The Complexity of Executing International Negotiations while Maintaining Business Ethics - Developing the value-based International negotiation model from an ethical perspective - the Sanfran Ethical International Business Negotiation Model (SEIB NM)

An exploratory case study within the defence industry
Bachelor Thesis in Business Administration Management

Title: The Complexity of Executing International Negotiations while Maintaining Business Ethics - Developing the value-based International negotiation model from an ethical perspective - the Sanfran ethical international business negotiation model (SEIB NM)

Authors: Joshua Dennis D. Francis & Ronja Eva L. Sandin

Tutor: Imran Nazir

Date: 2018-05-20

Keywords: International Negotiation, SEIB NM, Business Ethics, Ethical Values, Negotiation models

Abstract

Background
This thesis explores the role of ethics in negotiations within the international defence industry. Existing gaps in literature are identified by using two existing literature reviews: one concerning negotiations and one concerning ethics. The gaps in existing literature lead to the need for a number of areas of development: the need for new negotiation models; the need to include ethics in international negotiations; and the need for studies to included negotiation professionals, opposed to students.

Methodology and Method
The method used consists of a single-case study using interviews to gain insight from those responsible for negotiations and ethics at Saab, a Swedish International defence company.

Theoretical Framework
To explore the possibilities of an ethically based negotiation model, two existing models were examined. The first used is the Value-Based Negotiation Model (VBN) by Gan (2017) and establishes a negotiation framework. The second model by Erwin (2010) offers perspectives on the effectiveness of documents used to establish ethical foundations in organizations.

Proposed Research Framework
The research framework that is established is the Sanfran Ethical International Business Negotiations Model. The model incorporates the steps needed for successful integrative negotiations with aspects aimed at increasing ethical collaboration and to reduce the risk of unethical behaviour.

Findings and further research.
The research has fulfilled its two goals by adding to existing literature surrounding negotiations and by developing a conceptual framework to be used in international defence negotiations that uses ethical requirements as a foundation. Implications for theory and practice are discussed and future research directions are offered.
Acknowledgements

We would like to thank our thesis supervisor Imran Nazir as well as the other thesis groups that have been with us on this journey. Thank you for your feedback and guidance.

We would also like to thank Darko Pantelic for taking the time to answer our questions, provide feedback and give insight into the topics we have researched.

We also give special thanks to Johan Lindblad and his colleagues at Saab for allowing us to conduct our research with them.

________________________________________________________
Joshua Francis                                            Ronja Sandin

ii
# Table of Contents

1 **Introduction** ................................................................. 1
   1.1 Background ................................................................... 1
   1.2 Problem ........................................................................ 2
   1.3 Purpose ......................................................................... 3
   1.4 Research question ....................................................... 3
   1.5 Delimitation .................................................................. 3
   1.6 Definitions .................................................................... 4

2 **Literature Review** ............................................................... 6
   2.1 Negotiation and Business Ethics .................................... 6
   2.2 A Framework Negotiations Models and Business Ethics .... 6
   2.2.1 Negotiation as distributive and integrative ............... 7
   2.2.2 Negotiation in an International field ......................... 8
   2.3 Business Ethics in a negotiation context ...................... 8
   2.4 Literature Review Summary ......................................... 9

3 **Methodology and Method** .................................................. 11
   3.1 Research Philosophy ................................................... 11
   3.2 Research Purpose ....................................................... 11
   3.3 Research Approach .................................................... 12
   3.4 Research Strategy ........................................................ 13
   3.5 Time Horizon .............................................................. 13
   3.6 Single Case Study ....................................................... 13
   3.7 Data Collections .......................................................... 14
   3.7.1 Secondary Literature Collection ............................... 14
   3.7.2 Primary data collection ........................................... 15
   3.7.2.1 Research Interview ........................................... 15
   3.7.2.2 Interview Analysis ............................................ 16
   3.8 Trustworthiness of Research ....................................... 16
   3.8.1 Quality ................................................................. 16
   3.8.2 Reliability and Validity ........................................... 17

4 **Theoretical framework - models and developments** ............ 19
   4.1 Intention of an updated conceptual framework ............... 19
   4.2 Value-Based Negotiation Model ................................... 20
   4.3 Corporates Codes of Conduct: a Model developed by Erwin, 2010 .......... 20
   4.4 Quality and Effectiveness of Code of Conduct ............... 22

5 **Proposed Research Framework** .......................................... 24
   5.1 Developments from the VBM ....................................... 24
   5.2 Developments from the Corporate Code of Conduct Model ...... 26
   5.2.1 Code Development .................................................. 26
   5.2.2 Code Content ........................................................ 27
   5.2.3 Code Implementation .............................................. 27

6 **Data Analysis of Empirical Findings** ................................. 28
   6.1 Section 1: Background questions: .................................. 28
   6.2 Section 2: Negotiations: .............................................. 30
6.2.1 Relationship building and win/win outcomes ........................................... 30
6.2.2 Balancing risk vs gain .............................................................................. 34
6.3 Section 3: Ethics: ......................................................................................... 35
6.3.1 Ethical Foundation .................................................................................... 36
6.3.2 Training and understanding ....................................................................... 37
6.3.3 Importance of support functions ............................................................... 39
6.4 Summary of Empirical Findings ................................................................. 41
7 Analysis .......................................................................................................... 42
7.1 Critical analysis ............................................................................................ 44
8 Conclusion ........................................................................................................ 46
9 Discussion ........................................................................................................ 48
9.1 Implications ................................................................................................... 48
9.1.1 Theoretical Implications .......................................................................... 48
9.1.2 Practical Implications ............................................................................... 48
9.2 Recommendations and Future Research .................................................... 48

Reference list ..................................................................................................... 50

Figures .............................................................................................................. 20
Figure 1 - The VBN Model ................................................................................ 20
Figure 2 - Corporates Code of Conduct ............................................................ 21

Tables ................................................................................................................ 29
Table 1 – Interviewees Data .............................................................................. 29

Appendix .......................................................................................................... 54
Appendix 1 - Acquisition process - supplied by Saab ..................................... 54
Appendix 2 - SEIB Negotiation Model Visual representation ....................... 55
1 Introduction

This section outlines the problem of unethical behaviour in the international defence industry and the purpose of this thesis. It also determines the limitations of the study and provides definitions for terms that are used throughout this paper.

1.1 Background

In 2010 US Navy officials grew suspicious of incoming bills from one of their maritime contractors with operations in Thailand, Malaysia and Singapore. A three yearlong federal investigation would lead to uncovering of the largest corruption case in US Naval history (Whitlock, 2015). The case surrounds the relation between US Navy Officials, GDMA (Glenn Marine Group) and its president and CEO Leonard Francis, also known as "Fat Leonard" (Whitlock and Uhrmacher, 2018; Whitlock, 2016). The case, therefore, became known as the “Fat Leonard Scandal” and spans multiple organisations, countries, and includes the actions of an estimated 500 people (Whitlock and Uhrmacher, 2018; Greene, 2017). The case resulted in numerous high ranking managers, Navy officials and civilians pleading guilty to crimes surrounding the case, including: bribery, leaking information, falsifying statements, and conspiracy to commit bribery and to defraud the US Government (Whitlock and Uhrmacher, 2018). This was accomplished by Leonard and his associates providing US Navy officials with hundreds of thousands of dollars’ worth of cash, travel, accommodation in top hotels and the use prostitutes. In return Navy officials would redirect ships to ports where GDMA was operating, leak information relating to competitors, overlook inflated costs, and offer favourable deals and services to Leonard and GDMA. Those individuals convicted now face years in federal prison, hundreds of thousands of dollars in personal fines, loss of military rank, and forced retirement, as well as the US Navy cancelling all contracts with GDMA (Mei, 2017).

This case, although the largest in US history, is not the first, and the problem persists as numerous other cases of corruption continue to emerge, both on a national and international level (Stern, 2018; Hollinger, 2017; Peel and Kirchgaessner, 2010; Lendon, 2018; Pegg and Evans, 2017; Petersson & Selander, 2015). These cases along with research (Higgs, 2007; Lustgarten, 2015) suggest that, corruption, bribery and other forms of unethical behaviour are commonplace within international negotiations, especially in the defence industry. These
different perspectives indicate that this is not an issue that is isolated to one company, product or country, but something that is pervasive throughout the international defence industry.

The study of the defence industry is interesting due to its nature as well as the financial value of the industry. It could be argued that the production and manufacturing of arms is one of the oldest industries in the world and now commands over a trillion dollars each year. Although there has been small reduction in overall spending on the defence industry, there are still key areas which show it continues to grow particularly in areas that continue to face turmoil such as the Middle East, Southeast Asia and Central and South America ("3. Military expenditure | SIPRI", 2018).

Despite the fact that many of the companies operating in this industry offer information regarding their values, ethical requirements for employee and ambitions for ethical standards, ("Trust and integrity", 2018; "About Lockheed Martin", 2018; "Heckler & Koch Compliance", 2018) problems regarding unethical behaviour persist, in the defence industry especially during negotiations.

1.2 Problem

Negotiating and dealing with negotiations can be one of the most challenging experiences for managers. Dealing with negotiation is also a fundamental feature to maintain a business operation, even if the purpose is to lower costs, gain access to resources or increase efficiency within the business (Anton, 1990). Managers are, at times, required to spend a great amount of their time focusing on negotiations, many of which will be unsuccessful. As is the case with international negotiations, the process becomes longer and more complex, which can mean that the consequences for unsuccessful negotiations become even greater (Reynolds, Simintiras and Vlachou, 2003). In an increasingly globalized business environment, international and cross-cultural negotiations are becoming more commonplace, and their outcomes becoming a deciding factor for business success and sustainability (Pantelic and Pinter, 2016).

In addition to rising complexity associated with internationalization and globalization, businesses are facing increasing demands when dealing with governments, stakeholder groups and other organisations (Kelsey, 2002). This combined complexity can give rise to a number of ethical problems within business. These issue arise since managers and organisations can be presented with differing or even contradictory ethical and legal demands (Crane & Matten, 2018).
1.3 Purpose

The purpose of this research is to explore the role of ethics within international negotiations in the defence industry. Given these dimensions and the need for further empirical studies (Gan, 2017) examining ethical implications within international negotiations, this thesis will develop a proposed framework to structure international negotiations with an ethical foundation.

The information will contribute to existing literature and knowledge regarding negotiations and explore the role of ethics in international negotiations. Not only will the research be based on gaps in existing knowledge and literature but it is hoped that areas for further research will be identified. This research also aims to produce knowledge that will be valuable to academics studying negotiations as it will explore an underdeveloped area and provide insight from an empirical perspective, in the form of a case study at Saab. The knowledge could also be of use to practitioners working with international negotiations in the defence industry. This is because the research also has the goal to identify the practical problems presented by ethics within negotiations in the international defence industry in order to reduce the risk of unethical behaviour during negotiations.

1.4 Research question

The research question formulate below aims to guide and form this thesis throughout the research. The aim of this research is to explore the negotiations in the defence industry and how ethical behaviour relates to the process within negotiations.

Research question: How can negotiations in the international defence industry be structured in order to reduce the risk of unethical behaviour?

1.5 Delimitation

This research is aimed to not only review existing negotiations models but also to propose a consolidation of proposed framework in attempt to improve ethical behaviour in international negotiation situations. In this research cultural difference will not be taken into consideration instead only organizational culture and behaviours will be examined through ethical code of conducts. It will therefore ignore situations where ethical dilemmas may appear due to cultural differences and will in those cases interpret the situation focusing on the statements within the
firm’s ethical code of conduct. Furthermore the research covers negotiation across borders where organizational ethical codes and standards may vary.

It should also be noted that although the problem that is being explored is related to the whole defence industry, this study should not be expected to reflect all occurrences within the industry. Instead, this case will explore the possibilities of developing an ethically based negotiation model that could be suitable and applied to other organisations in the industry. This can be rationalised by the fact that many of the organisations operating in the industry have faced problems and/or accusations of unethical behaviour, especially regarding negotiations. Furthermore, the case that is being explored is based in Sweden and will therefore not be subject to the same rules and regulations as other organisations in the industry that operate in other countries.

Finally, this paper is aimed towards larger companies within the defence industry and will not incorporate areas such as the black market, illegal arms trade, or smaller niche companies in the industry.

1.6 Definitions

Negotiation can be defined as the process of communication between two or more parties seeking to advance their interests through agreement (Salacuse, 2010). Given this, parties can adopt two strategies with which to approach negotiations. The first: distributive negotiations, seeks to increase and advance their own interests, and the second: integrative negotiations aims to increase the mutual gain of their own as well as the other parties’ interests (Walton & MacKersie, 1995). Although it can be argued that both are valid approaches to negotiations, they each have strengths and weaknesses in a different situations and contexts, as well as a number of sub-strategies (Brett & Thompson, 2016).

The International Monetary Fund (IMF) refers to globalization as the process of increasing integration of economies around the world, particularly through trade and financial flows, as the result of human innovation and technological progress (International Monetary Fund, 2000). Given advances in technology such as communications, transportation and the advancement and widespread adoption of the internet, the world is becoming increasingly connected and globalization is become the norm (Albrow & King, 1990). Throughout this thesis, the term “international negotiations” will refer to negotiations in a globalized setting.
**Business ethics** is the study of business situations, activities and decisions where issues of right and wrong are addressed (Crane & Matten, 2016). Ethical behaviour in business related situations has been defined into two dependent variables by Kish-Gephart, Harrison and Treviño, (2010), *unethical intentions* is one's willingness or commitment to engage in unethical behaviour and *unethical behaviour* which is defined as the actions that violates accepted norms. Alternatively, Kish-Gephart, Harrison and Treviño, (2010) referred to business ethics as *unethical choice*, which covers and includes both variables.

*“Corporate codes of conduct* are a practical corporate social responsibility (CSR) instrument commonly used to govern employee behaviour and establish a socially responsible organizational culture” (Erwin, 2010).

One widely used definition of the *arms trade or defence industry*, which is often used by researchers was created by the U.S. Arms Control and Disarmament Agency (ACDA) (Holtom & Bromley, 2010). The ACDA defines the arms trade as:

> “Weapons of war, parts thereof, ammunition, support equipment, and other commodities designed for military use…. Dual-use equipment…when its primary mission is identified as military. The building of defence production facilities and licensing fees paid as royalties for the production of military equipment…. Military services such as training, supply operations, equipment repair, technical assistance and construction are included where data are available.”

The company that will be used for the single case study will be the Swedish defence and security company **Saab**:

> “Saab serves the global market with world-leading products, services and solutions from military defence to civil security. With operations on every continent, Saab continuously develops, adapts and improves new technology to meet customers’ changing needs […] Saab has around 15,000 employees. Annual sales amount to around SEK 28 billion, of which we re-invest about 25 per cent in research and development.” (Saab Corporate, 2018).
2 Literature Review

As with any field of study there are complementary, competing and at times contradicting views. In order to explore the topics and gain a wider understanding of the current state of knowledge, two literature reviews were examined.

2.1 Negotiation and Business Ethics

The first literature review, conducted by Agndal, Åge and Eklinder-Frick (2015) examined the state of knowledge surrounding negotiations. It presents a synthetisation of peer-reviewed articles on business negotiations between 1995 and 2015. To gather articles a number of databases were searched and resulted in 4,377 articles related to negotiations, of which 490 were deemed valuable to the review. From the review, themes were identified which could be applicable to this thesis. These include organisational variables, such as ethical climate in organisations its impact (Stawiski, Tindale & Dykema-Engblade, 2009; Aquino, 1998). The problem identified with these themes is that they seem to neglect the ethical impact of organisational climate or group it together under values/beliefs systems (Gulbro and Herbig, 1996; Mintu-Wimsatt, 2002; Mintu-Wimsatt & Calantone, 2000). The findings show, however, that organisational climates with high ethical standards, tend to reduced unethical behaviour and decision making during negotiations.

The second literature review conducted by O’Fallon & Butterfield (2005) found 174 studies relating to ethical decision-making. Articles were retrieved from a number of top scientific journals and were published between 1996 and 2003. Although the literature states that there have been some major improvements within this area of study, there are still some problems and gaps in the research. Areas such as individual and situational factors have already been studied in-depth whereas areas such as the theoretical grounding and development seem to be lacking.

2.2 A Framework Negotiations Models and Business Ethics

A common link between the reviews by Agndal, Åge and Eklinder-Frick (2016) and O’Fallon & Butterfield (2005) is the use of students in simulations or experiments and the lack of development surrounding models and theoretical frameworks. This presents two problem: first,
even students with some business experience demonstrate different attitudes and bargaining behaviours than of professionals (Fraser & Zarkada-Fraser, 2002). The second problem is that studies tend to focus on testing or comparing existing models, leaving room for theories and models to be developed, examined or aggregated (Agndal, Åge and Eklinder-Frick 2017; McCabe, Trevino & Butterfield, 1996).

After these key issues were identified, a deeper understanding of the theoretical concepts and their different approaches were examined. This was conducted by focusing mainly on peer-reviewed articles relating to: business negotiations, internationalisation, and business ethics, and supported by documents provided by Saab.

### 2.2.1 Negotiation as distributive and integrative

Within negotiations there is often two main positions: distributive and integrative (Walton & McKersie, 1991; Beersma & De Dreu, 2002; Stoshikj, 2014; Kersten, 2001) each of which has different strategies, ideas and assumptions regarding the various elements of negotiations. Included in these elements are factors such as: negotiation parties, negotiation context, negotiation process, and negotiation outcomes (Agndal, Åge & Eklinder-Frick, 2017; Stoshikj, 2014).

The first approach to be examined was distributive negotiations. Distributive negotiations can be described as win-lose, zero-sum and competitive (Kersten, 2001). Parties that adopt this approach tend to focus on increasing gains for themselves, either as individuals, as a member of a group or as a representative for an organisation, (Beersma & De Dreu, 2002; Kersten, 2001). In distributive negotiations, the act of one partying gaining from the negotiation often comes at the cost of the opposing party losing (Stoshikj, 2014; Beersma & De Dreu, 2002). This is based on the concept of a “fixed pie” which implies that there is limited amount of resources to be split between the negotiating parties (Kersten, 2001). This in turn relies on the assumptions that the negotiators’ goals are mutually exclusive or incompatible; that the negotiators are not reliant on existing or future relationships; and that each negotiator focuses on their own interests.

To contrast to the distributive negotiation approach, the integrative negotiation view was also examined. Integrative negotiations strategies focus on: expanding the pie; value creation; win-win solutions; cooperation and compromise; and creating agreements that give more to all
parties (Presman, 2016; Fisher, Ury, Patton & Fisher, 2008; Kersten, 2001; Mintu-Wimsatt, 2002). Although Walton and McKersie (1991) do not suggest that one approach is superior to the other, there are clear benefits to using the integrative model. This is especially true within complex, long-term, relationship-based negotiations (Stoshikj, 2014; Billings-Yun, 2013; Mintu-Wimsatt, 2002), where success of the negotiations and the possibility of future collaborations depend on good relationships.

2.2.2 Negotiation in an International field

Another key area explored within literature was the concept of internationalisation, with a number of authors examining factors such as: cross-culture negotiations (Gulbro & Herbig, 1996; Sebenius, 2002; Vitell, 2003) and cultural context (Mintu-Wimsatt, 2002; Storm, 2008) much of it being based on Hofstede’s (1991) dimensions of culture. Existing literature related to internationalisation and international negotiations, however, seems to lack an ethical perspective. This could be due to different definitions of ethics or covering the field of ethics under other areas such as values, beliefs and/or norms, which often appear in cultural examinations. However, literature focusing on international negotiations and cross-cultural studies seems to be lacking in areas such as how to prioritise ethics or the positive and negative implications of different ethical standards. This could be due to the nature of claims posed in this field, which tend to descriptive, and focus on the importance of value and belief systems (Gulbro & Herbig, 1996; Mintu-Wimsatt, 2002).

2.3 Business Ethics in a negotiation context

The final area of study which was examined through a literature review was business ethics. Since this thesis is concerned with business and the application of ethics within a business setting, the literature review will focus primarily on business ethics, opposed to the wider and more philosophical understanding of ethics. Business ethics can be divided into two areas within ethics, normative and descriptive (O’Fallon & Butterfield 2005), with studies in both areas (O’Fallon & Butterfield 2005; Cottone & Claus, 2000; Vitell, 2009). One interesting theme identified is that there seems to be a lack of theoretical framing within the study of business ethics (O’Fallon & Butterfield 2005; Cottone & Claus, 2000). As Tsalikis and Fritzsche (1989) concluded that even when there is theoretical framing, studies tend to be limited in their discussion, focusing mainly on utilitarian ethics, and neglecting areas such as relativism, egoism and justice ethics. Another problem in the current research is the inability to
compare and contrast ethics and the results from studies. This is due to a lack of multiple approaches for measuring the ethical consequences during studies and examining results (Tsalikis and Fritzsche 1989).

However, Aquino (1998) presents a study of ethical standards within negotiation and investigates two independent variables of how ethical behaviour shows in situations related to negotiations. In his results he present how the salience of ethical standards decrease unethical behaviour and result in a more equal agreement in the negotiation outcome.

It could be argued that ethical behaviour depends on several factors and how these factors could be either situational or personal. The data presented in the study by Aquino (1998) supported by Treviño’s (1986) clearly shows that at least situational factors influence ethical decision making process in a negotiation. The data brought forth from the same research also prove that openness and transparency play an important role maintaining an ethical climate in competitive bargaining situations.

Lastly, Aquino’s (1998) findings supports the motivation for this research problem. Aquino’s (1998) findings illustrate that once an unethical choice is detected and judged by other parties to be unethical, it can complicate and effect the negotiation’s chances of success in the long-run.

### 2.4 Literature Review Summary

As stated, there exists extensive literature surrounding negotiations and knowledge relating to business ethics is continuing to grow. However, there appears three major gaps within the current literature.

*First:* there seems to be a lack of new perspectives on existing’s negotiation modes.

*Second:* the area of ethics seems to be neglected within the field of international negotiations

*Third:* there appears to be a lack of studies that use negotiation professions opposed to students.

These areas highlight the need to develop on existing models which seem to have neglected in terms of re-evaluation and development. It also seems that the area of ethics has been widely neglected from the field of international negotiations with many authors and practitioners
relegating the importance of ethics to areas such as values and belief systems. With international business and negotiations ever increasing it is clear that this area will become more important in future years. It is therefore important that models and ideas in the field of international negotiations are continually revised, adapted and improved.

As highlighted in the background, and supported by the literature, unethical behaviour and its implications is becoming more of a substantial concern for organisations, government, consumers, stakeholders and societies. As these elements become more connected, via trade, obligations or communications, it is becoming clearer that unethical behaviour, especially in the international defence industry, is not isolated to a particular country, company or culture. It is important therefore to begin to study the role of ethics as its own element within negotiations in the defence industry.

Finally, the fact that most studies have used students, whom have limited experience of complex negotiations, it is important to develop models that are influenced and used by practitioners that have the relevant experience in this field. This demonstrates the gap between theoretical and academic approaches to research and the acceptance and adoption of these approaches in a practical setting. By involving practitioners in the process of developing, analysing and using theories, it could provide valuable insights and help to bridge the gap between theory and practical outcomes.

It should also be remembered that the idea and definition of ethics is often being developed and revised. However, it is also becoming increasingly important in business and society. Therefore, research, models and studies should continue to be developed, tested and implemented.
3 Methodology and Method

The approach to the research is outlined and described in this section. Justifications for the use of a single case study are also given as well as explanations about how the study is carried out. Finally, the challenges presented and arguments for the validity of the research are given.

3.1 Research Philosophy

The research philosophy concerns the assumptions and developed knowledge within business administration in the field of international negotiation. The knowledge generated in this research aims to improve international negotiations strategies by presenting a proposed framework of a negotiation model with an ethical foundation. It is assumed that a negotiation framework may prevent unethical choice. It could also be argued that unethical behaviour tends to emerge in a grey zone when managing complex negotiations across borders. It is therefore the core purpose of this research to establish a new proposed framework aimed for international negotiation in order to prevent unethical choice during international negotiation.

This study investigates Saab’s strategy when negotiating across borders. Since the strategy is reviewed from an ethical perspective the interpretivism philosophy was deemed suitable. This is because the interpretivism philosophy enables the possible impacts and consequences of these negotiation strategies to be reviewed from an organisational perspective.

It should also be noted that the risk of biasness due to personal values was taken into consideration and steps taken in order to reduce this risk when conducting the research. This was achieved by taking into account the complexity of what is meaningful to the research participants, not the researchers.

3.2 Research Purpose

The gaps identified so far exist between the topics of international negotiations and business ethics. Existing articles cover international negotiations or business ethics in negotiations, but there exists little overlap between the two topics. This paper reviews and investigates the relation between international negotiations and ethical moral behaviour from a organisational
perspective. This allows existing perspectives to be combined and refined to produce a more defined research question to be analysed in a modern perspective.

### 3.3 Research Approach

There are three main approaches that are commonly used when researching: deductive, inductive and abductive. A deductive approach suits a scientific research approach which includes rigorous data collecting and testing. A deductive approach aims to explain causal relationship between concepts and variables. In addition, using a deductive approach is also recommended when constructing a structured methodology in order to maintain reliability and to allow repeatable studies. Another focal characteristics of the deductive approach is the need for concepts to be operationalised in order to insure fact are measurable (Saunders et al., 2016).

In an inductive approach the research start by interviewing a sample and creates a theory based on the analysis in order to compare and analyse it with existing literature. However, both deductive and inductive approach includes data collection in order to compare the literature findings with a stated research problem but in opposite order. The data collected in an inductive approach is used to explore a phenomenon and identify common patterns. Therefore, an inductive approach is suggested by Saunders et al. (2016) to be suitable when generating and building theories.

The final option in research approaches is the abductive approach. The abductive approach share attributes with both the deductive and inductive approaches. The reason abductive approach is suitable for this research is first of all for its purpose to create a new conceptual framework based on existing theories and models. Secondly for its flexibility of moving back and forth on analysing empirical finding to existing literature. Lastly, the theory supports the attempt to develop an additional conceptual framework of a negotiation model integrated with factors based on an existing data in corporate code of conduct. However, the abductive approach enables this research to proceed under a flexible methodology in order to adapt and alter our approach throughout the research.

The reason for choosing an abductive approach is to enable a flexible approach when analysing data (Saunders et al., 2016). The abductive approach suits the collecting of empirical data when the empirical data has no purpose of showing evidence in the theory but rather an additional perspective of the theory. This study also aims to present a plausible conceptual framework
where the abductive theory supports its process according to Vaan Maanen et al. (2007). Lastly, to fulfil this thesis purpose and build a proposed conceptual framework of a negotiation model built upon a corporates codes of conduct the research strategy aims to gather and analyse data and evidence to argue its purpose.

3.4 Research Strategy

The methodology of this paper is to define and outline a negotiation model and later review the models from an ethical perspective. This will been done by conducting a single exploratory case study at Saab, while using theories and models from existing literature. The research will mainly focus on reviewing, investigating and exploring the relevance of business ethics in international negotiations. The investigation will be from an organizational perspective rather than a cultural one, with a focal point on the organization's top management. Based on these elements the researched is assigned to an interpretivist research. In order to collect realistic perspective Saab was assigned as the company to be investigated and compared to the theoretical framework.

3.5 Time Horizon

The time horizon of research has place a crucial role and depends on the purpose of the research. There are two common option in planning the time horizon: cross-sectional studies or longitudinal studies. Even though this study is constructed during a fixed time constraint the data collected it is not sufficient enough to be a cross-sectional research. The process of negotiation and ethical behaviour is a part of a continuing development of society and a cornerstone of an organisation, which leads this study to belong to the longitudinal time horizon. This study therefore, although relatively short in duration, is aimed to be a part of a broader longitudinal study of the role of business ethics in international negotiations. It is also important to note that the secondary data collected in the literature review covers a wider time period between 1995 and 2015, than this study. This helps to provide an explanation for how this study is part of a longitudinal research.

3.6 Single Case Study

A case study is an in-depth questioning of a topic or situation in an empirical setting (Yin, 2014). An in-depth questioning can be conducted in order to obtain an understanding of the
current situation. Single case-studies are often applied in complex or critical cases (Saunders et al., 2016) which is why it is suitable for this research, when examining the importance of ethics in a complex negotiation.

As reflected in the background, the problem with unethical choices is common in the defence industry. Therefore, a sample of a single case study at Saab could be sufficient in order to offer one angle on this problem. It should also be noted that the background research and the literature review covers a numbers of sources providing multiple perspectives, allowing for a wider scope to be examined and support the case study. Since the research includes elements that suit the interpretivism perspective and will therefore will be analyse through this method. Interpretivism is a paradigm of which the assumption is based on inner experience rather than fact. Therefore the social reality has a great impact when using such a method as framework (Collis and Hussey, 2013). The abductive research process is presented with a clear understanding in negotiation and its ethical impact where the case study will contribute to the interpretive understanding of the relation between the two domains.

3.7 Data Collections

3.7.1 Secondary Literature Collection

The existing secondary literature has been reviewed through a systematic approach. In order to filter and organized relevant and irrelevant key findings from the collected literature were structured and organised into workable areas.

To acquire a sufficient size of evidence for this paper a number of existing articles and literature reviews have been used and included. The articles used for this research has been authorized and mainly found in the following databases: ABI/inform, Google Scholar, JSTOR, Emerald, SAGE and SSRN. Initially common keywords within the field of study were searched for including: business negotiation, international negotiations, international business, global business, negotiation behaviour, negotiation types, integrative negotiation, negotiation styles, business ethics, decisions styles, decision making, ethical behaviour, personal value, code of conduct, ethics and ethical decisions. The keywords helped to simplify the systematic process of establishing an understanding of current knowledge and existing research within the field of the chosen topic. The literature is based on existing sources, such as; academic journals databases and the Internet, books and newspapers. Lastly, primary literature such as code of
conducted provided by Saab was reviewed in order to establish, compare and adapt the theoretical framework, from a practical perspective.

From the findings in the literature review, the definition of negotiation was established on the article by Salacuse, (2010) and business ethics was mainly defined based on the work by Crane & Matten (2016). However, other definitions have been interpreted from several authors and a solid explanation for these and other terms were given in order to clarify the terms used in this paper.

3.7.2 Primary data collection

3.7.2.1 Research Interview

First-hand data collection has been performed in the form of qualitative interviews within Saab, based in Linköping, Sweden. The interviews were semi-structure which has allowed the interviewer and interviewee to develop the conversation. One of the main risk factors regarding conducting interviews was the risk of biased answers from the interviewees. This was taken into consideration before conducting the interviews. In order to avoid this and other potential risks, the interviews were scheduled over the course of one day, a formal agreement contract where signed by all parties and all interviews where respectively recorded and transcribed. Before beginning the recording, the interviewees were informed about the purpose of the research, offered the opportunity to ask questions regarding the research and the interviewers answered these questions. It was also clearly stated that the purpose of the research and the interviews was not to define ethical or unethical choices but rather to clarify the ethical function within a negotiation.

The interviews have been constructed with the help of academic experts who have extensive experience of creating, conducting and evaluating interviews within the business setting. The experts also have knowledge of internationalisation, ethics and negotiations, and were able to provide insight and expertise in these fields. The interviewees were negotiations and ethics executives at the company which provided deeper insights and practical perspectives which have also been of value to the research. The semi-structured nature of the interview was chosen in order to provoke a discussion and conversation between the interviewers and the interviewee. Questions were pre-constructed to be probing to frame the discussion around the decided areas. The interviews were constructed and conducted in English in order to reduce anticipated problems with translations and misinterpretations.
3.7.2.2 Interview Analysis

The data has been cross analysed to draw conclusions regarding similarities and differences of ethical aspects regarding negotiations from a managerial perspective. This also provided real life perspectives and offered opinions for suggested future practices.

Given the complexity of analysing qualitative data, a number of strategies for data analysis were applied. First, the gathered data has been examined and sorted into paragraphs which further on has been allocated into categories with codes in order to clarify the interview outcomes. The coding was conducted by identifying common patterns, similar phrases and themes in the interviewees’ answers. Secondly the coding was generalized and interpreted into sets of patterns and answers in order to grasp the realistic points and reflections of the real life experience when executing negotiations.

The data coding also allows the function of grouping comments into categories and simplify the interpretation as well as the general or common understanding of the answer. The codes have been generated by the researchers in order to interpreter and categorise the answers related to the purpose of the interviews.

3.8 Trustworthiness of Research

A thesis’s quality is often judged by the reliability and validity of the research, where the reliability refers to the chance to repeat the study and its consistency. Validity refers to the extent to which accurate and appropriate measured are used and analysed. In order to insure this, the findings should be generalized and a clear structure should be appropriate to the research (Saunders et al., 2016).

3.8.1 Quality

Shenton, A.K (2004) demonstrated that the quality of research depends on four factors: credibility, transferability, dependability and confirmability.

Credibility is considered to be one of the key criteria when addressing the quality of a research. This includes the above stated about the internal validity. In order to achieve credibility Shenton, A.K (2004) suggest a number of factors among of other things strong founded research method, early familiarity with the participants’ culture, a random sampling of
participants, accurate approach when collecting data, and triangulation. Triangulation is a data collecting technique involving more than one source of data and method of collecting data.

**Transferability** concerns the external validity which is motivated and considered in the next section. However, given the complexity surrounding negotiations in the international defence industry, it could be argued that this kind of study would be difficult or impossible to demonstrate the usefulness in other situations or industries (Shenton, A.K, 2004)

**Dependability** is a parallel criterion to reliability (Saunders et al., 2016). This should emphasize the importance of building a research that is available for further researchers to modify as the research progress. This has been carefully established by providing a conceptual framework based on existing proven and tested models, which leaves this research open for future researches and modifications.

**Confirmability** is associated to the objectivity in the scientific method including instrument that are independent of one human skills and perceptions (Saunders et al., 2016). The use of triangulation supports the belief in this paper’s confirmability complementing by the form of this method when performing and conducting this research. Finally, this research was objectively performed where the findings were not speculated on at an individual level, rather an objective conclusion based upon the findings was refined.

### 3.8.2 Reliability and Validity

Common threats identified in the area of reliability were the risks of biased or invalid findings. In order to prevent such risks internally this study was conducted by more than one researcher, which is a suggestion solution provided by Saunders et al., (2016) to prevent biasedness. External risk were regarding the interviewees’ participation and the risk of being biased or sharing invalid data. Therefore the interviews were carefully planned in advance and recorded. The participants received no information regarding the questions or research purpose in advance and were therefore unable to plan or discuss answers with other participants. The fact that the interviewees received no information in advanced enabled the researchers to receive individual answers and perspectives.

It should however be taken into consideration that the company has previously been involved in a negotiation which were subject to critic in regards to ethical conduct. This could have
impacted the answers given by the interviewees regarding the importance of one code of conduct and ethical choice.

The external validity has been carefully reviewed concerning this risk of any errors. The selected sample was made by the company with the requirements of only choosing employees within the fields of negotiation and the corporate ethical code of conduct. Since this two areas overlap, the sample included employees holding different position within the top management, but often with intersecting responsibilities. The population at this level of top management was very limited during the research duration which enabled the researchers to interview a sample of four out of five employees at this level. Given this it could be argued that the sample size could be sufficient to provide evidence and build an overall conclusion.
4 Theoretical framework - models and developments

In this section, the goals of an updated conceptual framework are explored and two models are selected for the foundation of the updated conceptual framework. The background to the models are given and explained in-depth.

As concluded from the literature review, there were a number of areas to improve within the field of international negotiations. In attempt to address these, two models were combined and consolidated in order to construct an updated conceptual framework for conducting international negotiations with an ethical foundation. The model was also supported with input from a practitioner’s perspective, in an attempt to make it practically viable and to be of use during negotiations. Since the framework was primarily constructed to be applied to the defence industry, it also focuses on long-term processes within international defence negotiations where success often depends on sustainable relationships.

4.1 Intention of an updated conceptual framework

The aim of the updated conceptual framework is twofold:

First: it should cover the steps required for achieving successful integrative negotiations, with a focus on developing sustainable relationships between parties.

Second: it should cover aspects that have a positive impact on increasing chances of ethical collaboration and reducing the risk of unethical choice.

Throughout this paper the updated conceptual framework will be referred to as: Sanfran Ethical International Business Negotiations Model (SEIB NM).

In order to cover both of these areas two models will be developed on:

The Value-Based Negotiation Model (VBNM) (Gan, 2017) will be used to cover negotiation steps and the theoretical framework on code of conducts developed by Erwin (2010) from the work of Kaptein and Schwartz (2007), will contribute the ethical perspectives required.
4.2 Value-Based Negotiation Model

The Value-Based Model developed by Gan (2017) outlines four steps that negotiators can undergo in an attempt to draw from their personal values in order to reach integrative solutions to negotiations. It is based on a range of prosocial tenants from various religions, although it states that practitioners need not be religious or adopt the religious aspects to implement the model. The model does require some assumptions however. The first being that negotiations are a prosocial process, where parties are assumed to be trying to find a solution to the negotiation. This can be assumed since the parties are investing time, energy and other resources in the negotiation process. This in itself includes the assumption about how the other party will behave, mainly that the other party wants and needs to resolve the negotiation. Avoidance strategy within conflict management, however, suggests that although parties may recognise that there is a conflict, in this case a negotiation, they may not take steps to resolve it (Bendersky, 2003). The second assumption within VBNM is that of reciprocity, meaning that parties will assess the consequences and intentions of an action and respond accordingly, by rewarding kind actions and punishing unkind actions (Falk & Fischbacher, 2006).

4.3 Corporates Codes of Conduct: a Model developed by Erwin, 2010

A corporates code of conduct is one essential bricks when building a sustainable ethical culture within an organization. Companies maintaining high quality codes of conduct have significantly
higher performance within CSR (Corporate Social Responsibility), sustainability, public perception (Erwin, P. 2010) and tend to be more ethical in their decision making. Ethical scandals in business and government have brought a lot of attention which has contributed to the interest from researchers examining the field of unethical choices (Kish-Gephart, J., Harrison, D. and Treviño, L., 2010).

The theoretical framework of the effectiveness of code of conduct has been redeveloped by adopting benchmarking strategy from existing models by Erwin, (2010).

The model founded by Kaptein and Schwartz (2008) and further developed by Erwin, (2010) (shown in figure 2) will be the ethical perspective adopted in SEIB Negotiation Model. The model by Erwin, (2010) will be used to implement the ethical foundation in the new proposed conceptual framework. Studies have shown that the relation between an effectiveness of a code of conduct and an increase in ethical choice in corporates settings. The measurable factors identified are the fit between corporate behaviours and the ethical standards and expectations of stakeholders and society (Erwin, P. 2010).

---

**Figure 2 - Corporates Code of Conduct**
The purpose of this model is to provide an ethical foundation in the updated conceptual framework by defining how to measure the effectiveness of a code of conduct. In the following section the meaning of *effectiveness* is explained first. Then the elements measuring are outlined. Finally, this is used in order to add the ethical foundation to the chosen negotiation model, to develop the proposed conceptual framework.

4.4 Quality and Effectiveness of Code of Conduct

The effectiveness of code of conduct is defined as the fit between corporate behaviours and the ethical standards and expectations of society and stakeholders (Erwin, 2010). However the research and the findings from Erwin (2010), has been drawn from the previous research of Kaptein and Schwartz (2008). In attempt to improve future research both articles are combined to provide understanding and definitions in this study. Kaptein and Schwartz (2008) conclude that the most crucial element in measuring the effectiveness of a business code of conduct is the quality. The term quality is further defined by Erwin (2010) to include the following elements; *Public Availability, Tone from the Top, Readability & and Tone, Non-Relation, Reporting, Commitment & Values, Risk Topics, Comprehension Aids, Presentation & Style.*

The examination of the previous research has been toward measuring the effectiveness of a business code of conduct. There is however a difference when examining whether business codes are effective or could be effective (Kaptein and Schwartz, 2008). In the history of research within the effectiveness of a code of conduct there are only 79 existing published empirical studies. According to Cowton and Thompson (2000); Somers (2001); and Kaptein and Schwartz (2008) there is a lack of empirical studies and findings in this field. Kaptein and Schwartz (2008) however present the most current existing findings in this field and conclude the effectiveness of a business code of conduct.

Empirical studies show that ethical codes of conduct have become a common foundation and feature in modern business (Erwin, 2010). When analysing the code of conduct’s effectiveness previous researchers have chosen to divide companies into two sections based on the presence or absence of a code of conduct. In the presence of a code of conduct they tend to examine the distinction based on the tone of the code and the easiness in understanding the code (Erwin, 2010).
Kaptein and Schwartz (2008) suggest that depending on how the code of conducts is presented and defined could have a crucial influence of the effectiveness of the code of conduct. This concludes and argues that an effective code of conduct can help reduce the risk and presence of unethical choice.
5  Proposed Research Framework

The two models previously discussed are developed and combined into a new conceptual research framework in this section.

5.1 Developments from the VBM

Although the model covers several key points for developing an ethical negotiation model, there are some elements that could be adapted, added or combined.

The first is that it focuses on and is intended for personal values. It is therefore possible to adapt the first element "what are my values?" to an organisational setting. This can be done by examining the values of the organisation, and the values in the society in which the organisation exists and operates. This could be done by examining macro and meso-level ethical factors in and around the organisation. Macro-level factors can refer to the level of the organisation and micro-level factors can refer to ethical questions at a personal level (Brummer, 1985). In this paper, however, the macro-level will refer to factors outside of the organisation and meso-level will refer to factors at an organisational level. To examine macro factors, negotiators could first examine their legal requirements. This could be done on local, national and international levels and will help to establish a minimum level of ethical requirements. Since the model will be applied to international organisations and negotiations, it is important to recognise that there may be differences between national, regional and international laws. The laws and requirements of these levels should be understood appropriately. Other macro factors could include, but are not limited to: political pressure, economic factors, industry regulations and/or social attitudes. This aims to provide negotiators with a broader insight and understanding of the ethical climate in which they will be operating. For a deeper understanding, the factors identified could be examined and reviewed from various ethical theories in attempt to establish the ethical requirements and obligations at this level. By doing this it should answer the question:

1. What are the obligations of the organisation?

To examine the meso-level ethical factors, negotiators should be aware of, understand and act according to the requirements of the organisation in which they operate and/or represent.
Negotiators could do this by familiarising themselves with the ethical requirements, guidelines and statements from within the organisation for example: codes of conduct, code of ethics, training guides and/or press releases. This should allow negotiators to understand:

2. What are the values of the organisation?

The next element “what do I need from the other party?” can also be adapted to an organisational setting. This can be done simply by rephrasing the question to “what does the organisation need from the other party?”. However, by focusing inwardly on needs and requirements it could neglect the collaborative element which is a key element in integrative negotiations. It could be recommended therefore to focus on the desired outcome of the negotiation that address multi-issue objectives and move away from narrowly focused economic measures of success. Negotiators could therefore ask:

3. What would the organisation considered a successful negotiation?

Another key aspect that seems to be missing from the VBNM is that of taking and understanding different perspectives taking and empathising with the other party. Perspective taking, or “putting yourself in your counterpart’s shoes” can help negotiators to create and claim more value (Presman, 2016). Empathy and empathising with the other party can help negotiators to avoid ethical traps that could harm the negotiation process (Cohen, 2009). It could therefore be recommended that negotiators attempt to understand each other as counterparts. This could be done by revisiting the previous elements but from the counterpart’s side:

4. What are my counterpart’s values?

5. What would my counterpart consider a successful negotiation?

It could be useful for both parties to compare the results at this stage. Also, depending on the negotiating parties, it may be beneficial to introduce ideals such as integrative negotiations and collaboration (Presman, 2016). This could help to identify common goals, zones of possible agreement and areas where the parties do not agree. By understanding one’s own obligations and values, it is hoped that it will become easier to examine the counterpart’s own values and obligations, and identify similarities or differences in them. This in turn could help to find solutions on how differences as well as finding common grounds for success. By doing so it could provide an opportunity to begin to understand how the relationship could develop. This
leads onto the third element in the VBNM “How do I build a relationship?”, again adapted to an organisational setting it could become:

6. How could our organisations build a sustainable and beneficial relationship?

The final element of the VBNM “How do I appeal to the other party’s goodness and remain true to my values?” is developed on the previous steps in the model. At this stage negotiators try to reach a mutually beneficial and successful agreement while adhering to their obligations and ethical values. Again, applied to an organisational setting this could be rephrased as:

7. How could our organisations reach a mutually beneficial and successful agreement while respecting our obligations and ethical values?

Although this revised model incorporates many ethical aspects, which were previously missing from the VBNM, it still lacks perspectives that would ensure that the ethical dimensions are effectively applied. In order to ensure that the ethical elements are incorporated effectively, the elements could be analysed using a model that examines their effectiveness.

5.2 Developments from the Corporate Code of Conduct Model

Since the proposed research framework will be based on pre-emptive measures in attempt to reduce unethical choice, rather than the desired outcomes, the areas that will be incorporated into the proposed research framework will fulfil this role. These areas include:

- Code Development
- Code Content
- Code Implementation

5.2.1 Code Development

This area will help to establish the obligations and values of the organisation, which in turn can impact what the organisation would consider a successful negotiation. There should be clear reasoning and understand ability of what the basis of the values are, why the organisation holds them and what are the desired results of having these values. These values should also be present and reflected throughout all levels of the organisation. It is important that all members of the
organisation are subject to the values, rules and will face the same consequences for transgressions against them.

5.2.2 Code Content

It is important that the code of conduct and other ethical policy documents should be available to those who they apply to, this should include managers, employees and other stakeholders of the organisation. The codes should also be regularly updated and those who must adhere to them should be informed of any changes or updates to them. Another useful tool that should be present is comprehension aids. This could include aspects such as training for employees. This can be done through traditional educational means, online digital learning and evaluations or seminars and discussions. These systems should also be supported by additional guidance for employees if they face unethical behaviour. Functions such as whistleblowing hotlines or services to offer advice for specific circumstances, which may not be explicitly address in ethical policies or the code of conduct.

It is also important for these aspects that employees or stakeholders do not fear retaliation for using such functions, and that they feel comfortable and are able to report cases or suspicions of unethical behaviour.

5.2.3 Code Implementation

Finally, it should be seen that the code of conduct and ethical policies are not merely present, but instead become ingrained as part of the behaviour and decision-making process of employees. By doing this it is hope that the values are carried through into ethically based choices and actions. As mentioned this can be aided through a thorough understanding of ethical policy documents and codes of conducts. Additionally, training should be offered to help support employee understanding and utilization. This should also be supported by the organisation permeate through all levels.
6 Data Analysis of Empirical Findings

An outline of the interviews and interviewees are given and summarised. This section is divided into three sections, which reflect the three sections that the interviews consisted of. Common themes are identified throughout the interviews and are then reflections from current literature are given, and finally analysed. The section ends with a summary of the empirical findings.

As stated in the research purpose, the aim of this thesis is to explore the ways in which a negotiation strategy could be structured while using ethical standards as a foundation.

To make the data more workable, a data analysis was conducted on results from the interviews. The interviews were broken into three sections: background information, negotiations and ethics, each of which were analysed separately. Each section has then been analysed across all interviewees and similar topics, themes or answers were grouped into recurring themes. This is based on the answers to the interview questions, as well as the open discussions that developed from the semi-structured nature of the interviews. This meant that answers and themes from the whole interview were used and taken into consideration when conducting the analysis. Finally, in order to fully understand the findings, the themes were identified from the interviews, reflected and analysed against the findings of the literature review, and then discussed.

6.1 Section 1: Background questions:

To begin with a set of background questions were asked to clarify the interviewee’s roles and responsibilities, position within the organisation and number of years’ experience. The results show that all the interviewees had at least ten years’ experience within the company, the maximum being 30, and an average of 17.5 years’ experience working in the company. This is important since it demonstrates that the interviews have extensive experience and knowledge of working in the organisation.

The interviewees were selected by Saab from multiple positions, roles and positions within the top management of the organisation. Their selection was based on the interviewees’ experience and responsibilities within Saab. However, it should be noted that all the interviewees have experience of working in or alongside negotiations within the organisation, and provide multiple perspectives on negotiations and the role of ethics within the organisation.
<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Number of years of experience</th>
<th>Main tasks</th>
<th>Organisational position</th>
<th>Interview length</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>13</td>
<td>Internal support/advisor negotiations</td>
<td>Supply and sourcing</td>
<td>46.06</td>
</tr>
<tr>
<td>R2</td>
<td>17</td>
<td>Legal support</td>
<td>Aeronautics</td>
<td>51.37</td>
</tr>
<tr>
<td>R3</td>
<td>10</td>
<td>Anti-corruption</td>
<td>SAAB Group function</td>
<td>55.20</td>
</tr>
<tr>
<td>R4</td>
<td>30</td>
<td>Negotiations</td>
<td>Aeronautics</td>
<td>46.23</td>
</tr>
</tbody>
</table>

*Table 1 – Interviewees Data*

**Empirical Findings**
As the findings of the background section show, the interviewees have extensive knowledge and understanding of their field, as well as the inter-organisational demands of their positions. The interviewees also have experience of working with long and complex negotiations, often with multiple stakeholders with a variety of concerns.

**Reflection from literature**
As Agndal, Åge and Eklinder-Frick (2015) stated, research has covered the area of complex negotiations and how they impact negotiation outcomes. It states that as negotiations become more complex they tend to move away from distributive solutions, which tend to focus on a smaller number of issues which are often judged using economic factors. With more complex negotiations other factors to measure success can be adopted, such as subjective perceptions, for example, if the negotiating parties state whether they are satisfied with the negotiation outcome (and/or process). Another approach to understand complex negotiations and how they are handled is by examining the negotiation process. Factors such as: the length of the negotiation process; number of iterations of a contract; amendments to the negotiated contract; and the number and nature of concessions made by the negotiating parties.

**Analysis**
As stated the purpose of this thesis is to not provide a basic or overall understanding or explanation of negotiations and business ethics. Instead it provides an exploration into long and complex negotiations and how they can be structured using an ethical foundation. It could be argued therefore that the selected interviewees provide the required experience and knowledge to aid in this exploration. The interviewees’ experience could also explain the focus of
integrative negotiation strategies and tactics, and the focus on subjective criteria for measuring the success of negotiations.

6.2 Section 2: Negotiations:

Given the cross functional roles of the interviewees there was a difference between how many of them interview as part of their regular work activities and those who have an impact on the structure of the negotiation process. Two of the interviewees (R2 and R4) and are engaged in negotiations on a regular basis in their current positions. The other two (R1 and R3) provide legal input and insight into the negotiation process but are not currently involved in the negotiation process.

When asked “What is the most important aspect/area of negotiations?” the interviewees provided mixed answers, but a number of aspects were identified in multiple interviews. The answers to this question and to the question “What is the most challenging aspect/area of negotiations?” have been synthesized and several key areas have been identified into recurring themes. These themes are:

- Relationship building and win/win outcomes
- Balancing risk vs gains
- Ethical compliance

It should also be noted that there were differences between those who work with negotiations as part of their regular work, and those who provide legal insight. Those who work with negotiations stated more practical issues that are often associated with negotiations such as: differences in power; negotiation tactics; financial or other obligations as part of the negotiation; or length of the negotiation process. Those who provide legal insight were more focused on organisational factors such as risk and balancing the views of the negotiating parties. These issues were also reflected when discussing some of their most complex negotiations, or providing reasons as to why a negotiation had failed or faced problems.

6.2.1 Relationship building and win/win outcomes

Empirical findings

The theme of relationship building and developing a connection with the customer or negotiation counterparty was a key topic that was highlighted and expressed throughout the
interviews. This in turn also led to the expression of a desire for a win/win outcome within their negotiations. This is especially important to long and complex negotiations. As one R2 and R3 explained that the nature of the products and the negotiation process, it can take many years to complete the process, requiring an ongoing and close relationship between partners.

R1: “Yes it is positive (to spend 6 months together, every day, to build a relationship). Both sides get to understand the other side [...] we have a common goal to reach an agreement”

R2: “You need to understand where does the customer come from [...] what do they want and what do we want? And try to find this [...] you realise that we are on the same page”

R2: “Deals are done by humans. You need to build up some kind of confidence [...] you need to build up some trust between the parties [...] you need to be able to trust the people who negotiate [...] So I think building trust and some kind of personal connection with people on the other side”

R3: “I think that you need to be aware that this is going to be a lasting relationship and for a lasting relationship to be successful you need to be very clear that there is common ground in what you want to achieve [...] No one should feel as a clear winner or a clear loser.”

R4: “But as I said before you need to be open and need sometimes to be honest or try to explain why you act like you act. If you are always like that [the interviewee hits their palm with their fist] it will not be good and will not be a win/win situation."

R4: “I think some kind of honesty and transparency to the customer [...] you need to have some kind of win-win situation for both”

This is also reflected by the interviewees’ views of what would be considered a successful negotiation. All interviewees pointed to similar factors that would imply success including:

- Mutual gain for all parties
- Win/win outcome opposed to win/lose
- Foundation for future relationships and business

R2: A successful contract is “(when) you feel...you have this feeling this customer is someone that [...] likes our product, he likes us, and we have to understand each other in this negotiation process. We don't feel that the customer has tried to cheat on us, and we haven't
ripped off the customer [...] we have a customer that is happy with the outcome and will hopefully be very happy with the products that we will be delivering and that we've built this common trust that we will be able to carry out this contract successfully.”

R3: “No one should feel as a clear winner or a clear loser.”

R4: A successful contract is: “When you feel satisfied with the result of the negotiation and you can see that the customer is as happy as you are. They feel they have won something and you have the same feeling and that I have done good work for my company and I think they will have a good product and we have a good contract.”

R4: “When you have a good, satisfied partner on one side [...] I think when everyone can shake hands and be happy, then you have succeeded at all levels.”

However, it is interesting that one respondent stated that obligations and requirements should be prioritised above personal relationships, but still identified the importance of lasting relationships and common goals. They explain that a strong relationship or “good feeling” about the person or company you are negotiating with, will not change the facts about ethical or legal compliances or requirements.

R4: “We work with this company because our manager had a good feeling about that person, it doesn't work that way. So, for us it's down to objective criteria and the relationship building [...] it doesn't play an important role in compliance.”

One respondent also highlighted the issue of approaching international negotiations with a win/win mind-set, or an integrative negotiation strategy. They explained that cultural difference can lead to misunderstandings in this area and that international negotiation counterparts may be inclined to take advantage of integrative negotiation tactics or strategies.
R1: “The win/win approach, is mostly unknown in the rest of the world. Win/win for them means they win twice.”

Reflection from literature
The evidence presented clearly reflects the use of an integrative negotiation approach (Presman, 2016; Fisher, Ury, Patton & Fisher, 2008; Kersten, 2001; Mintu-Wimsatt, 2002). This is to be expected given the nature of the negotiations that the interviewees have experience with and that they face in their work. This again is reflected in literature (Stoshikj, 2014; Billings-Yun, 2013; Mintu-Wimsatt, 2002), which suggests that integrative negotiation styles are more suited long-term, complex negotiations. It can also help to open up a creative space to find alternative solutions to problems in the negotiation process, while creating more value from the total agreement (Peleckis, 2014).

Analysis
The empirical findings seem to suggest that integrative negotiation styles and tactics are well suited to the nature of negotiations within the international defence industry setting. As discovered during the research of literature, organisations and documents received from the organisation (see appendix 1), these negotiations and the fulfilment of contracts can take at decades. This demonstrates the need for collaboration between parties and sustainable relationship development. This again is in line with the tactics and approaches used within integrative negotiations and supports the reasoning for its use within the SEIB Negotiation Model. However, as stated by R4, personal relationships should not trump ethical or legal requirements. Instead, relationships should be used as foundation for establishing common goals and strategies in how to reach them, while still adhering to ethical and legal requirements. This provides important support for the final step in the SEIB Negotiation Model, and gives the negotiators an opportunity to find creative ways of generating more value from the negotiation.

The answer by R1 regarding different approaches and understandings of win/win outcomes or differences in cultural norms and expectations can lead to issues in this sense. However, as they stated they often have cultural awareness training and support that aids them if issues surrounding cultural differences arise. Steps 4 and 5 in the SEIB Negotiation Model aims to
address this issue also. Since having a deeper knowledge and understanding of the counterpart’s values and obligations can help negotiators to take pre-emptive steps to address these issues early in the negotiation and avoid undesirable situations.

6.2.2 Balancing risk vs gain

Empirical findings
One of the greatest areas of concern identified by interviewees was balancing the risk of conducting negotiations or business with others, and the potential gain of conducting business or a fruitful negotiation.

R1: “What we do is often to put the whole company on the line, in a very big contract [...] There is so much involved [...] It is a balance between stretching our obligation, stretching it so it meets the requirements and also keeping a cautious approach that we need and that we need to be able to deliver it.”

R1: “We want to limit our exposure, limit our risk and obviously get paid for what we do.”

R2: “As a company lawyer I need to consider the risk, prevent or decrease the risk of liability”

R3: “Is there a balance between the risk and the reward (of working with a third party)? [...] Either you feel there are no risks and you can work with them or there are risks that you cannot mitigate to a sufficient level and then the only decision to take at that point is to not pursue the relationship”

R3: “(We have to insure) that we do not take any shortcuts or we do not apply different principles based on the underlying potential upside of the business deal. I think that is where you get the ultimate test as a company, do you abide by the same rules regardless of the potential of the upside of the business deal”

These answers were similar to “what would the organisation consider a successful negotiation?” However, one interviewee elaborated on the problem of judging negotiations purely in the short term, especially within the arms industry where negotiation, production and delivery times are often incredibly long. This means that problems that stem from a negotiation might not become apparent for a number of years after the signing of a contract.
Reflection from literature

As Bowman (1996) implies, that short term incentives such as a lower prices for buyers and higher profits for sellers, can lead organisations to over expose themselves to risk. Risk in this sense can relate to any number of factors such as reliability, product quality or ethical compliance. Gan (2017) also recognises the need address the risks and rewards of all parties present, it can also be important to understand to what extent the negotiating parties are risk averse or risk taking.

Analysis

Since the potential pay-outs in international defence negotiations can be huge and competition fierce, it can be difficult to balance the potential gains with the risks associated with them. This is something that was reflected by the interviewees and something that has a strong impact on how they conduct business. However, it is important to note that the element of risk is actively reduced throughout the process, such as through thorough due diligence when examining customers, suppliers, contracts or other third parties. It could also be argued that having a deeper understanding of these third parties and their values could also help to address the issue of risk. It could allow negotiators and their respective organisations to align their perspectives on risk and take collaborative measures to reduce the presence and impact of risk.

6.3 Section 3: Ethics:

Again, it is important to take note of the differences in the understanding and views of the ethical requirements of those who work with them in their main activities (R1 and R3) and those who primarily work within negotiations (R2 and R4).

The interviewees explained what impact ethical requirements, such as the code of conduct, have on the negotiation process and a number of common responses were given including:

- Ethical foundation
- Training and understanding
- Importance of support functions
6.3.1 Ethical Foundation

Empirical Findings
All interviewees described the importance of the code of conduct and its role within negotiations. However, it was also stated that these ethical requirements are a basis for ethical behaviour and decision making, and cannot address all issues or grey areas within negotiations.

R1: “Everyone is expected to have a code of conduct and live up to it [...] We have a bottom line, we have our code of conduct.”

R2: “It's a very important baseline [...] but nevertheless there are a lot of grey areas. There a code of conduct can be a very useful to give you a sense of what is acceptable and not acceptable to do.”

R3: “I think the code of conduct is a very ambitious and aspirational document with clear values but you yourself need to convert them into true actions at the negotiation table [...] I think that any code of conduct has to be setting broad principles and standards”

R3: “The code of conduct is something that everyone needs to abide by it, understand it. Understanding it is really about transforming it into sound decision making at the negotiation table and understanding the principles and the culture that we want to have as a company.”

R4: “We have this code of conduct and I think it is mandatory to take part of that.”

However, it should also be noted that the interviewees suggest that code of conducts themselves would not lead to more ethical behaviour and decision making. They imply that a person with high levels of integrity and ethical understanding will more likely be inclined to behave ethically and take more ethically based decisions.

R3: “A person who has really understood the code of conduct and has a certain amount of integrity as an individual, will no doubt take the right decisions regardless of what previsions or regulations we put in place in support of the code of conduct”

Reflection from literature
As stated in the literature (Erwin 2010; Kaptein and Schwartz 2008) the mere presence of a code of conduct does not explicitly lead to a reduction in unethical behaviour in organisations. However, organisations can use ethical policy documents, such as codes of conduct as a foundation for establishing ethical behaviour (Erwin 2010).

**Analysis**

As stated in literature and supported by the empirical findings, a code of conduct can form a foundation for establishing ethical behaviour and informing ethical choices. It should be remembered however, that a code of conduct alone will not necessarily lead to more ethical behaviour, ethical decision making or reduce the likelihood of unethical behaviour. Instead ethical policies and documents, such as a code of conduct, could be used as a framework and translated into clearer guidelines and strategies to be adopted in negotiations. This would be in line with the steps 1 and 2 of the SEIB Negotiation Model, and allow negotiators to get a firmer and deeper understanding of their and the organisation’s ethical responsibilities and goals.

The level of concern for ethical foundations reflected by the interviewees shows a genuine concern and understanding of the consequences of unethical behaviour. The interviewees also reflected on the importance of ethical obligations. The interviewees expressed that they felt they have ethical obligations on a number of levels including: their personal ethics and values; as a member of the negotiation team; and as an employee of Saab. It should be highlighted that the interviewees expressed that they feel a strong obligation to Sweden, the Swedish government and the Swedish tax payer. It is felt that this demonstrates a high level of emotional intelligence and ethical understanding and reflection.

One interviewee also stressed the importance of the link between ethical behaviour, negotiations and a successful business explaining that if business ethics is lacking from the negotiation process, then it cannot lead to a sustainable business model.

**6.3.2 Training and understanding**

**Empirical Findings**

Another key area that was highlighted was the need for training and understanding of ethical policies, regulations and the need for training in these areas. This can be in the form of educating employees on the importance of and factors included in the code of conduct and subsequently
testing this knowledge and understanding. Other areas include ensuring that the ethical requirements and policies stated in the code of conduct are translated into ethical actions and decisions in the negotiation process.

R1: “You have to sign a document and say yes I have read it (the code of conduct), I have understood it and I am going fulfil it and I am going to live in accordance with it in my professional behaviour.”

R2: (The code of conduct) “is not just a piece of paper but that we have processes and that we follow up and follow what is written in the code of conduct.”

R3: “The code of conduct is something that everyone needs to abide by it, understand it. Understanding it is really about transforming it into sound decision making at the negotiation table and understanding the principles and the culture that we want to have as a company.”

R3: “I think the challenge for us, is that the principles of the code of conduct are broken down into guidelines that are much more concrete and that apply to the different situations”

R4: “Sometimes we are required to update and do new training courses. Almost E-learning. You have a test at the end of that course and you have to choose the right choices and maybe you have 10 questions and you have to pass. You need to have all 10.”

Reflection from literature
Again the empirical findings are in line with the findings from literature (Erwin 2010; Kaptein and Schwartz 2008). This is also reflected in negotiation literature (Agndal, Åge and Eklinder-Frick, 2015; Stawiski, Tindale & Dykema-Engblade, 2009), which indicates that organisational climate can increase factors such as honesty in negotiators and reduce the likelihood of unethical tactics in negotiations. Aquino (1998) also suggests that by attempting to establish ethical behaviour throughout the organisation, not merely through the presence of ethical policies, can also help to ensure more ethical behaviour and decision making.

Analysis
As reflected by the empirical findings and existing literature, the value and benefit of ethical documents and policies tend to only be fully recognised once they are understood and utilized within the organisation. This in turn can help to develop an ethical climate within the organisation that will be reflected in the values and actions of employees in that organisation. Again this also reflects the importance of not only ensuring the presence of a code of conduct but also the quality and effectiveness of it. This reflects the need for these elements to be considered and integrated into the SEIB Negotiation Model, in order to ensure that ethical policies and requirements are transformed into ethical behaviour and decisions during the negotiation process.

6.3.3 Importance of support functions

The final key area that was identified was the use of support functions for negotiators and negotiating teams, in regards to ethical behaviour and policies. As previously stated the code of conduct is used as a foundation, often in broad statements, and therefore cannot be applied to individual, specific scenarios. In order to address this issue a number of support functions can be implemented to assist employees with these additional issues.

Empirical Findings

R1: “I often have a steering committee at my disposal which gives me the general mandate but also can also give mandate or give advice on all of those issues that happen.”

R2: “Depending on what it is we might have to get an opinion [...] If you are in doubt I would call (name stricken) who has a very clear mandate of handling this things. And they might feel that we have to escalate it to the next level.”

R3: “What could happen here is, a Saab unit is out there negotiating, and they experience something they are not comfortable with, that is not in line with Saab’s code of conduct. We would want them to contact us [...] And we would then advise them on what to do. Depending on what that is, the advice could be different. It could be anything from walk away from the table or it could be that we take a discussion with the other side. Or if it’s a company I could say that I want to get in touch with your compliance responsible, (and say) we have an issue here that we need to solve.”
R3: “that everyone feels that if they do that they will not be retaliated against. That they will have the support of the company and actually feel and be made aware that they did the right thing and made the right choice.”

R4: If you can't solve it yourself or unsure how to handle it you have to go to your boss or the next and so on [...] You should never be alone [...] I think that is the most important that the company works with that. All the time.”

**Reflection from literature**

These findings support the suggestions from the studies on corporate codes of conducts, in so far that they highlight the need for comprehension aids and support from the top (management) in order to address code quality (Erwin 2010; Kaptein and Schwartz 2008). The findings also support the suggestion of implementing codes of conducts in order to develop an organisational climate that is more likely to lead to more ethical behaviour and decision making.

**Analysis**

As discussed previously, although the presence of codes of conduct can help to reduce the likelihood of unethical behaviour, their implementation and quality is often more of a deciding factor of their success. As also stated in the interviews, there are systems in place which employees can use in order to receive advice, feedback or guidance on specific issues. They also mentioned that each person in a negotiation has a personal responsibility, but that these systems such as the code of conduct and the associated support systems, team leaders can help employees to understand the values within the code of conducts and how to approach questionable situations. This reflects the pre-emptive nature of dealing with unethical behaviour in regards to negotiating with third parties, as well as the selection process of those parties. Before customers, contractors or other third parties are selected to begin negotiations, they undergo a thorough background and due diligence check. This helps to reduce the risk of unethical behaviour in the future, as well as providing information to negotiation teams on factors such as cultural differences or to clarify issues regarding international laws or regulations.
6.4 Summary of Empirical Findings

To summarize there were a number of key findings from the interviews that were conducted. These include the use of ethical guidance documents such as a code of conduct as a basis for ethical behaviour and decision making during negotiations. However, the mere existence of these documents was not seen to be enough to have an impact on ethical behaviour or decision making. Instead it was recommended that these documents and policies are supported by training and understanding throughout the organisation that then permeate into the negotiation process. It is also important that these policies are aided by support systems which offer employees guidance in areas that are not covered in existing documents. It was also suggested that knowledge and understanding of the negotiation counterpart and their values would help to align values during negotiations, as well as highlight possible problem areas.

Another important aspect highlighted was the use of relationship and trust building during the negotiation process in order to achieve win/win outcomes that are in line with integrative negotiation strategies.

Finally, one interesting finding from the interviews was to whom the interviewees felt morally or ethically responsible to. As mentioned the interviewees felt obliged on numerous levels including personal, organisational but also on a social level. This was reflected by them explaining a sense of responsibility by representing the Swedish state and tax payer.

A number of suggestions were offered to reduce the risk of corruption or unethical behaviour including using negotiation teams. This should also be supported by having a clear structure of the negotiation, such as being transparent about the agenda of meetings, recording minutes and deciding on which topics should or shouldn’t be discussed. However, given the complex nature of negotiations within the defence industry, and as stated by the interviewees these requirements are often the norm. Other areas included focusing on relationship and trust building and aligning the values of the negotiating teams and their respective organisations. It was felt that by doing these things it would not only improve the negotiation process but the business as a whole.

However, one possible problem with structuring a negotiation in this way or creating a negotiation model from an ethical perspective, is that it would not be useful to practitioners and would become too theoretical.
7 Analysis

This section explores the usage of the newly established framework, as well as the goals reached with this research. In order to provide a balanced argument in this section, issues and limitations of the research and the model are explored and explained under the heading of critical analysis.

As presented in the previous section, the empirical findings support the gaps in the theory discovered in the literature review. No evidence was discovered of a formal transition of ethical policies or documents into a negotiation model or framework. This finding in itself however presents a number of areas to be examined as well as scrutinised in more detail. This next section will explore those areas, and critically examine the potential use of the SEIB Negotiation Model and its application in theoretical and practical settings.

Filling the gap
As mentioned, the empirical findings support the reasoning for the development of the SEIB Negotiation Model. There is a lack of knowledge and models surrounding negotiations based on ethical principles, as well as a suggested lack of models of this kind that can be applied and used in more practical settings. It is therefore argued that the SEIB Negotiation Model will become a starting point of filling this gap, and beginning a new area of discovery surrounding ethical negotiations. It is also hoped that it can become a basis for practical negotiation settings, especially within the defence industry, as this area has faced a plethora of criticism, as mentioned at the start of this thesis.

Integrative negotiations and goal alignment
Another key area of the SEIB Negotiation Model is the use of integrative negotiation tactics and the alignment of organisational goals across the negotiation table. Since this is a prerequisite to the potential success of the model it is important that negotiators and organisation have a strong understanding for integrative negotiations and tactics associated with them. It is only through having this mutual understanding of integrative negotiations, as well as
being fully committed to the tactics associated with them, that the SEIB Negotiation Model has the potential to reduce unethical choice. In addition to this, negotiating parties and their respective organisations must be open about their values, goals and the reasoning for them. This should also be reflected throughout the organisation, on all levels, from top management, middle management, policy documents and down to those at the negotiation table. By being open and transparent, something that was highlighted during the interviews, it could be easier to identify and align goals, as well as areas of disagreement.

**Theoretical use**

Since the SEIB Negotiation Model has yet to be extensively tested in practical situations, it is hoped that it can currently serve as a theoretical foundation for future developments and exploration into ethical negotiations, especially within the defence industry. Since the SEIB Negotiation Model was developed by evaluating the current state of knowledge surrounding negotiation, it is aimed to add and build upon this knowledge. This in turn will allow others to expand the field of study by developing models in a similar way. Since the SEIB Negotiation Model approached negotiations from an ethical perspective it is also hoped that it will allow others to approach negotiations and the study of negotiation from new perspectives.

**Practical use**

One problem that was expressed by the interviewees was the use of theoretical models during practical situations. It was expressed that each negotiation situation is unique, since they are based on human interaction which often have a number of factors impacting them. Therefore, it could be difficult to generalise or form standard models that would apply to *all* negotiation situations. However, it could be argued for any situation which is based on human interaction, such as conflict management, human resource management, psychology, sociology etc. This does not mean, however, that models and frameworks cannot be developed and used as a foundation for these situations. It is argued therefore, that the SEIB Negotiation Model can fulfil this role, to be used as a starting point for negotiation situations, and developed and adapted to suit the needs and requirements of each negotiation, the negotiators and the organisations involved.
7.1 Critical analysis

Since the SEIB Negotiation Model is newly established and yet to be tested, there are a number of areas that require critical reflection.

No model no cry
The main issue presented by the empirical findings was the fact that despite the lack of a standardised negotiation model that incorporated ethical principles, the interviewees had not faced or been a part of unethical choice. It could be argued therefore that a lack of a standard ethical negotiation model does not necessarily lead to unethical behaviour or decision making during negotiations. However, it could be counter argued that an effective ethical negotiation model could increase the likelihood of ethical choice, based on the findings from previous studies. In addition to this, as with other ethical principles, documents and codes of conduct, act as a form of due diligence. This would demonstrate that an organisation and its employees took all reasonable steps to prevent unethical behaviour and decisions during negotiations, even if the model has no direct impact on the outcome.

It should also be remembered that although the interviewees claim they have not be a part of exposed to unethical behaviour during negotiations, these are the claims of the interviewees. This also highlights the issues of possible biases and conflict of interests, since the interviewees are employed by Saab, it may provide incentives for them not to reveal information pertaining to unethical behaviour. However, it is difficult to confirm or deny the validity of the claims made by the interviewees without longer and more in depth research.

Use of groups
Another aspect that was presented in the interviews was the importance of groups during negotiations, and the potential that groups have on reducing unethical behaviour, opposed to individuals negotiating together. This element is missing from the SEIB Negotiation Model, but could be easily incorporated. However, it also presents the opportunity to examine the effectiveness of the SEIB Negotiation Model when used by individual negotiators compared to negotiation groups or teams. Alternatively this could be incorporated by the differing needs and approaches to negotiations depending on the organisation. It can also be assumed that given the
complexity of negotiations within the defence industry that individual negotiators will seldom be used, and negotiation teams are the norm.

**Not suitable for all types of negotiation**

As the previous point implies, the SEIB Negotiation Model is not expected to be fully effective in all negotiation scenarios. Since it is so dependent on a number of variables such as: the length of the negotiation; complexity of negotiation; organisations involved; composition of negotiating teams or groups; or nature of the negotiation, it cannot be expected to be optimised for all cases. It is suggested however, that it is used as a framework for approaching long term complex negotiations with an ethical foundation. Attempts could also be made to adopt the SEIB Negotiation Model to other kinds of negotiation that suit the requirements of the model.
8 Conclusion

This section summaries arguments as to the success of the research, and to what extent it has achieved the goals it aimed to. These goals include adding to existing literature surrounding negotiations, as well as the implications of a new research framework.

The thesis has fulfilled its purpose to propose a conceptual framework of a negotiation model with an ethical foundation. This research also presents a scrutinized connection between a negotiation model in a complex negotiations process and its ethical output within the defence industry. Based on our findings there is a lack of an established negotiation model in Saab and it can therefore be suggested that this research could have a number of benefits for Saab by implementing the SEIB Negotiation Model for further negotiation strategies.

This research has also fulfilled its purposes of adding and revising existing literature regarding international negotiations and the role of ethics in them. As mentioned there are a number of gaps in the current literature, however, this researched has added to it by addressing the following gaps:

First: there is a need to develop existing models within negotiations with new perspectives.

Second: the area of ethics seems to be neglected within the field of international negotiations

Third: there appears to be a lack of studies that use negotiation professions opposed to students.

The thesis has clearly developed a new theoretical framework that develops on existing models and provides a new ethical perspective, something that had previously been unexplored.

The model also integrates the area of ethics into the field of international negotiations and approaches negotiations of this kind in a new way. Previously ethics and ethical behaviour we often incorporated under subjects such as values or belief systems. The new framework examines ethics from a solid foundation of corporate codes and reviews them in respect to their quality and implementation.

Finally, by using a case study and interviewing subjects that have extensive experience and knowledge of international negotiations, it is hope to provide valuable insight into the model
and existing knowledge surrounding negotiations, which had previously mainly been focused on using students.

As stated there were also a number of areas missing from existing negotiation models that are based on ethical foundations. The conceptual framework therefore has been established to address these flaws in current models.

The model fulfils the goals that it aimed to:

First: it should cover the steps required for achieving successful integrative negotiations, with a focus on developing sustainable relationships between parties.

Second: it should cover aspects that have a positive impact on increasing chances of ethical collaboration and reducing the risk of unethical behaviour. As in this paper will be referred to Sanfran Ethical International Business Negotiations Model (SEIB NM).

It develops on existing models and expands and explores them to allow negotiators to achieve integrative solutions to multi-issue negotiations, while understanding and respecting the ethical requirements that they must adhere to.

It is hoped that the knowledge produced will be valuable to academics exploring negotiations as it will explore an underdeveloped area and provide insight from an empirical perspective, in the form of a case study. This research is aimed to not only review existing negotiations models but also to propose a consolidation of proposed framework in attempt to improve ethical perspective in international negotiation situations. In this research cultural difference has not been taken into consideration for the purpose of only focusing on organizational culture and behaviours through the ethical code of conduct.
9 Discussion

Finally, this section explores the theoretical and practical application of this research and the model established. The paper ends with recommendations for the usage of the model and this research as well as suggestions for further research.

9.1 Implications

9.1.1 Theoretical Implications

Given the academic framing of this thesis and its aim to develop on existing theories, the most important outcome is that it can be add to existing research and that it develops existing theories within negotiations and business ethics. This thesis and the SEIB Negotiation Model construct as a result of the research aim to lay the foundation for new developments and explorations in this area. It can also serve as a foundation to begin close the existing gap in literature between international negotiations and business ethics.

9.1.2 Practical Implications

Since the empirical findings support and reflect the proposed SEIB Negotiation Model, it is hoped that the model can be applied not only in a theoretical setting but also be of use to practitioners. It is hoped that negotiators can be educated and trained in the understanding and use of the SEIB Negotiation Model, within international negotiations within the defence industry.

9.2 Recommendations and Future Research

Due to time limits the SEIB Negotiation Model has not yet been tested. It is therefore recommended that those who are looking to study complex international negotiations, and the ethical challenges associated with them, can adopt the SEIB Negotiation Model and measure the results of practitioners that use them. One aim of the researchers is to present this model to top management within Saab and explain the model in depth. This could provide the opportunity to study the practical use and application of the model over a longer time period.
As the issue of individual negotiators opposed to negotiation teams is not explicitly examined within the model, one area of future research could be to examine its effectiveness in these two areas.

Another area for future research would be to explore the use of the SEIB Negotiation Model in other organizations operating in the international defence industry. Since this is a single case study, explored in only one country, future researchers could apply the SEIB Negotiation Model in a broader context. This could be done by comparing the effectiveness of SEIB Negotiation Model in different companies operating and based in different countries. This could provide insight into the wider application of the SEIB Negotiation Model and its suitability in the overall population of the defence industry.

It is also hoped that the foundation can serve as a foundation for new models within this area, and that it demonstrates that new theories and perspectives can be used in order to fill existing gaps in seemingly incompatible areas of study.
Reference list


Presman, G. (2016). Negotiation. [Place of publication not identified]: Icon Books Ltd.


Appendix

Appendix 1 - Acquisition process - supplied by Saab
Appendix 2 - SEIB Negotiation Model visual representation

1. What are the obligations of the organisation?
2. What are the values of the organisation?
3. What would the organisation considered a successful negotiation?
4. What are my counterpart’s values?
5. What would my counterpart consider a successful negotiation?
6. How could our organisations build a sustainable and beneficial relationship?
7. How could our organisations reach a mutually beneficial and successful agreement while respecting our obligations and ethical values?