

**EFFECTS OF INDIVIDUALISM AND POWER DISTANCE ON BUSINESS STUDENT JUDGMENTS OF
VARIOUS NEGOTIATING TACTICS**

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ABSTRACT

This study examines the influence of cultural values (individualism and power distance) on ethical judgments regarding the appropriateness of five categories of negotiating tactics: 'misrepresentation of information'; 'manipulation of opponent's network'; 'traditional competitive bargaining'; 'inappropriate information-gathering'; and 'bluffing'. Two samples of business students, one from a Western cultural context (Canada: high in individualism and low in power distance) and the second from a non-Western cultural context (Tunisia: high in collectivism and power distance), rate 18 negotiating tactics. The findings reveal that individualism and power distance have positive and negative effects on the appropriateness of negotiation tactics, respectively. Both the Tunisian and Canadian respondents believed that most of the proposed negotiating tactics were ethically problematical. However, Canadian students differed significantly from their Tunisian counterparts on ratings of four out of the five negotiation tactic categories. Despite numerous studies in the literature on the influence of culture on business ethics, there is no consensus on which cultural (values) factors have the greatest influence. Indeed, the current study is the first to investigate the possible differences between ethical judgments of Canadian and Tunisian trade negotiators.

Keywords: *Business Ethics, Negotiating Tactics, Ethical Judgment, Individualism-Collectivism, Power Distance.*