over the long term, which underlines the relevance of international trade in a globalised world. Such trade continues to increase economic growth and living standards but also leads to an intensification and expansion of relationships between people across cultures. Consequently, international trade necessitates cross-cultural communication to enable the exchange of products, ideas, and resources, which results in a growing demand for intercultural negotiations (Dolan & Kawamura, 2015).

2.3 The Concept of Culture

Over the past 150 years of research in various scholarly disciplines, the scientific discourse has put forth hundreds of different definitions of the concept of culture. This illustrates the complexity and ambivalence of the term. Due to the limited scope of this research project and, consequently, its secondary research, two major perspectives were employed to approach this versatile topic and make the notion of culture more comprehensible. These perspectives include the anthropological and psychological views. Anthropology was the first discipline to approach culture in a scientific way by investigating human societies; as a result, it provides a profound scope of research findings (Hofstede et al., 2010). Furthermore, human behaviour plays a substantial role in the context of culture

and cross-cultural encounters. Thus, the psychological perspective is chosen as well, as it is the study of the human mind and its role in influencing human behaviour through human experience (American Psychological Association, n.d.).

2.3.1 Anthropological Perspective on Culture

Within anthropology, the concept of culture encompasses all structures of thought processes, emotions, and actions that manifest themselves through symbols, heroes, rituals, and values (Hofstede et al., 2010). Regardless of the variety of definitions, most anthropologists agree on certain characteristics inherent in culture. These include the learned facets of human cognition and activity that people acquire as members of a society, of which the majority are never taught explicitly. In this context, the ability to conceptualise abstract ideas and to communicate them symbolically by means of language is of special significance. The genetically inherited predisposition for language and thus for communication enables complex social structures, which, in turn, allow communities to accumulate a heritage of accomplished features that are passed on and refined over generations (Monaghan & Just, 2000).

The notion of culture as something “learned” was the main focus of the first scientific definition of culture by Edward B. Tylor in 1871. He described the concept as the entirety of abilities and customs that are acquired by humans as part of a society (Tylor, 1871). Since then, anthropological research has developed and further specified the term culture. In 1930, Boas, the founder of modern American anthropology, regarded culture as a framework for people’s actions as well as a means for them to interpret their perception of their social world. Malinowski added in 1944 that culture also provides humans with coping strategies for specific problems they face in their existence. In 1983, Lévi-Strauss went on to claim that culture is a result of the basic need of human beings to create some type of order. He argued that culture is neither a product of genes nor rational logic but rather a code of conduct that has evolved over time and, as such, is not necessarily comprehended by the people who abide by it today (Monaghan & Just, 2000). This code of conduct or cultural standards fulfils a regulatory function. It defines rules for thought patterns, actions, and judgements that are regarded as normal and, above all, binding by a particular social group. Consequently, any behaviour outside the scope of the code of conduct is

evaluated and sanctioned on the basis of these cultural standards (Thomas, 2010).

Within their social environment, people belong simultaneously to various groups and categories. These represent the levels of culture, the most common of which include the national, ethnic, and religious levels as well as the gender, generation, social class, and corporate levels. However, there are countless other variations of cultural levels that individuals carry within themselves. Each level has its own cultural standards which are not necessarily in alignment with each other and may even be incompatible. These conflicting patterns of thinking, feeling, and acting result in unpredictable behaviour of individuals depending on the situations in which they find themselves (Hofstede et al., 2010).

Since an individual's worldview is significantly influenced by unconscious rules of their own culture, it is difficult to examine another culture neutrally. Further, there is no basis on which to evaluate one culture as superior or inferior to another. This principle is called cultural relativism and requires that cultures are always analysed relative to their own cultural contexts (Monaghan & Just, 2000). However, Hofstede et al. (2010) emphasise that this does not mean that norms or judgement should be suspended completely when confronted with other cultures. Instead, they advocate that the nature of cultural differences, their origins, and their implications should be taken into account before any conclusion is reached (Hofstede et al., 2010).

Other aspects that must be paid close attention to when analysing other cultures are the layers of culture that are not entirely and explicitly observable. If all layers are not considered adequately, it is impossible to arrive at a sufficient evaluation. According to Trompenaars and Hampden-Turner (2012), culture consists of three layers. The outer layer is composed of visible and explicit artefacts and products – such as language, fashion, art or architecture – that symbolise the deeper layers of culture. The middle layer consists of norms, the formal and informal laws of what is right and wrong as well as values that determine the ideals of a group that they aspire to achieve. The core is composed of the implicit assumptions about existence. The most rudimentary human aspiration is the striving for survival. For this reason, communities have organised themselves in such a way that they maximise the efficiency to solve problems with which they are faced in their daily existence (Bains, 2015). Since societies have evolved in many different regions of the world, they have adjusted their assumptions according to the unique challenges with which they are confronted, resulting in divergent cultures (Trompenaars & Hampden-Turner, 2012).

2.3.2 Psychological Perspective on Culture

In general, psychology as the science of human nature aims to describe and explain the patterns of thinking, feeling and acting of human beings to predict future behaviour and to change the parts that cause problems (Johnston, 2014). However, describing and explaining human behaviour is challenging due to the filters of their own prior experiences, cultural values, and beliefs to which every researcher is subject. This dilemma applies to all fields of psychology, which, according to Johnston (2014), has seven main perspectives; the (socio-)cultural perspective as the focus of this study is one, while the other six are the biological, psychodynamic, behaviourist, humanist, cognitive, and evolutionary perspectives.

Cultural psychology investigates the impact of cultural factors on psychological processes that cause behaviour (Matsumoto & Juang, 2017). Since these psychological processes are shaped by human experience, which, in turn, vary considerably in different cultures, there are also culturally specific psychological processes (Heine, 2016). The cultural experiences and stimuli are received through visual, auditory, and kinaesthetic senses as well as smell and taste, creating signals that are transmitted by the nervous system to the brain and leaving imprints that create patterns in the long term that then influence behaviour (Cotton, 2013).

An example of a significant brain pattern that varies considerably across cultures is the imprints with regard to communication. Cultures exposed to colder climates have developed languages with a fewer number of words that are generally more precise and less ambiguous, whereas languages that evolved in cultures in warmer climate zones contain more nuances and up to 500,000 additional words. Furthermore, an interrelationship between spoken language and tonality as well as body language exists from a neurological perspective. The melody of the spoken language is reflected by tone of voice as well as body language, with more melodic languages tending to be more expressive and diverse in both aspects. When people speak several languages, their tonality and body language change according to the melody of the language they are currently speaking (Cotton, 2013).

The greatest challenge of cultural psychology is that all cultures initially share a universal biological brain with identical neurological structures in their limitations and abilities. For this reason, cultural psychology must attempt to determine to what extent cross-cultural patterns of thinking are the same due to a universal

brain and to what extent they are different due to divergent imprinting experiences (Heine, 2016). Against this background, psychology defines culture as the social framework in which the individual accumulates experiences that influence the way of thinking, feeling, and acting (Johnston, 2014).

The distinction between human nature, culture, and personality is of particular importance within cultural psychology, since it determines the level of uniqueness in mental programming. While human nature is inherent in all human beings – in other words, the universal level of the mental software shared by all people – personality is the uniqueness of each individual with a distinct set of mental programs that is not necessarily shared with any other person (Hofstede et al., 2010). Culture, on the other hand, is the mental programming or a unique meaning and information system that is shared by a certain group (Matsumoto & Juang, 2017).

For decades, the concept of culture has been an object of research in the fields of anthropology, psychology, biology, sociology, and many more. Nonetheless, there is still no universally valid definition that covers every aspect of culture to satisfy all scholarly disciplines, which makes it impossible to conclusively determine the boundaries of the term culture (Heine, 2016). Since this study is primarily concerned with cross-cultural encounters that require intercultural competence, the definition of culture as mental programs or the software of the mind that vary between cultures is chosen as the most suitable basis of understanding for the purpose of this research (Hofstede et al., 2010).

2.4 Basics of Negotiation Theories

In game theory a game consists of a certain number of players, each with a set of strategies that will provide them with a positive or negative payoff in the end (Barron, 2013). Such a game is called negotiation in business studies: It is the process of arriving at an agreement between parties with conflicting interests to determine the terms of a future cooperation or even establish a partnership. This process is characterised by the interdependence of the negotiating parties, which means that the demands of one of them directly influence the outcome for the other ones and vice versa (Brett, 2014). In the following sections, the specific features of this challenging context will be examined, first in general and, secondly, within intercultural settings in particular.

2.4.1 Negotiations in General

In general, there are two types of negotiations: one-time interactions and long-term relationships, each pursuing different objectives. In a one-time business transaction, each party attempts to achieve the maximum result regardless of the interests of the other party. In contrast, negotiations aimed at building a long-term relationship tend to lead to a more balanced outcome (Tracy, 2013). Dolan and Kawamura (2015) describe such a win-win negotiation as the effort of all parties involved to obtain the highest return from their partnership by means of value creation through collaboration. Each party in this scenario not only pursues its individual targets but also seeks to satisfy mutual goals through finding common ground by overcoming differences.

Prior to any negotiation, the parties involved must be aware of the type of negotiation into which they will enter, to prepare themselves as well as an adequate strategy (Holden, 2016). According to Brett (2014), a negotiation strategy is made up of five building blocks of information needed to sufficiently prepare for negotiations. As a first step the parties involved must be identified; these parties are not always solely the people who will be present at the negotiation table. In some cases, the participants do not represent their own interests but those of others, and thus have only a limited power of decision. Secondly, the potential issues that may arise in the course of negotiations need to be taken into account in advance. Negotiators must consider not only the issues important to them but also prepare for any issues that the opposite side might prioritise to allow for a proactive response. Thirdly, the positions, interests, and priorities of all parties must be anticipated to ensure that a basis is present on which common ground may be established. Further, each negotiator needs to know the distribution of negotiation power which is determined by the number of alternatives and, especially, the next best alternative to the negotiation agreement in question. This, in turn, sets the reservation price, that is, the price threshold below which competition will be awarded in any case. Finally, defining a target prior to negotiations is crucial, because it provides clear guidance for the negotiator and ensures that they will not lose track of their interests during the ongoing negotiation. The determination of these five building blocks enables the derivation of an adequate strategy for the negotiation in question. Every negotiation is unique in its constellation of these five factors. Hence, the strategy for one negotiation might not be applicable to another, which constantly requires a revision of all five building blocks prior to any negotiation (Brett, 2014).

2.4.2 Intercultural Negotiations

In comparison to domestic negotiations, intercultural ones have some unusual characteristics, whereby all of the aspects established in the previous section are also applicable in intercultural settings. Since people from other cultural backgrounds have different patterns of thinking, feeling, and acting, their assumptions about the negotiation process is different as well (Brett, 2014).

One important factor that may differ is the business-making orientation of a culture. Asia, Africa, and Latin America tend to be relationship-oriented cultures whereas Europe, North America, Australia, and New Zealand are deal-oriented (Gesteland, 2005). This aspect must be taken into account before entering into negotiations, as one-time business interactions are quite difficult to conduct in relationship-oriented cultures, which necessitates a corresponding adjustment of the negotiation strategy. The business-making orientation also determines the nature of the initial contact between the future negotiation partners. While deal-oriented cultures tend to be open to all potential business partners as long as the result of the business promises advantages, relationship-oriented cultures are sceptical about new business partners, especially if they belong to a different cultural sphere. They first seek to establish a relationship and trust. For this reason, the first contact alone requires an individual strategy, which makes the use of intermediaries or joint business partners and their credibility advisable for the initial introduction (Gesteland, 2005).

Furthermore, creating relationships in intercultural settings demands reflecting on one's emotional and cultural intelligence to increase the conscious perception of cultural differences and being able to react to them appropriately. Additionally, interactions involving people from different cultures and even languages require clear communication among all parties to overcome cultural barriers that might prevent successful communication. This includes the way in which the key issues are defined and emphasised, how arguments are formulated and presented, the general communication styles, and the correct protocol.

Interculturally skilled negotiators familiarise themselves with the negotiation styles and assumptions of other cultures to prevent misunderstandings and inappropriate behaviour. Moreover, negotiating partners need the ability to recognise each other's interests so as to eliminate differences and achieve common goals without being culturally blind or biased. This means that the selection of the appropriate participants for the negotiations must be made very consciously, as the negotiators must master these special skills (Dolan &

Kawamura, 2015). Another aspect that must be considered when conducting business internationally is the laws and customs involved. This does not necessarily require a special intercultural skill but rather an awareness of differences regarding which contracts are enforced, which law will be applied, and to what extent bribery and corruption exist within the culture in question (McCarthy & Hay, 2015).

In conclusion, culture increases the complexity of negotiations and requires more thorough preparation as well as caution regarding cultural sensitivities during negotiations as “[n]egotiating [in itself] is a way of ... behaviour that can either develop or destroy understanding, acceptance, respect, and trust in the negotiation process” (Dolan & Kawamura, 2015, p. 212).

2.5 Intercultural Competence Theory

A general definition of intercultural competence is “the appropriate and effective management of interactions between people who, to some degree or another, represent different or divergent affective, cognitive, and behavioral orientations to the world” (Spitzberg & Changnon, 2009, p. 7). The following sections explore this particular competence in more detail, focusing on the features that comprise it and the role it plays in today’s globalised world.

2.5.1 Features of Intercultural Competence

The need for intercultural competence results from the significant potential for conflict that is inherent in encounters, communication, and interactions between cultures. Intercultural conflicts arise primarily from diverging expectations of adequate verbal and non-verbal behaviour. To approach these expectations appropriately and effectively, certain factors are required that constitute intercultural competence (Ting-Toomey, 2009). When reviewing scientific literature, little agreement on the precise scope of these features is found, which reflects the diverse understanding of the concept of intercultural competence. However, certain high-level themes recur in intercultural research that include “knowledge”, “awareness”, and “adaptability”. These themes or components of intercultural competence are interconnected and, in turn, require certain skills and abilities.

Knowledge refers to the culture-specific knowledge about the general values of a culture and its expectations for appropriate behaviour. While culture-specific

knowledge is essential, it is not sufficient on its own. The ability to reframe one's own interpretations from another culture's point of view is imperative to making actual use of this knowledge. For this reason, awareness in the form of self- and other-awareness is at the core of intercultural competence (Ting-Toomey, 2009); it is the foundation on which all other skills and abilities are built. Awareness is the precondition to the recognition of cultural differences in the patterns of thinking, feeling, and acting (Trompenaars, 2011). To recognise others' differences in these patterns, one's own software of the mind must first be acknowledged (Hofstede et al., 2010). Awareness is closely linked to the concept of mindfulness, which requires the ability to observe the external situation while simultaneously recognising internal thoughts and feelings and reflecting on their impact on one another (Thomas & Inkson, 2017).

Knowledge and awareness are important building blocks, but an interculturally competent person must also be able to translate them into performance, which leads to the final component of adaptability. Intercultural competence is expressed through skilled behaviour. Each cross-cultural interaction is a new, unique situation, which requires an adjusted approach of behaviour instead of acquired routines (Thomas & Inkson, 2017). The adaptability of behaviour is demonstrated through active listening and effective communication as well as the ability to control emotions and exhibit respect for the other culture's understanding and expectation of respectful behaviour (Taylor & Lester, 2009).

The concept of active listening again begins with awareness, by paying attention to the situation while suspending biasing judgement to reflect the information and emotions involved in and influencing the situation. However, active listening goes beyond that and enters the realm of action. It also includes clarifying any issues that may be ambiguous and, as a result, understood differently by the interacting parties. Summarising enables the identification of core themes and the confirmation of a common understanding, with the priority placed first on understanding and then on being understood (Center for Creative Leadership, 2019). Active listening and effective communication are closely linked. Miscommunication happens easily across cultures due to different mindsets and values as well as varying proficiencies in the language of communication.

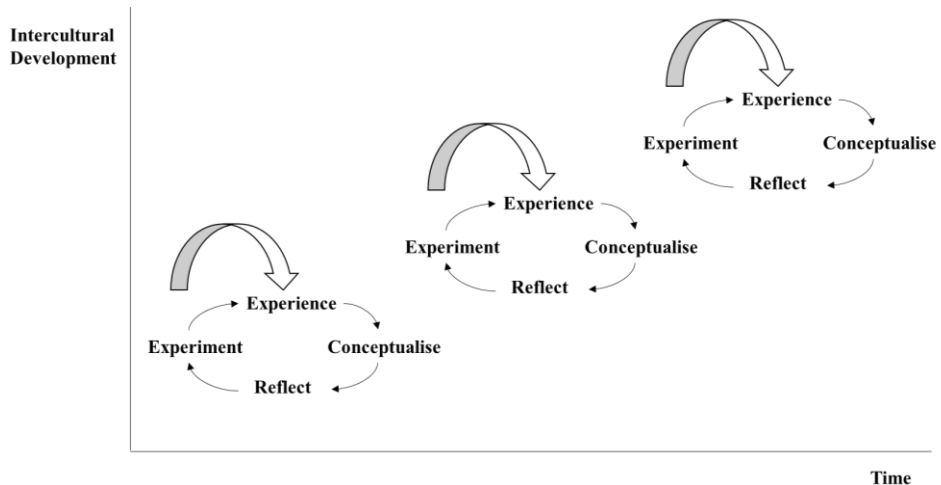
Table 3: Score Communication Principles

SCORE Principle	The Rationale
S implify and Specify	Much miscommunication happens across cultures because the language is difficult to understand or details are not specific.
C larify and Confirm	It is not uncommon for two people to think they understand each other when each has a different understanding of the situation. It is therefore important to continually clarify what you are intending to communicate and confirm that is, in fact, what the other person understands.
O rganise and Outline	When your communication is structured and organised into different sections and key points, it becomes easier for others to understand the main points we are making and to follow our communication.
R ephrase and Reframe	Providing multiple ways of saying the same thing increases the chances of our being understood.
E xplain with Examples	Providing the rationale behind our thinking can make our intentions clearer to others. By using examples to illustrate our points (and sometimes literally illustrating our point through drawings and visuals), our message becomes clearer.

Source: Modelled after Berardo, 2012, p. 228.

Berardo (2012) developed a model as a guide to the appropriate and effective adaptation of communication across cultures. The model advises to “simplify and specify” the language to make it more easily understandable and to convey the specific details. Further, it is recommended to “clarify and confirm” to ensure a common understanding. While “organising and outlining” structures the communication and makes it easier for the counterparty to follow the key points, “rephrasing and reframing” increases the probability of being understood, correctly supported by “explaining with examples” (Berardo, 2012).

Another key feature of adaptability is the ability to manage emotions and to adopt a mindset that places them under control; otherwise, emotions may distort the perception of the situation and reduce the ability to react effectively (Tracy, 2013). They may also affect the ability to demonstrate appropriate respect, which is another key feature of an interculturally competent person. Respect is exhibited and communicated differently in various cultures (Taylor & Lester, 2009). Thus, culture-specific knowledge of these differences must be translated into corresponding behaviour.

Figure 2: Full Cycles of Learning

Source: Modelled after Gregersen-Hermans & Pusch, 2012, p. 25.

Intercultural competence is a set of knowledge and abilities that do not originate from the character or the personality of a person but are learned skills (Gregersen-Hermans & Pusch, 2012). Learning is a combined process of grasping and transforming experience into the creation of knowledge, in which grasping means the intake of information whereas transforming refers to the respective interpretation and reaction to the absorbed information (Kolb, 2015). Consequently, acquiring intercultural competence necessitates an intercultural learning experience that takes place in full circles of learning that require time (Gregersen-Hermans & Pusch, 2012).

2.5.2 Role of Intercultural Competence

The purpose of intercultural competence is to manage intercultural interactions more effectively and appropriately by preventing or at least mitigating miscommunication to build trust. Trust then enables respect to be established, which, in turn, is an essential precondition for building a successful relationship (Spitzberg & Changnon, 2009).

When communicating within a culture, hidden messages are constantly exchanged without the sender and receiver realising, because both share implicit associations and meaning systems (Lander, 2017). However, when

communicating across cultures, the available codes and conventions are drastically reduced, because people from different cultures do not share the same meaning and value systems and often not even the same language (Thomas & Inkson, 2017). Further, due to various levels of proficiency in the chosen language of communication, it is uncertain whether non-native speakers even understand the language correctly when it is used accurately (Galli Zugaro & Galli Zugaro, 2017). The most difficult form of cross-cultural communication takes place when electronic communication is used, since miscommunication can easily occur due to the lack of context (Wells, 2018). Against this background the role of intercultural competence is to overcome diverging interpretations and understandings due to culturally different meaning systems. The objective is to identify a common cognitive basis through awareness of the cultural differences and the adaptation of language and communication style to reconcile these differences (Glaser, 2010). Without intercultural competence preventing miscommunication, a lack of common understanding results in reduced trust and commitment (Harkiolakis et al., 2016).

For this reason, intercultural competence also plays an important role in building trust across cultures. Generally, trust develops over time and takes effort to be built, especially across cultures. It requires the adaptation of appropriate behaviour. Once the trustworthiness of the interacting parties and the trust in their capabilities are established, the cooperation benefits from an increased openness and willingness to share sensitive information (Reina & Reina, 2015; Six, 2005). On the basis of both understanding and trust, respect can be established, further strengthening the intercultural partnership (Cotton, 2013). Again, intercultural competence plays a significant role in the process of arriving at genuine respect, because the definition of respectful behaviour varies distinctly between cultures, which requires a high degree of awareness (Glover & Hannum, 2008). If mutual respect is at the core of intercultural interaction, it is the most effective tool for preventing conflict and developing a relationship (CEI, n.d.). Building a relationship across cultures is a crucial step towards the overall purpose of intercultural competence by appropriately and effectively managing interactions between people from different cultural backgrounds. Once a relationship is established, the forgiveness of cultural *faux pas* increases significantly, allowing for more successful business outcomes (Meyer, 2015).

2.6 Value Dimensions

Since it is difficult to define the specific scope of intercultural competence – that is, all of the attitudes, knowledge, and skills included, because scientists have not yet reached a general agreement on the boundaries of the concept – Hofstede et al. (2010) recommend the choice of value dimensions as the basis for comparative research on cultures, as values are the most stable element of culture. For this reason, this study also aims to assess the applicability of value dimensions in the setting of intercultural negotiations. To provide a common understanding of value dimensions, the following section illustrates the most important scientific models. The value dimensions according to Trompenaars and Hampden-Turner are particularly introduced, since they are examined in the subsequent primary research project.

2.6.1 Scientific Models on Value Dimensions

Several renowned scientists have developed models in which they identify value dimensions that allow cultures to be classified relative to each other, whereby the concept of value dimensions consist of two components (Rothlauf, 2014). The word “dimension” refers to a particular aspect of culture that is distinctly observable and, as such, measurable in relation to other cultures (Hofstede et al., 2010). The word “value” in this context means the value orientation of a culture within a certain dimension, which influences the way in which people of the respective culture think, feel, and act when confronted with this particular aspect. Value dimensions always consists of two extremes in between which cultures may then be classified. As previously stated in relation to cultural relativism, this classification does not imply any judgement related to superiority or inferiority. Wealth is always created in the relation of two value extremes (Trompenaars & Hampden-Turner, 2012). The following table depicts an overview of the most common scientific models on value dimensions.

Table 4: Scientific Models of Value Dimensions

Hofstede et al.	Trompenaars and Hampden-Turner	Hall and Hall	GLOBE study
Power distance	Universalism versus particularism	Context	Uncertainty avoidance
Individualism versus collectivism	Individualism versus communitarianism	Space	Power distance
Masculinity versus femininity	Neutral versus affective	Time	Institutional collectivism
Uncertainty avoidance	Specific versus diffuse	Information flow	In-group collectivism
Short-term versus long-term orientation	Achievement versus ascription		Gender egalitarianism
Indulgence versus restraint	Sequential versus synchronic		Assertiveness
	Internal versus external control		Future orientation
			Humane orientation
			Performance orientation

Within their advanced model Hofstede et al. (2010) identify the six value dimensions of “power distance”, “collectivism versus individualism”, “femininity versus masculinity”, “uncertainty avoidance”, “long-term versus short-term orientation” and “indulgence versus restraint”. The first value dimension of power distance is the degree – from small to large – to which members of a culture accept the uneven distribution of power within institutions and organisations. Within the second value dimension, collectivism indicates a culture where the community comes before the individual, protecting it in exchange for unconditional loyalty, whereas individualism indicates that the individual is less attached to the community and responsible for their own pursuit of happiness. The third value dimension consists of the degrees of femininity, which means that the emotional roles are almost independent from gender, in contrast to the other extreme of masculinity, where the female role encompasses modest and tender

actions while the male role requires assertive and tough behaviour. Furthermore, the fourth value dimension of uncertainty avoidance contains the extent – from weak to strong – to which people of a cultural group feel threatened in uncertain situations. The fifth dimension aims to identify whether a culture is long-term-oriented or short-term-oriented; in other words, whether its priority is to foster future opportunities or to preserve traditions. The last value dimension of “indulgence versus restraint” seeks to discover the orientation of a culture towards gratification and whether it allows enjoyment of life relatively freely or whether there are strict social regulations (Hofstede et al., 2010).

Trompenaars’ and Hampden-Turner’s model is similar to the value dimensions by Hofstede et al. Since the former’s model is chosen as the focus for this research, it is illustrated in more detail in the subsequent section.

Hall and Hall also developed a model on value dimensions, choosing the aspects of “context”, “space”, “time” and “information flow”. Hall and Hall’s first value dimension is divided into low-context and high-context cultures, referring to the amount of additional information necessary in communication situations for the receiver of a sender’s message to understand it correctly. Within the second value dimension, “space”, they declare personal space, on the one hand, as the invisible sphere inherent in every human being that no one may penetrate without prior consent and territory. On the other hand, this personal space can be anything a person regards as personal belongings, irrespective of the actual legal status. Further, Hall and Hall distinguish time orientations as monochronic and polychronic within their third value dimension of time. The difference between the two orientations is whether time is linear or circular, which determines whether activities in a culture happen successively or simultaneously. Finally, within their fourth dimension of information flow, Hall and Hall consider the various speeds of coding and decoding information during communication (Hall & Hall, 1990).

Another major model within intercultural research is the Global Leadership and Organizational Behavior Effectiveness Research Program, abbreviated as the GLOBE study, which resulted in nine value dimensions similar to those identified in the previous models: “uncertainty avoidance”, “power distance”, “institutional collectivism”, “in-group collectivism”, “gender egalitarianism”, “assertiveness”, “future orientation”, “humane orientation”, and “performance orientation” (Rothlauf, 2014).

Since the GLOBE study focuses on the influence of culture on leadership styles and internal organisational culture, it is not chosen as the focus model for this

research, which is primarily concerned with the interaction of people from different cultures and different companies (Rothlauf, 2014). Although Hall and Hall's model is universally valid, it is too generic for the purpose of this research and, therefore, is not selected either. Due to the close relationship of the models by Hofstede et al. and Trompenaars and Hampden-Turner, the choice of the focus model had to be made between the two. Trompenaars' and Hampden-Turner's value dimensions were selected because their model emerged from the former and was developed further.

2.6.2 Trompenaars' and Hampden-Turner's Value Dimensions

Trompenaars and Hampden-Turner (2012) classified the common problems that confront people from different cultures and that they meet with specific solutions in the three categories of "relationships with other people", "the passage of time", and "the environment". Into these universal problem categories they sorted seven fundamental value dimensions of culture (Trompenaars & Hampden-Turner, 2012).

Table 5: Trompenaars' and Hampden-Turner's Value Dimensions

1-5: People	6: Passage of time	7: Environment
Universalism versus particularism	Sequential versus synchronic	Internal versus external control
Individualism versus communitarianism		
Neutral versus affective		
Specific versus diffuse		
Achievement versus ascription		

Within their first value dimension, Trompenaars and Hampden-Turner differentiate between universalism and particularism. Universalist cultures tend to have generic assumptions that apply to all situations, whereas particularist cultures pay greater attention to the commitments of relationships and the uniqueness of situations. Their second value dimension is concerned with whether people of a certain culture value themselves primarily as individuals or members of the community. This individualism versus communitarianism value

dimension addresses the priorities of the people. Do they focus on their own or the needs of the entire community first? Further, the third value dimension of Trompenaars and Hampden-Turner contains preferences regarding emotions. Neutral cultures prefer objective interactions without emotions being expressed, whereas affective cultures regard emotions as a crucial part of communication and interaction (Trompenaars & Hampden-Turner, 2012). The fourth value dimension takes into account the interconnectedness of people's areas of life. Within specific cultures the various areas of daily life are clearly separated from one another, while diffuse cultures do not distinguish private life from work life (Rothlauf, 2014). Within the fifth value dimension, the origin of esteem is determined. Achievement-oriented cultures judge other people by their recent accomplishments whereas ascription-oriented cultures judge others on the basis of the status attributed to them by formal qualifications, connections, gender, and age. All of these value dimensions result from relationships with other people. The sixth value dimension, on the other hand, results from the passage of time and, as such, is concerned with the way in which cultures view the concept of time (Trompenaars & Hampden-Turner, 2012). Cultures with a sequential perspective on time conduct activities successively, while cultures with a synchronic perspective are able to manage several tasks simultaneously (Rothlauf, 2014). Trompenaars' and Hampden-Turner's (2012) final value dimension results from the human relationship with the environment. Internal versus external control describes whether the perception of the origin of one's own fortune lies within a person or depends on external influences.

2.7 Steel Industry

The following section outlines the key characteristics of the focus industry. Steel-related flat-rolled products are one of the sub-categories of the general steel industry. To allow for understanding of the material, the manufacturing process and the areas of application in the main markets are presented as well as its special properties, in order to highlight the relevance of the product in international trade and downstream industries. Additionally, the key figures in the steel trade are examined to describe the nature of the business.

2.7.1 Characteristics of Steel-Related Flat-Rolled Products

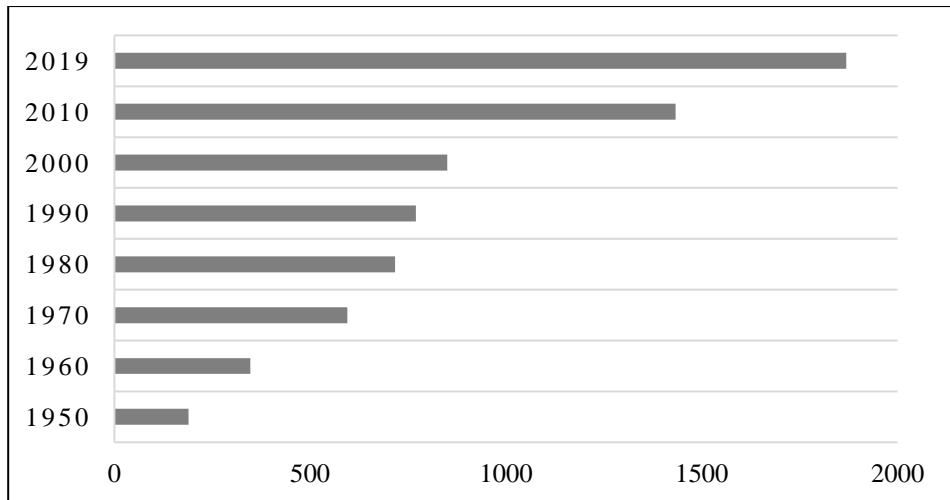
The World Steel Association (n.d.a.) defines steel as “an alloy of iron and carbon containing less than 2% carbon and 1% manganese and small amounts of silicon,

phosphorus, sulphur and oxygen". The 989% rise in production, from 189 million tonnes of crude steel in 1950 to 1.869 million tonnes in 2019, underlines the continuous importance of steel as the most relevant engineering and construction material, due to its many special properties (World Steel Association, 2020).

Table 6: Global Crude Steel Production in Million Tonnes 1950–2019

Years	Million tonnes	Years	Million tonnes	Years	Million tonnes
1950	189	2000	850	2010	1,433
1955	270	2001	852	2011	1,538
1960	347	2002	905	2012	1,560
1965	456	2003	971	2013	1,650
1970	595	2004	1,063	2014	1,671
1975	644	2005	1,148	2015	1,621
1980	717	2006	1,250	2016	1,629
1985	719	2007	1,348	2017	1,732
1990	770	2008	1,343	2018	1,814
1995	753	2009	1,239	2019	1,869

Source: Modelled after World Steel Association, 2020, p. 7.

Figure 3: Global crude steel production in million tonnes 1950–2019

Source: Modelled after World Steel Association, 2020, p. 7.

Among these properties are the strength of the material with concurrent flexibility, ductility, and weldability. Further, certain steel grades can be modified to become resistant to corrosion, temperature, and climate as well as bending, rotation, and fatigue (The Economic Times, 2019). As such, steel is a highly technological material both in terms of production and application.

The production process of steel is carried out either through a blast furnace and basic oxygen furnace route or an electric arc furnace route, while combinations of process steps of both routes occur as well (World Steel Association, n.d.a.). The main distinctions between the two production methods are the input materials. Within the blast furnace and basic oxygen furnace route, iron is extracted from iron ore in the blast furnace step, mixed with recycled steel and subsequently refined in the basic oxygen furnace procedure with the aid of oxygen (American Iron and Steel Institute, 2010). Conversely, the electric arc furnace route uses recycled steel as its main input along with precisely calibrated amounts of alloys to achieve the required chemical properties. This production process uses electricity to melt these inputs (World Steel Association, n.d.a.). In both steelmaking approaches, steel is melted beyond 1,500°C and solidified afterwards through continuous casting, resulting in semi-finished products such as slabs or billets. These products undergo several hot and cold rolling procedures to produce a myriad of products (American Iron and Steel Institute, 2010).

As a result of its versatility, steel exists in more than 3,500 grades with varying chemical compositions and mechanical properties. It further takes on many forms and shapes of products, including, for example, tubes, wire, and flat-rolled steel (The Economic Times, 2019).

Since this study focuses on the steel-related flat-rolled industry sector, only the latter is explained in more detail. Flat-rolled steel is subdivided into hot-rolled and cold-rolled coils. Hot-rolled coils are produced in a milling procedure where steel slabs are rolled at above 900°C and wound up as a coil at the end. Hot-rolled coils can be used in applications where precise tolerances are not of critical importance. Cold-rolled coils are created from hot-rolled coils in an additional step of rolling the material through cold mills. Thus, the tolerances, the surface finish and the tensile strength of the material are improved, which makes it suitable for an increased number of applications that require these advanced properties of material (The Economic Times, 2019).

Ultimately, the production and further processing of steel is a set of highly sophisticated processes that require extensive energy and expertise. Steelmaking causes many by-products along the production route, of which more than 99% are re-used in the process (American Iron and Steel Institute, 2010). This means that a considerable number of recycled materials are used as input in the production of steel. Further, most steel products are extremely durable and thus have a long life before they need to be recycled (World Steel Association, n.d.a.). This compensates for the environmental impact of the high energy consumption during production

Not only the production of steel but also its applications are highly sophisticated and technological. Steel products are used in advanced technical and engineering markets, with buildings and infrastructure, mechanical equipment, and automotive representing the most important ones (World Steel Association, n.d.b)).

2.7.2 The Nature of International Steel Trade

The international steel sector is a truly globalised industry both in terms of production as well as consumption, as the following table illustrates.

Table 7: Crude Steel Production and Finished Steel Products Use in 2019

Region	Percentage of 1,869 million tonnes of crude steel production in 2019	Percentage of 1,767.5 million tonnes of finished steel products use in 2019
Asia	71.9%	70.6%
Europe	10.6%	10.9%
North America	6.4%	7.7%
Commonwealth of Independent States	5.4%	3.3%
Africa and Middle East	3.3%	4.8%
Central and South America	2.2%	2.4%
Australia and New Zealand	0.3%	0.4%

Source: Modelled after World Steel Association, 2020, pp. 15-16.

In 2019, not only were 1,869 million tonnes of crude steel produced in all regions of the world, but also 1,767.5 million tonnes of finished steel products were used worldwide. The geographical distribution of the share of production as well as the use of steel and steel-related products looks quite similar. In both cases Asia is by far the largest producer of crude steel as well as the largest consumer of steel products. The production share of 71.9% and the consumption share of 70.6% are unprecedented. As the second largest region for crude steel production and steel product usage, Europe reaches shares of only 10.6% and 10.9%, respectively, followed by North America, with shares of 6.4% and 7.7%, respectively. Combined, these three regions account for approximately 90% of both steel production and consumption, which is why they are selected as the focus regions for this research. The remaining 10% are divided among the Commonwealth of Independent States, Africa and the Middle East, Central and South America as well as Australia and New Zealand (World Steel Association, 2020). Furthermore, steel is not only produced in all regions of the world, it is also traded across the globe.

Table 8: World Steel Trade by Region in 2019

Region	Percentage of 436 million tonnes of total exports in 2019	Percentage of 436 million tonnes of total imports in 2019
Asia	39.1%	30.6%
Europe	37.4%	39.1%
North America	4.1%	10.5%
Commonwealth of Independent States	11.3%	3.6%
Africa and Middle East	4.6%	11.9%
Central and South America	3.3%	3.9%
Australia and New Zealand	0.3%	0.6%

Source: Modelled after World Steel Association, 2020, p. 26.

In 2019, the world steel trade comprised 436 million tonnes of total exports and imports. Consistently, the three regions most engaged in steel trade were Asia, Europe, and North America. While Asia exported 39.1% of the total 436 million tonnes of steel globally traded and imported only 30.6%, Europe and North America imported more, with 39.1% and 10.5%, respectively, than they exported, with 37.4% and 4.1%, respectively (World Steel Association, 2020). Within the world trade of steel, the significance of steel-related flat-rolled products is highlighted in the following table.

Table 9: 97% of World Steel Trade by Product Group in 2019

Product	Percentage of 422.2 million tonnes of total exports in 2019
Steel-related flat-rolled products	51.0%
Others	49.0%

Source: Modelled after World Steel Association, 2020, p. 25.

The figures comprise the exports of 62 countries, which represent approximately 97%, or 422.2 million tonnes, of the world steel trade in 2019. Steel-related flat-rolled products alone accounted for 51.0%, making them the single most

important category. Further categories of steel products, such as wire and tubes, make up the remaining 49.0% (World Steel Association, 2020).

Several parties are involved in the international trade of steel-related flat-rolled products; these include suppliers of the material that produce steel products at large scales as well as intermediaries, such as exporters and importers, that function as distributors between the suppliers of large quantities and the customers with smaller demand. Steel-related flat-rolled products are so-called semi-finished goods, which means they are processed in further production steps to create finished products that are sold to end users as a further party involved.

In conclusion, steel products, especially flat-rolled, account for a significant amount of international trade. The European Commission (n.d.b)) also regards the steel industry as vital due to its link “to many downstream industries such as automotive, construction, electronics, and mechanical and electrical engineering”, which means that international steel trade has a trickle-down effect of globalisation on other industries along the production chain.

3 Primary Research

3.1 Primary Research Design Overview

Merriam and Tisdell (2016) highlight that “[t]here are many definitions of research, but what they all have in common is the notion of inquiring into, or investigating something in a systematic manner” (p. 3). This chapter elucidates each of these systematic steps of the underlying primary research project to ensure transparency and comprehensibility.

The research objective dictates the nature of the research methodology – within this study interchangeably used with the term research design – which is composed of the strategies that are applied to ensure a scientific approach to arrive at a traceable and reproducible conclusion to the research questions. Any empirical research demands a research design, regardless of the underlying theoretical assumptions and approaches (Schensul, 2012).

While the secondary research, presented in the previous chapter, was concerned with establishing an understanding of the key terms and concepts that constitute the framework and context of this study, the primary research explored the factors of intercultural competence and their role in the specifically defined area of international steel trade negotiations. Additionally, the primary research aimed to determine the extent of the applicability of Trompenaars’ and Hampden-Turner’s value dimensions within this particular setting.

Under the quality criteria of validity and reliability, the primary research employed a qualitative approach, which, in turn, adopted the method of expert interviews as its data-collection strategy along with a pre-fixed generic purposive sample as its sampling strategy. The data collected was then examined by means of thematic analysis as the data analysis strategy. The findings extracted in this way are presented in the subsequent chapter, followed by a discussion of the research results under the application of triangulation to minimise the researcher’s bias and to determine the implications of the findings for scientific theory as well as business practice (Schensul, 2012). All of these approaches and strategies are now reviewed and justified in further detail.

3.2 Qualitative Research Approach

Qualitative research was chosen as the overall research approach due to the nature of the research question. The research project was not designed to test

theories and hypotheses resulting in generalisations but to explore concepts, thoughts, and experiences to understand their relevance for the research area (Streefkerk, 2020). Specifically, the purpose of the underlying research project was to explore the role of intercultural competence in international steel trade negotiations, and a qualitative approach is better suited to achieve this purpose. In contrast to quantitative methods that are designed to generate numerically representative findings on a large scale by examining an objective world without ascribed meaning, qualitative studies are conceptualised for detailed assessments of narrowly defined areas of interpreted social worlds (Rosenthal, 2018). Thus, Denzin and Lincoln (2018) describe qualitative research as “a situated activity that locates the observer in the world ... consist[ing] of a set of interpretative, material practices that make the world visible” (p. 10). This implies that social attributes arise from human interactions rather than being isolated occurrences independent of the individuals who caused their construction (Bryman, 2016). Here, the role of intercultural competence in the interaction between individuals from different cultures engaging in international steel trade negotiations is explored “to understand subjective meaning and reconstruct latent meaning, and the implicit knowledge of the actors in their social world” (Rosenthal, 2018, p. 18).

3.3 Data Collection through Expert Interviews

Within the qualitative research approach, expert interviews were chosen as the method for collecting the appropriate data necessary to determine the required features of intercultural competence and their role as well as the applicability of Trompenaars' and Hampden-Turner's value dimensions in international steel trade negotiations.

An ethnographic approach involving the observation of the participants in their social environment was not considered due to the limited timeframe and scope of the underlying research project. Furthermore, case studies were excluded as a method for data collection as well, because a single case study bears the risk of providing an insufficient or one-sided basis for investigation, while cross-case comparability is difficult to ensure when using multiple case studies. Focus groups were also avoided for this research, since they require substantial experience and skills on the part of the researcher, who must guide and moderate these focus groups effectively to achieve meaningful results (Bryman, 2016).

This is why expert interviews were selected as the most suitable data-collection method for this research project. The researcher was able to focus on one participant at a time, extracting the maximum amount of expert knowledge from each respondent. Further, methods of conducting expert interviews are widely flexible while also providing multiple perspectives if there is an appropriate sample. The emphasis during these interviews is on the interviewees' understanding and interpretation of certain events, patterns, and forms of behaviour, to ensure that they are enabled to openly explain what they regard as important (Bryman, 2016). For this reason, the expert interviews were carried out as semi-structured interviews, which means that the researcher employed an interview guideline to maintain the focus on the research topic while simultaneously allowing respondents to express themselves freely, covering additional themes that they regarded as relevant to sufficiently answer the questions (Schensul, 2012). For this reason, the researcher was able to diverge considerably from the guideline to react to the interviewees' statements with further or modified questions. Therefore, the order and the wording of the questions stated in the guideline did not have to be followed exactly (Bryman, 2016). Furthermore, the interviews were not limited in their duration to avoid the risk of not covering all topics important to the participant (Schensul, 2012).

However, expert interviews also entail risks that must be prevented or at least mitigated wherever possible. Since the researcher is an integral part of the data collection, biases are created in the research process. The information exchanged in the interviews is subject to constant filtering by the interviewer, the research situation, and the participants. To reduce the researcher's bias without limiting commitment while also improving the interviewees' ability to unaffectedly express their opinions and interpretations, it is necessary for the researcher to minimise personal elements that distort communication. This involves constant reflection by the researcher on how one's own patterns of thinking and feeling influence the participants through the tone of voice, language used, customs, and etiquette (Schensul, 2012). To reduce the number of possibly distorting components, the interviews were conducted as audio instead of video calls, so that facial expressions and body language were not a factor. Additionally, all questions were intended to be asked in a way that did not already imply any answers, so that the interviewees were free to provide their uninfluenced responses. Furthermore, at the request of the participants, their names will remain anonymous to ensure that they were able to share their views more openly and freely. The researcher confidentially keeps a signed declaration of

confirmation and consent for each participant, that discloses the names of the interviewees.

3.4 Generic Purposive Sampling

Equally important to the data-collection strategy, the sampling strategy was chosen with regard to the limited timeframe and scope of the underlying research project. Although theoretical sampling is the most prominent type in qualitative research literature, the required sample size is not predictable prior to the conduct of the research project due to its iterative nature and the precondition of data saturation, which makes this sampling strategy unsuitable given the constraints of this research (Bryman, 2016).

For this reason, the generic purposive sampling approach developed by Bryman (2016) was instead employed in its fixed manner, where a pre-fixed sample was chosen *a priori* according to appropriate criteria. Rosenthal (2018) points out that, when following the logic of discovery, it is difficult to determine in advance which criteria will prove to be theoretically relevant in the course of the research. For this reason, the research question must be the starting point for any further sampling procedure within this sampling approach, in the sense that each criterion chosen for the selection of the sample must be informed by the research question, aiming to ensure that it is sufficiently answered by the end of the research process. Hence, when applying a generic purposive sampling strategy, the researcher must first determine the types of cases and contexts needed to draw conclusions about the research question. Only then may suitable criteria be derived about what participants need to fulfil to be chosen for the research project (Bryman, 2016).

As a consequence of the generic purposive sampling approach and its pre-fixed sampling size, the importance of a relevant selection of each participant increases significantly. Every interviewee was chosen carefully according to three categories that were derived from the research topic: region/origin, gender, and expert knowledge.

Intercultural competence in itself preconditions an interaction of people from different cultural backgrounds. Since, as established in chapter 2, Asia, Europe, and North America are the most important regions regarding the production, consumption, and trade of steel-related flat-rolled products, they were chosen as the cultural focus regions of this research. In order to further enrich the sample, two participants with different origins from each region were selected. As it could

not be predicted whether and how gender influences the research findings, the sample size was additionally divided into 50% female and 50% male participants per region to represent both gender views equally. The category “expert knowledge” further refers to the experience gained through relevant job responsibilities with intercultural negotiations within the international trade of steel-related flat-rolled products that the participants were required to have to be capable of providing relevant insights into the research topic at all.

Table 10: Sample Selection Criteria

Acronym	Region	Origin	Gender	Job Responsibilities
AF	Asia	Vietnam	Female	Trading Agent
AM	Asia	Taiwan	Male	Trading Agent
EF	Europe	Germany	Female	Sales Support
EM	Europe	Italy	Male	Sales
NAF	North America	United States of America	Female	Purchasing
NAM	North America	Canada	Male	Sales and Purchasing

Satisfying these criteria resulted in a sample size of six participants, whose names were replaced by respective acronyms stated in the table above. Both interviewees from Asia were working for trading agents, who function as intermediaries between the production mills and their international customers. While the female Asian participant (AF) was from Vietnam, the male participant (AM) was from Taiwan. The female European interviewee (EF), from Germany, was no longer working in the steel-related flat-rolled product industry sector. However, she gained experience in her previous job working as a sales support for a trading agent as well. Further, the male European interviewee (EM), from Italy, worked in sales for a steel mill. The North American sample group was subdivided into a female Canadian participant (NAF) who worked in purchasing for a wholesale distributor and a male participant (NAM) who had been working both in sales and purchasing for several steel processing companies.

3.5 Thematic Analysis

In contrast to quantitative approaches, qualitative research is “concerned with words rather than numbers” (Bryman, 2016, p. 375). Consequently, the relevant data must be extracted from the written version of the interviews and then appropriately analysed to generate research findings. To enable the scientific content analysis of the data collected via expert interviews, a transcript of the audio recordings is required. A transcript or transcription is the written version of an auditive recorded interview (Bryman, 2016). The precise and consistent transcription of the interviews is essential for the traceability of the way in which the interviews have been carried out. Valid and reliable content analysis is possible only under the precondition of actual and undistorted data. This emphasises the importance of a correct and verbatim transcript. The transcripts were produced by the researcher in a faithful manner without the aid of any third party or a transcription software.

The data analysis method of grounded theory, which involves simultaneous collection and analysis of data by moving back and forth between the two activities, was not applicable in this research project, because it is impossible to predict how many interviews must be conducted to achieve saturation, which is the state in which data no longer indicates that further categories are to be found (Bryman, 2016; Charmaz et al., 2018; Thornberg & Charmaz, 2012). For this reason, thematic analysis as the basis for a generic approach to qualitative data analysis was employed instead, coherent to the generic purposive sampling strategy. Thematic analysis aims to identify themes within the data by means of coding, providing the researcher with an understanding of the data set, and enabling a theoretical reference to the literature related to the research questions (Bryman, 2016). Since placing the findings of the primary research in relation to the results of the literature review is an integral part of this qualitative content analysis approach, the principle of triangulation is simultaneously accomplished. Triangulation is the exploration of various sources on the same research topic to establish complementing and contrasting perspectives to interpret the results more appropriately and in a less biased manner (Schensul, 2012).

As a first step of the thematic analysis carried out within the underlying primary research project, the transcribed interviews were reviewed, allowing the researcher to familiarise herself with the material. During the second read-through, all relevant text fragments were identified and labelled by a consecutive number. As a next step the text fragments were coded and further elaborated into

themes. Once all themes were established, they were sorted into the research question areas or into additional finding areas, respectively.

Tables 11-14 in the subsequent chapter 4 provide an overview of the identified themes by research question or additional finding area, while summarising the codes as dimensions from which the themes were elaborated to ensure transparency and comprehensibility.

3.6 Quality Criteria

The quality of the research was subject to the principles of validity and reliability that have been most widely established in scientific research, so that the entire research process had to consistently comply with these criteria and was evaluated by them. Validity as one criterion was further divided into internal and external validity. Internal validity is concerned with the coherence of the research findings and the theoretical conclusions that the researcher draws from them, whereas external validity indicates the extent to which the observations may be generalised across other social contexts. While internal validity may be relatively well verified in qualitative studies, external validity poses a challenge when applying a limited sample size (Bryman, 2016). The second criterion of reliability examines the extent of faith in the consistency of measures employed during the research process. It is closely linked to the concept of replicability, which requires the researcher to disclose every step of the research process in detail so that other researchers are enabled to replicate the research project if they wish to validate the research results themselves (Bryman, 2016). At the end of this research project, the researcher reflects on and critically evaluates the research within the scope of this study by means of these quality criteria.

4 Findings

4.1 Findings on the Features of Intercultural Competence

The first area of research questions addressed the factors that comprise intercultural competence; in other words, the features a negotiator must possess to efficiently and successfully lead international negotiations in the steel-related flat-rolled products industry sector.

Table 11: Findings on the Features of Intercultural Competence

Research question 1	Themes	Dimensions
Features of intercultural competence	Awareness	<ul style="list-style-type: none"> – Cultural differences in working style – Culturally different ways of showing respect – Culturally specific notion of punctuality – Culturally different attitudes – Culturally preferred means of communication – Culturally different food habits – Culturally different etiquette – Culturally different behaviour – Actual and perceived distribution of roles
	Willingness	<ul style="list-style-type: none"> – Invest more time – Invest more resources – Open up about the personal sphere – Ask for advice – Learn from other cultures – Cultivate open-mindedness – Acquire experience – Go through learning cycles – Admit short-comings in knowledge
	Ability	<ul style="list-style-type: none"> – Listen, pay attention to details, and reflect – Adapt behaviour – Remain professional in emotionally challenging situations – Work with external negotiation forces to achieve internal goals – Adapt language – Show empathy and demonstrate vulnerability – Have patience

From the statements made by the interviewees, the three themes of “awareness”, “willingness”, and “ability” were identified, representing features that the research participants regard as relevant in constituting intercultural competence. These themes are not three independent or successive process steps, but rather factors that are mutually dependent on one another in comprising intercultural competence.

On the one hand, awareness includes the consideration of culturally different behaviour, such as differences in working style, the preferred use of communication means or food habits. On the other hand, awareness also includes the recognition of culturally different attitudes and expectations regarding the way respect is demonstrated and the concepts of punctuality and etiquette in general. Furthermore, being conscious about the actual and perceived distribution of roles is also an essential feature of intercultural competence in the scope of the awareness factor, as one interviewee advised.

Willingness consists of features such as the inclination to invest more time and resources into the preparation for intercultural negotiations or the eagerness to ask for advice from colleagues and managers who have already dealt with the cultures in question. Additionally, negotiators are required to possess continued willingness to acquire experience through learning cycles that help increase their level of intercultural competence over time. An interculturally competent person should also be prepared to admit shortcomings in knowledge and have a general commitment to cultivate open-mindedness, allowing one to learn from other cultures. It is also necessary to be ready to share personal details when dealing with relationship-oriented cultures.

Furthermore, the interviewees emphasised that intercultural competence involves a variety of abilities. Among them is the ability to carefully listen to what is said verbally and non-verbally, by paying attention to all details of the intercultural negotiation situation and by constantly reflecting on observations, so that one’s own behaviour and the language used can be adapted appropriately and effectively to work with external negotiation forces in order to achieve internal goals. Additionally, intercultural competence requires mastering emotionally challenging situations in a professional way and exercising patience with negotiation partners from other cultural backgrounds. At the same time the ability to reveal empathy on the one hand while demonstrating vulnerability on the other hand are also crucial features of an interculturally competent negotiator.

4.2 Findings on the Role of Intercultural Competence

The second area of research questions was concerned with the role played by intercultural competence factors in international trade negotiations in the steel-related flat-rolled products industry.

Table 12: Findings on the Role of Intercultural Competence

Research question 2	Themes	Dimensions
Role of intercultural competence	Adequate preparation	<ul style="list-style-type: none"> – Understand needs – Understand expectations – Establish common ground – Understand cultural differences – Special importance of initial contact – Westernisation has reduced cultural differences
	Establish a partnership	<ul style="list-style-type: none"> – Establish respect – Build a relationship – Build trust – Achieve commitment – Limited number of key players in the steel industry – Achieve reliability
	Manage a partnership	<ul style="list-style-type: none"> – Coping strategy for emotional negotiators – Enable effective communication – Prevent miscommunication – Overcome language barriers – Achieve successful negotiation outcome – Increase efficient course of negotiations – Focus on key issues – Availability and responsiveness are key factors to success – Proximity through advances in communication technology – Communication technology has reduced importance of intercultural competence – Achieve long-term success – Overcome ascribed gender roles – Intercultural competence is a shared set of skills and abilities

Here, the analysis of the content of the six interviews again produced three themes: “adequate preparation”, “establish a partnership”, and “manage a partnership”. Unlike the three interconnected factors that comprise intercultural competence, these three identified themes represent a progressive sequence of how the role of intercultural competence evolves at different stages of the relationship with intercultural negotiation partners.

Within the theme of “adequate preparation”, intercultural competence plays the role of enabling the establishment of common ground between negotiation partners from different cultures. Even though Westernisation has reduced cultural differences, intercultural competence helps approach any remaining cultural differences appropriately by understanding the needs and expectations of the negotiation partners. One interviewee further pointed out the special importance of the initial contact with relationship-oriented cultures and the necessity of adequately preparing an introduction strategy.

The theme “establish a partnership” contains all relevant steps that must be accomplished with the aid of intercultural competence to build a relationship, according to the research participants. One interviewee emphasised the importance of building relationships in the steel industry in particular due to the limited number of key players, which makes strong partnerships essential for long-term business success. In order to establish a partnership, respect must first be established, which is achieved by the awareness of culturally different ways of indicating respect and then by the according adjustment of behaviour.

Furthermore, trust must be developed as a basis on which a relationship can be built. Demonstrating empathy, vulnerability, and patience are among the key factors in achieving trust. Once a partnership has been established, commitment between the partners from different cultures can now arise. Along with commitment comes reliability, which was highlighted as an important role of intercultural competence by an interviewee.

Establishing a partnership is the second step in which intercultural competence plays a crucial part in international steel trade negotiations, but this alone is not sufficient. For this reason, another step – “manage a partnership” – must follow, without which the success of building a solid cross-cultural relationship cannot be preserved. The level of intercultural competence of an international steel negotiator is important in managing partnerships, because it determines how capable one is to adapt one’s own behaviour and language to enable effective

communication while also overcoming language barriers and preventing miscommunication.

Intercultural competence also acts as a coping strategy in challenging situations through the ability to remain calm when confronted with emotional negotiation participants as well as the ability to overcome ascribed gender roles by inserting oneself into the negotiation process. Furthermore, the ability to reflect on what is said between the lines helps focus on key issues and recognise important cues from the other negotiating parties.

Each of these abilities increases the efficient course of negotiations, which is one of the two primary goals of intercultural competence. The second goal is to achieve a successful negotiation outcome. One interviewee emphasised that, today, intercultural competence is a shared set of skills and abilities that helps realise a mutually successful negotiation outcome as well as success in the long term. However, another research participant stated that advances in communication technology have increased the proximity between cultures and thus have reduced the importance of intercultural competence. Instead, he pointed out that availability and responsiveness are key factors to success.

4.3 Findings on Value Dimensions

The third area of the research questions was designed to enquire into the applicability of Trompenaars' and Hampden-Turner's value dimensions in international trade negotiations in the steel-related flat-rolled products industry sector. The respective findings are presented in the course of this section.

Table 13: Findings on the Value Dimensions

Research question 3	Themes	Dimensions
Universalism versus particularism	Relationship-orientation	<ul style="list-style-type: none"> – Asia is a particularistic region – Getting to know the person behind the business partner – Nature of corporate culture – Relationship-orientation independent from general orientation of the culture – Relationship strengthens when all three parties are introduced to one another

	Deal-orientation	<ul style="list-style-type: none"> - Task-oriented approach - Western cultures focus on business potential - Western regions are universalistic cultures - Germany is a universalistic culture - Opportunistic relationship
Individualism versus communitarianism	Perception of the self	<ul style="list-style-type: none"> - Part of a community - Part of a corporate community - Asia is a communitarian region - Western cultures are individualistic - Individual independent from (corporate) community
	Decision-making	<ul style="list-style-type: none"> - Communitarianism makes decision making more complex and slower - Individualism makes decision making less complex and quicker
Neutral versus emotional	Attitude towards emotions	<ul style="list-style-type: none"> - Neutral emotions aspired - Use emotions as part of negotiation strategy - Total absence of emotions undesirable and problematic
Specific versus diffuse	Levels of formality	<ul style="list-style-type: none"> - High level of formality at the beginning - Move from formal to more informal level over time according to the circumstances - Level of formality depends on the nature of the relationship - Hierarchy of communication - Appropriate level of formality recognisable from certain cues - Appropriate level of formality difficult to determine prior to the first contact - Level of formality depends on the preference of the culture as well as the individual
Achievement versus ascription	Origin of competence assessment	<ul style="list-style-type: none"> - Asian cultures assess individual as part of a corporate community - Western cultures focus on individual achievement and capabilities - Ascribed features do not play a role nowadays - Self-esteem is achievement-driven - Capabilities more important than formal factors

	Attitude towards gender roles	<ul style="list-style-type: none"> – Biased perception of role distribution based on ascribed gender roles
Sequential versus synchronic	Attitude towards punctuality	<ul style="list-style-type: none"> – Punctuality is of high importance
	Attitude towards agendas	<ul style="list-style-type: none"> – Agendas not necessary due to nature of steel trade negotiations – Formal agenda is not necessary for everyday negotiations – Personal notes helpful tool to keep focus on the important topics – Formal agenda is a helpful tool to keep focus on the important topics – Agenda needs to allow flexibility
Internal versus external control	Control perspective	<ul style="list-style-type: none"> – Negotiations are external of immediate sphere of influence – Negotiations partially controlled by decision-makers – Control lies within negotiation participant – Level of control depends on maturity of the relationship – Negotiations take their own path

Regarding the first value dimension of “universalism versus particularism”, the themes of “relationship-orientation” and “deal-orientation” were found. Relationship-orientation means focusing on getting to know the person behind the business partner. This is why relationships in relationship-oriented cultures can be strengthened even further, if one gets to know all of the parties involved along the supply chain, that is, not only the direct negotiating party but the end customer as well. While relationship-orientation can be independent from the general orientation of the culture, it also shapes the nature of the corporate culture. On the other hand, deal-orientation entails a task-oriented approach, which results in more opportunistic relationships with business partners that focus on the business potential rather than on a mutually beneficial partnership. The research participants further stated that Asia is a particularistic region, whereas the Western regions are generally more universalistic cultures.

For the second value dimension of “individualism versus communitarianism”, the themes of “perception of the self” and “decision making” were identified from the

statements of the interviewees. In communitarian regions such as Asia, individuals perceive themselves primarily as part of a community. Especially during international steel trade negotiations, they perceive themselves as part of a corporate community, the interests of which they must safeguard before their personal goals. By contrast, individuals in Western cultures predominantly perceive themselves as individuals and regard themselves as independent from the (corporate) community. The “perception of the self” also influences the second theme of “decision-making”. Communitarianism makes decision making slower and more complex, because the interests of an entire community must be accounted for, whereas an individualistic negotiator tends to make quicker decisions.

Within the third value dimension of “neutral versus emotional”, only the general theme of “attitude towards emotions” was discovered. While the majority of the research participants said they aspired to exhibit neutral emotions throughout the negotiation process, independent from the level of animation of their culture, one interviewee declared using the feigning of emotions as part of the negotiating strategy. Although neutral emotions are generally desired, a total absence of emotions is undesirable and also problematic, because it results in a lack of commitment and an unreliable partnership.

Regarding the fourth value dimension of “specific versus diffuse”, the theme of “levels of formality” was determined. Although it was stated that the appropriate level of formality is recognisable from certain cues, such as the dress code and form of address, it was also noted that it is difficult to determine the appropriate level prior to the first contact. Consequently, 50% of the research participants advised to start with a high level of formality in the beginning and then move to a more informal level over time, depending on the circumstances and the nature of the relationship. Another important factor determining the level of formality is the hierarchy of communication, which depends on the roles of the negotiation participants in the companies they are representing. One participant also pointed out that the level of formality depends on the preference of the culture in general as well as the individual.

“Origin of competence assessment” as well as “attitude towards gender roles” were identified themes for the fifth dimension of “achievement versus ascription”. According to the various statements made in the six interviews, Asia seems to assess the competence of an individual according to the corporate community to which the person belongs, whereas Western cultures focus on individual achievements and capabilities rather than formal factors, which is why their self-

esteem is also achievement-driven. However, according to one interviewee from Asia, ascribed features do not play a role today in Asia either. On the contrary, a North American interviewee claimed that ascribed gender roles continue to distort the perception of the actual distribution of roles today.

The findings regarding the sixth value dimension of “sequential versus synchronic” resulted in the two themes of “attitudes towards punctuality” and “attitudes towards agendas”. The first theme concerning punctuality was unanimously considered to be important, whereas agendas as a second theme were regarded as a helpful tool but unnecessary due to the nature of most steel trade negotiations, which are quick and flexible.

However, regarding the final value dimension of “internal versus external control” and the determined theme of “control perspective”, little agreement was found. The findings range from negotiations being outside the immediate sphere of influence or taking their own path to negotiations being partially controlled by decision-makers all the way to stipulating that the control lies within the negotiation participants. An interviewee also remarked that the level of control may depend on the maturity of the relationship between the negotiation parties.

4.4 Additional Findings

Besides the findings determined and sorted into the research question areas, several additional findings were identified from the interviews regarding features of steel industry negotiations in general. These findings make up the themes of “negotiation objects”, “negotiation parties”, “negotiation goal” and “technical knowledge”. The objects that are negotiated include price, terms and conditions, and lead time as commercial issues and quality, claims, and service as technical features. Participants involved in international steel trade negotiations are mills, customers, and trading agents as the key parties as well as service centres, logistics partners and financial institutions. In general, these parties attempt to negotiate a win-win outcome, which is especially a focus for Europeans, according to one interviewee. In order to arrive at a successful negotiation outcome, a profound technical knowledge of the products is required from all negotiation participants to ensure a common understanding of the negotiation.

Table 14: Findings on the Features of Negotiations

Additional finding area	Themes	Dimensions
Features of negotiations	Negotiation objects	<ul style="list-style-type: none"> – Price – Terms and conditions – Quality – Claims – Lead time – Technical features – Commercial issues – Service
	Negotiation parties	<ul style="list-style-type: none"> – Mill – Customer – Trading agent – Service Centre – Logistics partners – Financial institutions
	Negotiation goal	<ul style="list-style-type: none"> – Win-win outcome – Especially Europeans focus on win-win outcome
	Technical knowledge	<ul style="list-style-type: none"> – Profound technical knowledge of products required

5 Discussion

5.1 Discussion on the Features of Intercultural Competence

While the research findings indicate that intercultural competence consists of the three factors of “awareness”, “willingness”, and “ability”, the literature research has resulted in a categorisation of “knowledge”, “awareness”, and “adaptability”. Both classifications share a high degree of correspondence, but they also contain differences.

When comparing the respective factors, it becomes apparent that both scientific theory and the primary research findings produce a factor of “awareness”. Additionally, the factors “adaptability” of the theory and “ability” of the findings are similar. The third factor is the only real difference, because the literature indicates “knowledge”, while the findings suggest “willingness” as another factor constituting intercultural competence.

However, when examining the specific features included in the respective “awareness” factors, it is noticeable that scientific research classifies many of the abilities and skills into “awareness” that the findings of the primary research attribute to the “ability” factor. The consensus between primary and secondary research extends to the perception that self- and other-awareness is to be included in the “awareness” factor. While the findings then further specify what self- and other-awareness is about – in other words, the awareness of cultural differences in attitudes, behavior, and etiquette and the distribution of roles – academic literature looks directly at the ability to reframe one’s own interpretations and the necessary ability to practice mindfulness. These consist of being able to observe or pay attention to details, recognising one’s own thoughts and feelings and the ability for reflection, which were also identified in the findings but were assigned to the theme of “ability” instead.

All of the features that constitute “adaptability” in academic literature could also be found in the primary research findings. The adaptability of behaviour, active listening, and effective communication in the sense of adapting the language, demonstrating empathy and vulnerability and exercising patience and the ability to control emotions, are categorised into the theme of “ability” in the results of the content analysis of the interviews. By contrast, demonstrating respect in such a way as to ensure understanding by other cultures is part of “awareness”, and only the translation into corresponding behaviour is then subject to the adaptability of behaviour, according to the findings.

The “knowledge” factor of scientific theory, which includes culture-specific knowledge of general values and expectations of appropriate behaviour, is reflected in the awareness of cultural differences in the findings of the primary research. These cultural differences relate to all three layers of culture described in chapter 2 by Trompenaars and Hampden-Turner (2012).

From the statements made in the interviews, “willingness” was also found to constitute intercultural competence. The findings suppose that a general inclination to invest time and resources is necessary along with a readiness to cultivate open-mindedness and acquire experiences in learning cycles to become an interculturally competent person. This is confirmed in academic literature by Gregersen-Hermans and Pusch (2012), who state that intercultural competence is a set of knowledge and abilities that do not originate from the character or the personality of a person but are learned skills.

This means that managers and employees who engage in intercultural interactions should not expect the necessary skills and abilities to be innate; they must be acquired and refined over time. In order to help inexperienced associates build their intercultural competence, managers can assign them to formal intercultural training to raise their awareness and provide them with culture-specific knowledge. Additionally, managers may send these associates to intercultural negotiations along with colleagues who are already successful in dealing with other cultures, so that they may observe and learn from examples, thus gaining first-hand experience themselves. Furthermore, it is recommended that, in this era of globalisation, companies endorse an attitude of open-mindedness and encourage their employees to invest additional time and effort into learning from other cultures. This is especially important when dealing with people from other cultures and has become imperative for many employees in the international steel trade. Since most thought and action patterns happen unconsciously, living open-mindedness through corporate values helps raise awareness as well, because a lack of awareness to culturally sensitive differences allows only a limited adaptation of behaviour.

Although managers can encourage their employees to acquire intercultural competence and support them by raising awareness and providing culture-specific knowledge, the findings of this research suggest that intercultural competence can only truly be achieved through the interplay of awareness, willingness, and ability. Consequently, the employees must also be willing to cultivate open-mindedness and invest time in learning from other cultures. Additionally, they must be able to pay adequate attention to details, reflect on

those details, and effectively translate that reflection into adapted behaviour. Even if employees are willing to invest time and effort into preparing for intercultural interactions and are aware of the relevant cultural differences when they are unable to approach these cultural differences adequately, they will not be perceived as interculturally skilled negotiators. This demonstrates the interconnectedness of all three factors constituting intercultural competence and illustrates how managers can offer a supportive environment. However, employees must also be willing and able to acquire all necessary skills and translate them into performance.

The findings of the primary research have suggested a variety of attitudes, skills, and abilities necessary to effectively and appropriately approach these international trade negotiations, thereby confirming the results of the literature review. However, saturation on all of the explicit features could not be achieved in either the primary or the secondary research. For this reason, scientific intercultural research should examine these findings in more detail in order to establish the precise scope of intercultural competence. Those results, in turn, could then be used to further improve intercultural competence training, enabling employees to acquire this competence in an even more efficient way.

5.2 Discussion on the Role of Intercultural Competence

The results of the literature review point to the role of intercultural competence in preventing miscommunication, building trust, establishing respect, and ultimately forging a business relationship across cultures. While these results are consistently confirmed by the findings of the primary research, they also offer further facets to the respective aspects of the role of intercultural competence.

The first theme regarding the role of intercultural competence identified from the primary research findings is “adequate preparation”, which combines aspects from both negotiation theories and intercultural competence theories established in chapter 2. During the first phase of a cross-cultural business encounter in the international steel trade, an interculturally competent negotiator must not only understand cultural differences to reconcile them, as Glaser (2010) requests in Section 2.5.2, but also understand the needs and expectations of the business partner to establish common ground, as Dolan and Kawamura (2015) demand for negotiations in general in Section 2.4.1. This aspect underlines that intercultural negotiations are a particular type of cross-cultural interaction that require specific skills beyond the general set of intercultural abilities.

Furthermore, the statement made by one research participant referring to the special importance of the initial contact with a relationship-oriented culture, is supported by Gesteland (2005), who notes that relationship-oriented cultures are sceptical about new business partners, especially if they belong to a different cultural sphere. This makes it advisable to employ an introduction strategy, using intermediaries or joint business partners and their accompanying credibility. By contrast, the results of the literature review presented in chapter 2 do not provide any support for the statement that Westernisation has reduced cultural differences, which diminishes the need to prepare for them. Such a disparity would require investigation by means of further research to verify or falsify this assumption.

The second theme elaborated from the findings regarding the role of intercultural competence is “establish a partnership”. Within this thematic area, a high degree of congruence with the results of the literature research exists. Each aspect of the role that intercultural competence plays in establishing a partnership determined through the literature review – for example, achieving trust and commitment as well as establishing respect and building a relationship – is confirmed by at least four of the six participants in the primary research of this project. Both the academic literature and the interviewees agree that trust and respect are achieved through awareness of culturally different expectations and the adaptation of corresponding appropriate behaviour, which are key features of intercultural competence. They further agree that negotiation parties demonstrate commitment only if they trust and respect each other as the imperative basis for a solid business relationship.

One interviewee provided an interesting impulse for further research into the nature of the international steel-related flat-rolled products industry sector, by presuming that building relationships is of special importance in this industry because of the limited number of key players. This could also explain why all six research participants, regardless of the orientation of their own cultural sphere, prefer to build relationships rather than focus on profitable one-time deals.

The third theme identified from the primary research findings on the role that intercultural competence plays in international steel trade negotiations is “manage a partnership”. This theme particularly includes the enabling of effective communication, which scientific research also ascribes to intercultural competence as one of its main responsibilities and challenges at the same time. Both the findings as well as the literature reviewed claim that miscommunication happens easily as a result of varying proficiencies in the negotiation language as

well as differing understandings and expectations. Both the primary and secondary research sources expect interculturally competent negotiators to overcome these language barriers and prevent miscommunication through their ability to adequately adjust the language used, exercise patience, and repeat and reframe what is said until all participants in the negotiations share the same understanding.

Within the theme of “manage a partnership”, the primary research findings extend beyond the results of the literature review and also suggest that intercultural competence functions as a coping strategy for managing ascribed gender roles and highly emotional negotiation participants. Consensus prevails again regarding the indication that intercultural competence makes negotiations more efficient and leads to a more successful outcome; additionally, it ensures long-term business success across cultures. This is assumed because interculturally competent negotiators are supposedly able to overcome miscommunication, thus focusing on the key issues as well as reconciling any other cultural differences. One interviewee further stated that intercultural competence is a set of skills and abilities shared by all participants present in intercultural negotiations in the international steel trade, so that a joint effort further reduces any cultural differences standing between the parties.

This suggestion could also be explored in further research projects, which would then investigate the extent to which a shared negotiation tradition exists across cultures. While one interviewee argued that advances in communication technology have resulted in greater proximity between cultures and, therefore, a reduction in the importance of intercultural competence, Wells (2018) counters that electronic communication entails a greater risk for miscommunication due to the lack of context. For this reason, further quantitative research may provide added value by quantitatively analysing the correlation between intercultural competence and successful outcomes.

Since both academic literature as well as the findings of this research project indicate a positive interrelationship between intercultural competence and the effective course and successful outcome of intercultural negotiations, this results in corresponding suggestions for business practice. If companies seek to ensure their business success across cultures, they should carefully choose the participants they send to conduct intercultural negotiations on their behalf. The negotiators must possess the required skills and abilities. For this reason, companies active in international trade should include these capabilities or at least indications of promising potential in their employability criteria when

recruiting possible negotiators (British Council, 2013). Again, investing in formal training to further refine the skills of the employees as well as the constant assessment of the level of intercultural competence of the current associates is advisable. Firstly, assessing previous negotiations and reflecting on their outcomes helps the participants learn from their experiences and further improve their skills. Secondly, assessing the level of intercultural competence among those employees who actively participate in intercultural negotiations can prevent a drain of knowledge, if inexperienced employees receive early training from the experienced ones and join them in negotiations to gain wisdom and maturity themselves. This practice would therefore retain intercultural competence within the company.

Otherwise, without interculturally skilled negotiators, it is difficult to understand the needs and expectations of potential business partners from other cultures. This could result in the inability to establish common ground, which, in turn, might lead to an early end of the negotiations. Even if the talks continue – and the negotiation participants fail to establish respect and build trust due to a lack of awareness of the expectations for appropriate behaviour – commitment between the negotiation parties is likely to fail. This has the potential to cause conflicts in the business relationship, resulting in shortfalls in reliability and cooperation. Furthermore, if intercultural competence is not preserved within a company, existing partnerships across cultures are endangered if they are not managed appropriately. Interculturally skilled negotiators are able to communicate effectively across cultures, thus avoiding miscommunication, which may otherwise quickly lead to turbulence and frustration in the business relationship. Such developments prevent both a smooth course and a successful outcome of the negotiations.

5.3 Discussion on Value Dimensions

The third area of research questions was concerned with the applicability of Trompenaars' and Hampden-Turner's value dimensions. In accordance with their first value dimension of "universalism versus particularism", the findings of the primary research also produced the two themes of relationship-orientation and deal-orientation. While the research participants describe these two themes in line with the model – that is, relationship-oriented cultures are focused on getting to know the person behind the business partner and deal-oriented cultures are focused on the business potential that results from more opportunistic

relationships – all of the research participants describe themselves as relationship-oriented, regardless of their cultural backgrounds. This implies that the preferred orientation of the individual can be independent from the respective cultural sphere. Regarding the second value dimension of “individualism versus communitarianism”, the findings not only suggest differences in the priorities of the perception of the self as part of a community or the focus on their individual existence as established in Trompenaars’ and Hampden-Turner’s model but also allow presumptions about the complexity of the decision-making process. The findings suppose that communitarianism makes reaching a decision more complex and thus slower because the interests of the entire community must be taken into account, while individualism speeds up the decision-making process.

Even though Trompenaars and Hampden-Turner describe several levels of exhibiting emotions in various cultures, five of the six research participants aspire to display neutral emotions throughout the entire negotiation process, regardless of how affective their culture is. One interviewee from North America – which is considered to be a more neutral country in Trompenaars’ and Hampden-Turner’s model – declared using emotions as part of the negotiation strategy.

The fourth value dimension of “specific versus diffuse” entails the degree of separation between private life and business life. The findings of the primary research carried out in this project focus on how the level of formality evolves, which leads to the assumption that the degree of separation is not static but rather dynamic. The interviewees suggested that the level of formality moves from a high level to a more informal level over time, depending on the nature of the relationship, such that it reflects not only the preference of the culture but also the individual.

The value dimension of “achievement versus ascription” – in which Trompenaars and Hampden-Turner (2012) state that cultures judge other people based either on their personal achievements or their attributed status according to formal factors – resulted in contradictory findings in the primary research project. In line with the model, Asian cultures were described as assessing individuals based on the corporate community to which they belong, whereas Western cultures supposedly focus on individual achievements and capabilities. However, one interviewee from Asia claimed that even in Asian cultures, ascribed features do not play a role today. Another interviewee countered that the attitude towards gender roles still leads to biased perceptions of role distributions in intercultural negotiations due to ascribed gender roles.

While the scientific model on value dimensions described variations in the perception of time, the findings of the primary research suggest that punctuality is important regardless of the cultural background as it is a sign of professionalism. The attitude towards agendas was also mutually shared by all interviewees. They regard agendas as a helpful, but unnecessary, tool in negotiations in the international steel trade, preferring flexibility instead.

Regarding Trompenaars' and Hampden-Turner's final value dimension of "internal versus external control", all of the variations they describe in their model could also be found in the primary research findings. The control perspective perceived by the participants varies between negotiations taking their own path and decision-makers being partially able to control them to the perception that control lies within the negotiation participants.

The evaluation of the applicability of the seven value dimensions by Trompenaars and Hampden-Turner to international trade negotiations in the steel-related flat-rolled products industry sector, based on the indications provided by the findings of the primary research, gives rise to the assumption that general cultural value dimensions have less of an impact on the ways of thinking, feeling, and acting during intercultural negotiations than on other daily situations. This could be due to the fact that negotiation participants already anticipate the values, expectations and behaviour of their negotiation partners, leading them to reframe their own interpretations and adjust their behaviour accordingly. One interviewee pointed out this phenomenon in the characterisation of intercultural competence, which the interviewee regards as a shared set of skills and abilities across cultures. Again, this interpretation provides justification for further research investigating the extent to which shared negotiation traditions exist across cultures.

The conditional extent of applicability of value dimensions for business practice means that the model should be used with care to prepare for intercultural negotiations. It also reveals that one's own assumptions about other cultures should be critically questioned and reflected upon, emphasising the uniqueness of each individual and underlining that their preferences can diverge significantly from their originating culture. Within this context, Thomas' and Inksons' (2017) advice that each interaction with people from other cultures be considered a new, unique situation that requires an adjusted approach of behaviour instead of acquired routines should be stressed. For this reason, scientific research should continue to optimise intercultural models by also taking into account negotiations as a special type of cross-cultural encounter with ever-changing constellations of participants.

6 Conclusion

6.1 Conclusion of the Research Questions

Against the background of intensifying globalisation driven by increasing international trade, which necessitates intercultural cooperation and negotiations, this research set out to explore the role of intercultural competence in international trade negotiations in the globally connected steel-related flat-rolled products industry sector. The research carried out to achieve this objective intended to answer three main research questions and identify their implications for both scientific theory as well as business practice. The outcome of this endeavour is summarised in this section followed by a critical evaluation of the methodology used and its adequacy for this purpose. This chapter and, concurrently, this study are concluded by an overview of the future role that intercultural competence will play in the steel-related flat-rolled products industry sector.

The first area of research questions was concerned with the features that comprise intercultural competence and the implications that the findings have on current scientific research as well as business practice. The purpose of this enquiry was to establish these features before exploring their role in international trade negotiations in the steel-related flat-rolled products industry sector, which is the primary objective of this research project.

The secondary research by means of a literature review resulted in the three categories of “knowledge”, “awareness”, and “adaptability”, whereas the findings of the primary research suggested “awareness”, “willingness”, and “ability” as the constituting factors of intercultural competence. Both categorisations share significant congruence, especially regarding the agreement that these factors are not necessarily innate abilities and must be acquired. While academic literature presumes that self- and other-awareness enriched by culture-specific knowledge regarding general values and expectations of appropriate behaviour are the basis on which the adaptability of behaviour and language is built, the primary research findings claimed that awareness, willingness, and ability are interrelated, mutually dependent factors. This finding demonstrates that there is still room for interpretation, as intercultural research has not yet arrived at a final and conclusive definition of the scope of intercultural competence and its relevant features.

For business practice the results of this research area imply that managers should not expect their employees to naturally be interculturally competent, but

instead must encourage them in their learning process by providing formal training as well as enabling them to gain practical experience. Incorporating open-mindedness into the companies' values also helps to raise the general awareness of associates about the importance and benefits of learning from other cultures. However, creating a stimulating environment is not sufficient. Employees need to demonstrate the willingness to spend additional time and effort in learning from other cultures as well as the ability to approach cultural differences with effectively and appropriately adapted behaviour.

The second area of research was directly linked to the first, by assessing the role the identified features of intercultural competence play in the international steel trade. While all of the findings from literature were also confirmed in the primary research, the latter also provided further insights into the importance of intercultural competence. The primary research findings provided grounds for the assumption that the focus of the role of intercultural competence shifts alongside the level of maturity of the intercultural partnership. This supposition resulted from the three themes of "adequate preparation", "establish a partnership", and "manage a partnership", identified from the statements made in the interviews. During the adequate preparation stage, intercultural competence assists in establishing common ground between negotiating partners from different cultures through understanding and considering cultural differences and the partners' respective needs and expectations. When establishing a partnership, intercultural competence enables the establishment of respect and the building of trust as a foundation for a relationship that creates commitment and reliability between parties from different cultural backgrounds.

In the final stage of managing an existing partnership across cultures, intercultural competence ensures the preservation of the committed and trust-based relationship to secure continued business success by preventing miscommunication as the greatest hazard. Intercultural competence also functions as a coping strategy in emotionally challenging situations as well as in overcoming ascribed gender roles. The interrelationship of business success and intercultural competence implied by both primary and secondary findings could be an interesting subject for scientific intercultural research by further investigating the quantitative correlation. For business practice this alleged interrelationship means that negotiators must be selected with great care, because the level of their intercultural competence has a significant impact on the efficiency of the course and the success of the outcome of intercultural negotiations. For this reason, employers should consider these skills during

recruitment, choosing candidates who have either already acquired them or have the potential to do so in the future. Furthermore, managers should constantly assess the level of intercultural competence in their workforce and allow their junior staff to negotiate alongside skilled interculturally competent mentors. This strategy assures that associates can begin their learning cycles in a timely manner and that intercultural competence is retained in the company.

The purpose of the third research area was to assess the applicability of the value dimensions by Trompenaars and Hampden-Turner as the most suitable scientific model for the research setting of international trade negotiations in the steel-related flat-rolled products industry sector. The comparison of the primary research findings with the value dimensions of the model has resulted in accordance to a certain degree.

The assessment of relationship-oriented and deal-oriented cultures in the research setting has led to the understanding that the participants prefer to build long-term relationships over profitable one-time deals in the steel industry. One participant explained that the limited number of key players is the reason for this.

The findings regarding the priority of the perception of the self as either an individual or a member of a community were not unexpected. However, the findings highlighted that communitarianism makes the decision-making process significantly more complex and slower.

While Trompenaars' and Hampden-Turner's model presumes different preference levels of emotions, all research participants said they preferred neutral emotions from their negotiation partners regardless of their cultural origin. Only one interviewee described the strategic use of feigned emotions in international steel negotiations.

Regarding the degree of separation between private life and business life, the most noticeable indication from the findings was that the level of formality – and, with it, the extent of separation – evolves over time, thus reflecting dynamic rather than static preferences and circumstances.

With regard to the origin of competence assessment, contradictory findings were made. While some research participants described different cultures as achievement- and ascription-oriented in line with the scientific model, one interviewee stated that ascribed features do not play a role today, while another interviewees contradicted this, asserting that especially ascribed gender roles continue to bias the perception of the distribution of actual roles today.

In terms of the perception of time, overall agreement regarding punctuality and agendas was found across the statements made by the interviewees. All research participants unanimously highlighted the importance of punctuality and agreed that although agendas seem to be a helpful tool, they are unnecessary for international trade negotiations in the steel-related flat-rolled products industry sector.

The findings regarding the perception of control fully coincide with the value dimension of “internal versus external control” as established in Trompenaars' and Hampden-Turner's scientific model, since all nuances of this value dimension were found in the primary research results.

These varying levels of coincidence between the findings and the individual value dimensions highlight the need for scientific models to consider negotiations a special type of intercultural encounters. Furthermore, this assessment leads to the recommendation for negotiators to use scientific models on cultural differences with care when preparing for intercultural negotiations. The uniqueness of each negotiation situation, as well as the uniqueness of each negotiation participant, should always be considered.

Overall, the findings presented in this study suggested that intercultural competence is composed of awareness of cultural differences and the willingness to invest the necessary resources to reconcile these differences. This can be done by approaching the differences through acquired skills and abilities that allow effective and appropriate adjustments in one's own behaviour. Intercultural competence then allows negotiators to establish common ground with business partners from other cultures and build relationships with them based on mutual respect, trust, and commitment. These relationships are then managed in such a way that miscommunication is prevented and any other cultural divide is overcome. Since scientific models on culture are subject to generalisation, they should always be applied with great care under the consideration of the uniqueness of the respective situation.

6.2 Critical Evaluation of the Research Methodology

When critically evaluating this research project and its methodology against the previously determined quality criteria of validity and reliability, both conformity and divergence are evident. The greatest obstacles to internal validity are unintended misinterpretations or biased conclusions by the researcher. This risk was mitigated by the approach of triangulation as an integral part of the employed

data analysis method of thematic analysis, where findings were critically examined against academic literature, thus being reviewed from various perspectives.

Since a high degree of internal validity was achieved in this way, the approach of respondent validation – that is, the process in which the researcher confronts the research participants with the findings of the conducted interviews to validate that their statements were correctly interpreted – was not followed (Bryman, 2016). One reason for this decision was the risk of defensive reactions or even censorship on the part of the interviewees. Their answers in the interviews were their first thoughts on the relevant matters in question; therefore, they were original and unaffected. If the research participants had had the possibility to re-read their statements, there would have been a threat of second thoughts with the intention to make the answers appear in a more favourable light. Thus, the findings would no longer be uninfluenced and valid.

While internal validation has been achieved to a large degree, the methodology of this research project, with its qualitative primary research approach by means of a pre-fixed number of expert interviews, was not designed to accomplish external validation. Because of the limited sample size, there were insufficient empirical grounds for generalisations to be derived from the research findings, which is the most significant limitation of this research.

The criterion of reliability, on the other hand, was fulfilled because each research step carefully adhered to the rules, procedures, and principles determined and justified in chapter 3, ensuring that all findings are transparent and replicable. The use of verbatim transcripts and the labelling of findings with a consecutive number further enable the comprehensibility and traceability of how the researcher arrived at the relevant conclusions.

Overall, the research project was not designed to test hypotheses or to create generalisations, which relativises the divergence from external validity. Instead, the employed methodology sufficiently achieved the intended goal of “exploring” the research area and answering the research questions appropriately. Moreover, recommendations for further additional research projects could be identified.

Firstly, the concept of culture itself has not yet been conclusively defined by scientific research, which makes it understandable that the features of intercultural competence have not been completely established within scholarly discourse. Hence, this research suggests that the exact features that constitute

intercultural competence be examined in broader quantitative studies, to establish the precise scope of intercultural competence.

Secondly, there are certain indications that a common international negotiation culture, independent from the actual national or regional culture, exists in the international steel trade. This is evident in the sense that, regardless of the cultural background of the negotiator, the approach and expectations when dealing with other cultures are similar. Additionally, Kammhuber (2010) supports this notion by claiming that an international negotiation culture has emerged as a result of globalisation, which must be verified by further research. In this context the assumption made by an interviewee, namely that Westernisation has reduced cultural differences, could also be investigated.

Thirdly, an additional quantitative analysis of the correlation between intercultural competence and the success of negotiations is proposed. Both primary and secondary findings of this research project suggest that a positive interrelationship between intercultural competence and the successful course and outcome of negotiations exists in international trade negotiations in the steel-related flat-rolled products industry sector. However, this could not be verified due to the limited sample size.

Finally, the findings give rise to the assumption that cross-cultural negotiations require an approach that differs from a culturally neutral one. Thus, the development of a scientific model is advocated, which explicitly combines cultural aspects with negotiation theories to increase the applicability to international trade. This is relevant because international trade continues to be an important driving force in globalisation and, as such, for intercultural encounters in the form of international negotiations as well.

6.3 Outlook on the Research Topic

The importance of intercultural competence will continue to increase in the international steel-related flat-rolled products industry sector, as it will be a key factor in meeting future long-term threats and opportunities.

The industry is already facing constraints to intercultural cooperation as a result of the 25% tariffs that the former president of the United States imposed on foreign steel in 2018, which resulted in retaliatory measures by key regions involved in the international steel trade, such as China and the European Union.

In early 2020, Donald Trump announced his intention to extend these measures, and the European Commission also reconfirmed that its measures will remain in place at least until June 2021 (European Commission, 2020; Swanson & Eavis, 2020).

Another macro-level threat facing the industry is the ongoing COVID-19 pandemic, which began in the city of Wuhan, China, in December 2019 and spread across the globe within a few months (European Centre for Disease Prevention and Control, 2020). The preventative measures that governments worldwide enforced as a response to the pandemic, such as exit and contact restrictions, caused severe disruptions to global demand and supply chains (Bluth & Petersen, 2020). Due to the nature of production involving long lead times, the steel industry has been hit particularly hard by lockdown regulations, because capacities are not quickly adjustable to rapidly changing market dynamics. Additionally, it is challenging to forecast demands from downstream industries that are struggling with market outlooks themselves (PwC, n.d.).

To face these macro-level threats to intercultural cooperation in the international steel trade caused by tariffs and COVID-19, extensive intercultural negotiation skills are required to ensure continued successful international partnerships on a corporate level.

However, intercultural competence is not only necessary in order to meet threats but also to leverage opportunities in the international steel-related flat-rolled products industry sector (Matsumoto & Juang, 2017). The predicted growth in population by 2 billion in the next 30 years opens new business potentials in regions such as Africa and Latin America (Petersen, 2020). Furthermore, accelerating advances in technology enable access to new business opportunities in emerging counties worldwide (Harkiolakis et al., 2016). Establishing new relations with these regions where traditional links in the international steel business do not yet exist requires a high level of intercultural competence. For this reason, intercultural knowledge, skills, and abilities will remain important in the steel-related flat-rolled products industry sector for decades to come.

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