A Cultural Perspective on Negotiation: Progress, Pitfalls, and Prospects

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Cet article passe en revue les vingt dernières années de recherche sur la culture et la négociation et présente les progrès qui ont été faits, les pièges dont il faut se défier et les perspectives pour de futurs travaux. On a remarqué que beaucoup de recherches avaient tendance à suivre ces deux modèles implicites: (1) l'influence de la culture sur les stratégies et l'aboutissement de la négo-ciation et/ou (2) l'interaction de la culture et d'autres aspects de la situation immédiate sur les résultats de la négociation. Cette recherche a porté sur un grand nombre de cultures et a mis en évidence plus d'un modèle intéressant. Nous signalons cependant trois piège caractéristiques de cette littérature, pièges qui nous ont handicapés. Tout d'abord, la plupart des travaux se satisfont de dénominations géographiques pour désigner les cultures et il est par suite souvent impossible de déterminer les dimensions culturelles qui rendent compte des différences observées. Ensuite, beaucoup de recherches ignorent les pro-cessus psychologiques (c'est-à-dire les motivations et les cognitions) qui sont en jeu dans les négociations prenant place dans des cultures différentes si bien que nous apprenons peu de choses à propos de la *psychologie* de la négociation dans des contextes culturels diversifiés. On se heurte ainsi à une « boîte noire » que les travaux sur la culture et la négociation se gardent généralement d'ouvrir. Enfin, notre travail n'a recensé qu'un nombre restreint de variables situation-nelles immédiates intervenant dans des négociations prenant place dans des cultures différentes; notre compréhension des effets modérateurs de la culture sur la négociation est donc limitée. Nous proposons un troisième modèle, plus complet, de la culture et de la négociation, présentons quelques données récentes en sa faveur et esquissons quelques perspectives pour l'avenir.

In this article, we review the last 20 years of research on culture and negotiation, and discuss progress that has been made, pitfalls which exist, and prospects for future research. Our review discerned that much research tends to examine the following implicit models: (1) the influence of culture on negotiation tactics and outcomes, and/or (2) the interaction of culture and other proximal situational conditions on negotiation outcomes. This research has been conducted in a wide variety of cultures, and has illuminated a number of interesting patterns. However, we describe three pitfalls characterising much of this literature, which have limited our progress. First, most research uses

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geographical location as a surrogate for culture, and consequently, it is often not possible to specify the aspects of culture which account for observed differences. Second, most research ignores the psychological processes (e.g. motives, cognitions) that are involved in negotiations in different cultures, and consequently, we know very little about the *psychology* of negotiation in different cultures. As such, there is a "black box" that remains generally unopened in culture and negotiation research. Lastly, research has examined only a limited number of proximal situational conditions in negotiations across cultures, and thus our understanding of the moderating effects of culture on negotiation is limited. Based on these concerns, we advance a third model of culture and negotiation, describe recent support for some of its relations, and delineate prospects for future research.

INTRODUCTION

Social conflict is ubiquitous, making our ability to understand, predict, and manage conflict one of the most important challenges facing humankind. Fortunately, over the last several decades, we have witnessed an explosion of theory and research on ways to constructively manage conflict (Kramer & Messick, 1995). Most notably, scholars have offered important conceptual perspectives and empirical insights on the use of negotiation as one way to deal with social conflict. Such perspectives include *economic* models and *game theory* (Raiffa, 1982), which offer prescriptive accounts of negotiation behaviour, as well as *motivational* (Pruitt, 1981), *cognitive* (Bazerman & Carroll, 1987; Thompson & Hastie, 1990), *and individual differences* models (Rubin & Brown, 1975), which offer descriptive accounts of negotiation behaviour. Advances in the science and practice of negotiation are also evidenced in the proliferation of journal articles, books, and edited series, as well as courses, seminars, and trainings devoted to this topic. Undoubtedly, such diverse perspectives have enriched our understanding of this important conflict resolution technique.

Notwithstanding this progress, in this paper we argue that there is a need for the development of yet another perspective—a *cultural perspective*—to build on the existing science and practice of negotiation (see also Cai & Drake, 1998; Janosik, 1987). Theoretically speaking, such a perspective is important given that the vast majority of studies on negotiation have been done in Western contexts (Pruitt & Carnevale, 1993; Triandis, 1994). As such, there is a great need to understand what is *universal* (etic) and *culture-specific* (emic) about negotiation theory and research. Practically speaking, given that the world is becoming increasingly interdependent, such a perspective would ideally illuminate advice for negotiators who operate in the global arena. Below, in the spirit of further developing a cultural perspective on negotiation, we first provide a basic overview of conceptual-isations of both "negotiation" and "culture". Next, we review research that has been conducted on culture and negotiation in the last 20 years.

Throughout our review, we highlight some of the progress that has been made as well as some of the pitfalls that exist in research on culture and negotiation. Lastly, we offer an integrative framework that builds and extends on this research, and discuss some specific prospects for future research.

NEGOTIATION

Negotiation has been defined as the process by which two or more parties attempt to resolve perceived incompatible goals (Carnevale & Pruitt, 1992). It is a pervasive form of social interaction that is conducted frequently in formal arenas, such as international relations, industrial relations, and manager–subordinate relations, as well as in informal arenas, such as interpersonal relations and marital decision making (Pruitt & Carnevale, 1993). Although these arenas are quite diverse, there are some common elements of negotiation that are applicable across contexts. Specifically, negotiation situations have at least five core characteristics: (1) parties have, or perceive that they have, a conflict of interest over one or more different issues; (2) parties are engaged in communication designed to divide and exchange one or more scarce resources, which can be either tangible (e.g. money, goods) or intangible (e.g. information, rights, privileges); (3) compromises are possible; (4) parties make provisional offers and counteroffers to each other; and (5) parties are temporarily joined together voluntarily, and their outcomes are determined jointly (Chertkoff & Esser, 1976; Cross, 1965; Rubin & Brown, 1975).

The basic theoretical goal of research on negotiation is to understand the processes and outcomes of negotiations, whereas the practical or applied goal is to help negotiators effectively resolve conflicts. While there is not one specific model or theory of negotiation, within the behavioural tradition of negotiation, research on negotiators' *psychological states*, including motives (Pruitt, 1981; Pruitt & Carnevale, 1993) and cognitions (Bazerman & Neale, 1983; Thompson, 1990), has been very useful in understanding negotiations processes and outcomes. For example, a decade of research has illuminated the role of motivational variables, such as aspirations and goals, on negotiation tactics and outcomes (Pruitt & Rubin, 1986; Pruitt & Carnevale, 1993). Most notable in this regard is the dual concern model (Pruitt & Rubin, 1986), which has delineated the effects of different motivational orientations on strategic preferences in negotiation. Another important line of research has focused on negotiators' information processing capabilities and how they impact judgments, behavioural processes, and outcomes in negotiations (Bazerman & Carroll, 1987; Thompson, 1990). More recently, there has also been a resurgence of interest on the impact of the social context on negotiations (Kramer & Messick, 1995), expanding our understanding of such issues as negotiators' relationships (e.g. Greenhalgh &

Chapman, 1995), negotiation teams (e.g. Thompson, Peterson, & Kray, 1995), and social norms (e.g. Pruitt & Carnevale, 1993). Below, we continue this trend by focusing on research on the *cultural context* of negotiations, which is arguably the broadest social context in which negotiations occur (Carnevale, 1995). Before turning to this literature, we first provide a definition of culture, and describe ways in which cultures have been found to vary.

CULTURE

Culture has been very broadly defined as the human-made part of the environment (Herskovits, 1955), consisting of both objective elements (e.g. tools, roads, housing), and subjective elements, or a "group's characteristic way of perceiving its social environment" (Triandis, 1972, p. 3). The latter includes a multidimensional array of shared beliefs, norms, ontological assumptions, roles, and values of a particular group (Triandis, 1972) that are instantiated in everyday social practices and social institutions, and which have been historically cultivated and deemed functional across time. Such elements of culture constitute distinct themes or dimensions, which are often organised in response to important group and societal concerns (Schwartz, 1994).

Although early research in cross-cultural psychology was largely atheoretical and focused mainly on geographical differences, in the last 20 years, there have been numerous dimensions of cultural variation which have been empirically derived (Hofstede, 1980; Schwartz, 1994; Triandis, 1982). The most recent research in this area is that provided by Schwartz and his associates (Schwartz, 1992, 1994; Schwartz & Bilsky, 1990). Based on extensive research in more than 40 countries, Schwartz theoretically proposed and empirically validated a circumplex structure of specific cultural value types. These cultural value types represent different socially shared abstract ideas about what is good, right, and desirable in a society or in any culturally bounded group within nations (Smith & Schwartz, 1997). More specifically, cultures may be differentiated on the degree to which they value (1) *Conservatism (Collectivism)*: the importance placed upon interdependence and embeddedness of people in closely knit groups, and the promotion of group goals; (2) *Hierarchy*: the importance placed on fixed (i.e. ascribed) hierarchical roles in structuring interactions and allocating resources; (3) *Mastery*: the importance placed on active efforts to modify the environment and get ahead of others through self-enhancement and achievement; (4) *Autonomy (Individualism)*: the importance placed on independence and the pursuit of personal interests and goals, which can be further differentiated into two components, affective autonomy (i.e. valuing stimulation and hedonism) and intellectual autonomy (i.e. valuing flexible thinking and self-direction); (5) *Egalitarian Commitment*: the

importance placed on transcendence of selfish interests, commitment to abstract principles, and the promotion of the welfare of others; and (6) *Harmony*: the importance placed on the acceptance of the world as it is and preservation of the larger environment.

According to Schwartz's theory, any nation, or subgroup in a nation may be characterised by a distinct cultural value *pattern* or *profile* which maps onto the circumplex (Smith & Schwartz, 1997). For example, cultural values of autonomy are consistent with an emphasis on ambition, competition, achievement, and success (i.e. mastery), which is most characteristic of the USA and the UK (Schwartz, 1994). Autonomy values may also be patterned with egalitarian commitment and harmony values, which is characteristic of many Western European and Scandinavian cultures (e.g. Norway and Sweden). Likewise, conservatism values may be patterned with hierarchy values, which is often found in East Asia, Turkey, and many Latin American cultures. However, there are also cultures in which conservatism is patterned with egalitarian commitment, such as the Israeli kibbutz and among Quakers in the United States.[1]

While Schwartz's conceptualisation provides an in-depth understanding of value importance at the culture level, still another aspect of culture not represented in his circumplex, which we will argue is relevant to negotiation, is the degree of *variability* that characterises cultures. Historically, variability has been conceived of as a statistical issue, yet at the cultural level, scholars have also argued that it represents an important cultural construct. More specifically, cultures can be differentiated *on tightness–looseness*, which refers to the degree to which situational norms are clearly defined and reliably imposed across cultures (Chan, Gelfand, Triandis, & Tzeng, 1996; Gelfand, Chan, Triandis, Yamaguchi, & Nishii, 1998; Pelto, 1968). In tight cultural systems, such as Japan and Germany, there is less variability in the perception of situational norms, and there is greater "situational constraint" on the behavioural patterns that are appropriate across a wide range of situations. In other words, there is a *restricted range* of behaviour that is tolerable within situations, and sanctioning systems are well developed (Gelfand et al., 1998). By contrast, in loose cultural systems, such as the USA and Thailand, there is more variability in the perception of situational norms, and there is a *greater range* of behaviours that are appropriate across situations. In such cultures, sanctioning systems are less well developed (Gelfand et al., 1998).

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[1] Very similar cultural patterns have been identified by Triandis and colleagues (Triandis, 1995; Triandis & Gelfand, 1998), who discussed patterns of vertical individualism (combination of autonomy and mastery), horizontal individualism (combination of autonomy and egalitarian commitment), vertical collectivism (conservatism and hierarchy), and horizontal collectivism (conservatism and egalitarian commitment).

Importantly, while all of these cultural patterns can become explicit (as when one is transplanted to a different culture), they are more often implicit, and operate at a level of consciousness outside of awareness. For instance, with respect to individualism, which pervades American culture, Markus, Kitayama, and Heiman (1997, p. 861) explain that:

> the culturally shared idea of the individual self is a pervasive, taken-for-granted assumption that saturates all of lived experience. It is held in place by language, by the mundane rituals and social practices of daily life, by the foundational texts like the Declaration of Independence and the Bill of Rights, and by virtually all social institutions including the legal system and the media.

In our view, one of the goals of a cultural perspective on negotiation is to make such *implicit* themes more *explicit*, and thus to delineate the myriad of ways in which aspects of culture become manifest in negotiations. Next, we review some of the research on culture and negotiation that has been conducted in the last two decades.

CULTURE AND NEGOTIATION RESEARCH

Speculation on cultural influences on negotiation dates back to the early 20th century, as evidenced by the statement made by the diplomat Harold Nicolson (1939; in Druckman, Benton, Ali, & Bagur, 1976, p. 414):

> There exist certain standards of negotiations which might be regarded as permanent and universal. Apart from these standards, which should be common to all diplomacy, there are marked differences in the theory and practice of the several great powers. These differences are caused by variations in national character, tradition, and requirements. One can thus distinguish types or species of diplomacy and it is important that these distinctions should be recognized.

Though speculation on cultural influences on negotiation has a long past, the scientific study of the subject has a short history. It is only in the last 20 years that we have seen an increase in the amount of research on cultural differences in negotiation. Perhaps most apparent is the abundance of articles and books providing descriptions and advice on how to negotiate in numerous countries. To date, one can find information about negotiating in China (Blackman, 1997; Goh, 1996; Pye 1982; Shenkar & Ronen, 1987), Japan (Hawrysh & Zaichkowsky, 1989; March, 1988; Van Zandt, 1970), Korea (Tung, 1991), Mexico (Harris & Moran, 1979), Russia (Schecter, 1998; Smith, 1989), Spain (Burton, 1994) among others (Acuff, 1997; Cohen, 1997; Salacuse, 1991). Likewise, there are a number of in-depth case studies and archival studies of intercultural negotiations that are available (Anand,

1981; Cohen, 1991; Cohen, 1987; Faure & Rubin, 1993; Glenn, Witmeyer, & Stevenson, 1977; Kimura, 1980; Strazar, 1981). While such discussions offer rich accounts of culture-specific negotiation styles and specific intercultural clashes, they are less useful for testing theories about culture and negotiation across a variety of contexts.

There are, however, a growing number of empirical cross-cultural negotiation studies that do offer such potential. Our review of the last 20 years of empirical journal articles discerned that, generally speaking, researchers studying culture and negotiation examine one or both of the following implicit models: *The influence of culture on negotiation tactics and outcomes* (Model 1) and/or *The interaction between culture and proximal situational conditions on negotiation outcomes* (Model 2). To preface the following discussion, research has been conducted in a wide variety of cultures, and has illustrated some interesting similarities and differences in negotiation across cultures. However, for the most part, there is an abundance of conflicting and unexpected patterns in the literature, making it difficult to make any generalisations. In our view, this is due to three general pitfalls. First, much research uses *geographical location* as a surrogate for culture, rather than theoretical accounts of culture previously discussed (Hofstede, 1980; Schwartz, 1994). Consequently, it is not possible to specify the aspects of culture which account for any differences. Second, much research ignores the *psychological processes* (e.g. motives, information processing) that are involved in negotiations in different cultures, and as such we know very little about the psychology of negotiation in different cultures. Generally speaking, there is a "black box" that remains unopened in the area of culture and negotiation research. Third, research has examined the effect of only a limited number of proximal situational conditions (e.g. buyer–seller roles) on negotiations across cultures, and thus our understanding of the *moderating* effects of culture (e.g. its interaction with situations) is limited. Below, we will describe some of the previous research within the aforementioned models, and elaborate on these points. We then build on this and advance a third model of culture and negotiation that we offer as a more comprehensive framework. Recent studies that support components of this model will be described, and numerous prospects for future research will be delineated.[2]

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[2] This review mostly contains journal articles published in the last 20 years listed in *Psychological Literature* (PSYC LIT). Only articles which explicitly considered the role of culture in negotiation contexts are reviewed. Studies that included samples from other cultures but did not specifically address the issue of culture were not included, nor were studies on preferred methods of conflict resolution and conflict styles (i.e. based on Rahim, 1983) which were more general than negotiations per se. Several recent theses and conference papers which could be located were also included.

Model 1. Cultural Influences on Negotiation Tactics and Outcomes

Over the last few decades, numerous studies have examined whether there are cross-cultural differences in the use of certain tactics and outcomes in negotiations. The general approach in many of these investigations was to examine, in laboratory simulations, whether people located in different nations use different negotiation tactics and/or achieve higher/lower outcomes. Existing research can be found comparing the tactics and outcomes of Americans with Brazilians and Japanese (e.g. Graham, 1984), Canadians (e.g. Adler, Graham, & Gehrke, 1987), Chinese (e.g. Adler, Brahm, & Graham, 1992), French (e.g. Campbell, Graham, Jolibert, & Meissner, 1988), and Russians (e.g. Graham, Evenko, & Rajan, 1993), among others. Fig. 1 illustrates the implicit model being tested in many of these studies. In general, differences are found in most of these studies, yet most used geographical location rather than cultural dimensions, and thus the reasons why these differences exist are often unclear. Additionally, the psychological processes involved were not investigated in most studies, lending little understanding to the cognitive or motivational underpinnings of the results.

Culture and Negotiation Tactics.   Several studies have examined whether people use different tactics in negotiations across cultures. Many of these studies examined one or both of the following questions: (1) Do people use problem-solving tactics to the same extent in different nations? and/or (2) Do people reciprocate problem-solving tactics to the same extent in
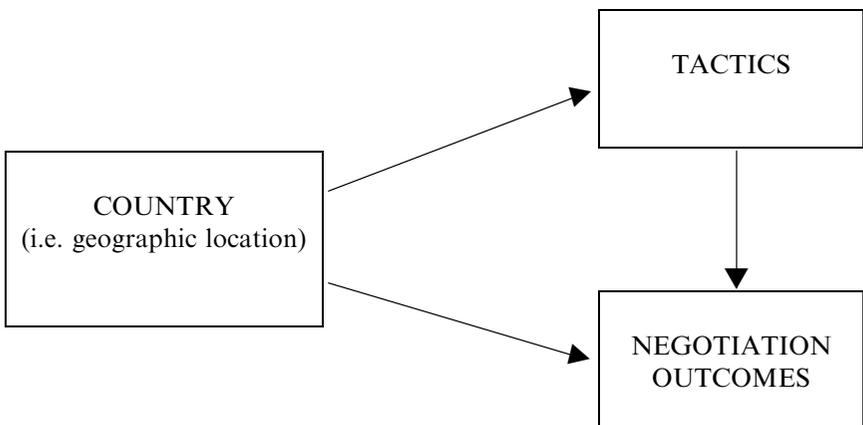

FIGURE 1.   The influence of culture on negotiation tactics and outcomes.

different nations? Because of the aforementioned pitfalls, it is difficult to discern definitive patterns in the results. For example, Adler and Graham (1987) and Adler et al. (1987) found that French-speaking Canadians used fewer cooperative tactics than either Americans, English-speaking Canadians, or Mexicans in a laboratory simulation of negotiation. Such results were opposite to what was predicted, namely that French-Canadians would engage in more cooperation. In a later study, Adler et al. (1992) found that Americans used *fewer* cooperative tactics (i.e. questions and self-disclosure), and more instrumental tactics (i.e. threats and commitments to positions) as compared to Chinese negotiators. The country of origin also affected negotiators' nonverbal behaviours. For example, Chinese subjects interrupted each other less often, and used the terms "no" and "you" less often than US subjects. In another study, Graham (1985b) found no differences in the degree to which American, Japanese, and Brazilian subjects used aggressive tactics. However, American negotiators were found to use aggressive tactics earlier than Japanese or Brazilian subjects. Similar to the other studies reviewed, the theoretical mechanisms underlying the effects are unclear.

Other research has examined whether problem-solving tactics are *reciprocated*, or matched to the same extent in negotiations in different cultures (Adler et al., 1987; Adler et al., 1992). However, research on this question has also yielded equivocal results. Some studies show that, regardless of culture, negotiators report that they reciprocate problem-solving tactics. For example, Graham et al. (1993) found that both Soviet and American negotiators reported they matched their counterparts' problem-solving strategies, and Adler et al. (1992) found that American and Chinese negotiators reported matching their counterparts' tactics as well. On the other hand, Allerheiligen, Graham, and Lin (1985) found that Japanese subjects reported more similarity in the use of "honest tactics" between themselves and their counterparts, as compared to both Brazilian and American negotiators. Likewise, Adler et al. (1987) found that French-speaking Canadians were much less likely to report that they and their counterparts reciprocated problem-solving tactics, as compared to Americans, Mexicans, and English-speaking Canadians. The authors concluded that cooperative behaviours are not always reciprocated in negotiations in all cultures, yet the theoretical underpinnings allowing for predictions were not specified.

Recently, McCusker (1994) has avoided these pitfalls by offering a theoretical foundation upon which the reciprocation of tactics may be based. Specifically, he argued that reciprocation of tactics is more likely to occur in cultures that emphasise exchange over communal relationships (Mills & Clark, 1982). In exchange relationships, which tend to be emphasised more in individualistic cultures, participants keep track of the

exchanges that occur, and reciprocate them immediately and in kind. By contrast, in communal relationships, which tend to be emphasised more in collectivist cultures, benefits are given according to other's *needs*, and there is less of an emphasis on reciprocating exchanges. In support of this theory, McCusker found that immediate reciprocity was more characteristic of negotiations in the USA as compared to Korea. This study is notable for its *a priori* theory regarding reciprocity scripts in negotiation, as well as its focus on dimensions of cultural variation (e.g. individualism–collectivism) rather than geographical location.

Culture and Negotiation Outcomes. Another area of inquiry that has received attention is the influence of culture on negotiation outcomes, such as individual and joint profits. Several researchers have postulated that negotiators in certain cultural groups will achieve lower outcomes than negotiators in other cultural groups. For example, Adler et al. (1987) predicted that French-speaking Canadians and Mexicans would place less emphasis on profits and therefore achieve lower monetary outcomes than English-speaking Canadians and Americans. However, there were no significant differences among the four groups on profits achieved in a negotiation simulation. Likewise, Allerheiligen et al. (1985) predicted that joint outcomes would be lowest for Brazilians, next highest for Americans, and highest for the Japanese. Their results, however, did not support this hypothesis. By contrast, Shapira and Bass (1975) did find cultural differences in outcomes in a study conducted in Denmark, France, Germany, Italy, the Netherlands, Norway, Sweden, the UK, and the USA. They found that Americans were more likely to settle and less likely to deadlock than the other groups, yet the reason for this difference is unclear.

In a recent study examining outcome differences in negotiation, Natlandsmyr and Rognes (1995) did make predictions based on dimensions of culture, rather than on geographic location. Based on Hofstede (1980), they created two opposing hypotheses: Norwegians would have more integrative outcomes than Mexicans based on their low masculinity, weak uncertainty avoidance, and low power distance scores. Alternatively, based on Hofstede's (1980) individualism scores, they hypothesised that Mexicans would have more integrative outcomes than Norwegians. Support was found for their first hypothesis, in that Norwegians had more integrative outcomes than Mexicans. In addition, supplementary analyses illustrated that Norwegian offers became more and more integrative as compared to Mexican offers. Unlike the previous studies, this study did explore some of the mechanisms underlying differences in outcomes, albeit post hoc, which represents an important advance.

Studies have also examined whether there are certain tactics (e.g. problem solving) which are *instrumental* to attaining high outcomes in all cultures

(Adler et al., 1987; Allerheiligen et al., 1985; Graham, 1983; Graham et al., 1993; Graham, Kim, Lin, & Robinson, 1988). Again, the evidence regarding this line of inquiry is mixed. In some studies, Graham and his colleagues illustrated that an opponent's use of problem-solving tactics increased the other negotiators' individual profits among certain cultural groups, including Americans, Chinese, Soviets, Anglophone Canadians, and French (Adler et al., 1992; Graham et al., 1993; Graham, Mintu, & Rodgers, 1994). Other studies by the same authors, however, show no relationship between opponents' use of problem-solving tactics and individual profits among Mexicans, Francophone Canadians, British, Chinese in Taiwan, Koreans, Germans (Graham et al., 1994), as well as Japanese and Brazilian negotiators (Graham, 1983). However, the theoretical rationale for these findings is lacking.

Finally, some studies have also examined the relationship between negotiators' own problem-solving tactics and their own outcomes across cultures. While differences have been found, they are difficult to interpret. Some studies have shown that the use of problem-solving tactics is *inversely* related to profits among Soviets (Graham et al., 1993), Mexicans (Adler et al., 1987; Graham et al., 1994) and French-speaking Canadians (Adler et al., 1987). Likewise, Allerheiligen et al. (1985) found that Brazilian and Chinese subjects achieved higher profits when they rated themselves as less honest. On the other hand, Graham et al. (1994) found there was *no relationship* between problem solving and profits for Germans, British, French and Anglo Canadians, yet there was a *positive* relationship among problem solving and outcomes among Taiwanese and Koreans. In sum, these studies suggest that tactics do not seem always to affect outcomes in the same way across cultures, yet the particular mechanisms underlying such differences are not delineated.

Model 2. Culture and the Proximal Context in Negotiation

Our review also found that there were a variety of studies that examined how culture interacts with proximal negotiation conditions to predict negotiation outcomes (Fig. 2). Most of the research done in this line of inquiry has focused on whether negotiators' *roles* (i.e. buyer or seller) differentially affect outcomes across cultures. These questions are important, as they focus on the interaction of culture with contextual factors, and thus illustrate the *moderating* effects of culture on negotiation (in addition to the main effects). However, as mentioned in the previous discussion, most studies rely upon geographic location, rather than on dimensions of cultural variation, and there is a dearth of clear theoretical explanations in this area of inquiry, making generalisations difficult.
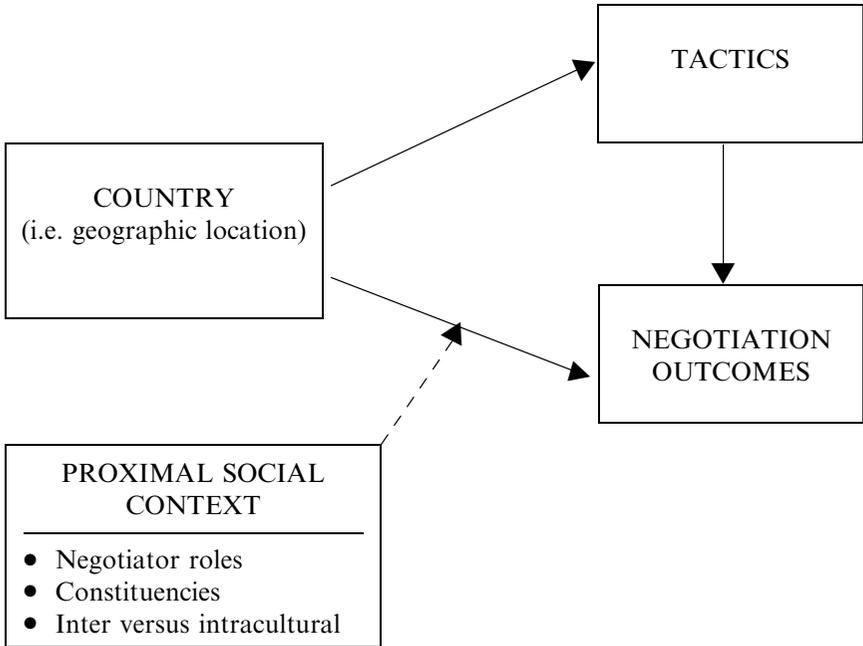
FIGURE 2.   The interaction between culture and proximal situational conditions on negotiation outcomes.

Culture and Negotiators' Roles.   Research suggests that in some cultures the role of the negotiator (e.g. buyer or seller) is a more important determinant of outcomes than in other cultures. For example, using regression analysis, Graham (1983) examined the variables that explained the most variance in outcomes in Brazil, Japan, and the USA. He found that the role of the negotiator was the most important predictor of outcomes in Japan, deceptive tactics were the important predictors in Brazil, and representational (i.e. cooperative) tactics were the most important predictors of outcomes in the USA. Other studies have demonstrated that negotiators occupying certain roles (e.g. buyers) obtain higher outcomes in negotiations in some cultures, but not in others. Specifically, studies have demonstrated that there are no differences in buyer–seller outcomes among Americans (Adler et al., 1987; Adler et al., 1992; Campbell et al., 1988; Graham et al., 1988), Chinese (Adler et al., 1992; Graham et al., 1988), French-speaking Canadians (Adler et al., 1987), and Germans (Campbell et al., 1988). Alternatively, buyers outperformed sellers among Japanese (Graham et al., 1988), Koreans (Graham et al., 1988), Anglo-Canadians (Adler et al., 1987),

British (Campbell et al., 1988), French (Campbell et al., 1988), and Mexicans (Adler et al., 1987). In most of these studies, the mechanisms underlying the differential effects of negotiators' role were not assessed. Recently, in a post hoc analysis, Graham et al. (1994) explored the possibility that cultures high on power distance (Hofstede, 1980) would place more emphasis on role-relations, and consequently, roles would have a greater influence on outcomes in these cultures. In support of this, using Hofstede's (1980) rankings, Graham et al. (1994) found a significant correlation between the power distance scores of a nation and the relationship between role and outcomes. This study is notable in its attempt to integrate a dimension of culture, with aspects of the proximal negotiation context.

Culture and Negotiators' Relationships. Surprisingly, there have been few cross-cultural studies on other aspects of the negotiation context in the last 20 years (e.g. formality of social setting, time pressure, within-team dynamics). There are a few studies, however, that have looked at aspects of negotiators' relationships and their impact on negotiations in different cultures. An early study by Druckman et al. (1976) examined whether constituents have a differential impact on negotiators across cultures. Druckman et al. (1976) found that group representation had differential effects on negotiators in India, Argentina, and the United States. For example, Americans who negotiated with an audience present made more offers than with no audience whereas Argentinians with an audience present made fewer offers than with no audience present. Theoretically speaking, these effects are hard to interpret, and as we will argue later, this is a ripe area for research.

With regard to other aspects of negotiators' relationships, there are some studies that have compared outcomes in intracultural versus intercultural negotiations, and examined whether such effects vary across cultures. For example, Adler and Graham (1989) compared outcomes in intracultural and intercultural negotiations, yet it is difficult to discern definitive patterns in their results. Americans were more satisfied with their profits in intercultural as compared to intracultural negotiations, and Japanese and Anglophone Canadians achieved lower joint profit in intercultural negotiations as compared to intracultural negotiations. In another study, Graham (1985a) predicted that outcomes would be lower in intercultural negotiations (i.e. Japanese–American) as compared to intracultural negotiations (i.e. Japanese–Japanese, or American–American), yet no differences were found in this study. Graham did demonstrate, however, that intracultural dyads used more problem-solving and cooperative tactics than intercultural dyads. More recently, Natlandsmyr and Rognes (1995) found that intercultural groups of Mexicans and Norwegians achieved lower profit than intracultural groups of Norwegians, yet again there was little empirical attention given to

the reasons for these differences. The authors speculate that language deficiencies may account for these results. In sum, while it appears that negotiation outcomes (and tactics) can differ in intercultural and intracultural negotiations, and that such effects can vary by culture, the factors that contribute to such differences in these studies are not evident.

In a recent study, Chan (1992) provided a theoretical account of *why* negotiations with people from one's own group (i.e. in-groups) may differ from negotiations with people from other groups (i.e. out-groups), and how this varies across cultures. Based on individualism–collectivism theory, Chan (1992) proposed that Chinese negotiators would make greater distinctions between in-groups and out-groups in negotiations, whereas American negotiators would not make such distinctions. Consistent with this hypothesis, he found that Chinese negotiators, who were shown to be more collectivistic, made fewer concessions when negotiating with out-groups than with in-groups. On the other hand, behaviour of Americans, who were more individualistic, did not vary as a function of in-group–out-group distinctions. His study departs from others within Model 2 by examining the moderating impact of culture on *negotiation behaviours*. Chan's study is notable in that he *measured* aspects of individualism–collectivism, and demonstrated that the *same* negotiation condition (in-group–out-group) may have differential effects across cultures.

General Summary

As evidenced in this review, existing cross-cultural negotiation research is quite varied in terms of the topics and cultures investigated. Such research illustrates the importance of culture, and thus advances the development of a cultural perspective on negotiation. Indeed, research on this topic has surely advanced from Harold Nicolson's 1939 speculation on different "species" of diplomacy. However, conceptual limitations in this line of inquiry have impeded our understanding of cultural effects (cf. Zartman, 1993). With some notable exceptions, researchers often utilised post-hoc explanations to interpret unexpected patterns of results, and generally used geographical location as a surrogate for culture. For example, culture has been defined as "a difference in national heritage and permanent residence of the parties in negotiation" (Graham, 1983, p. 198). As such, there is a need to shift the focus from using "location" to infer culture, and merely documenting differences, to making *a priori* predictions from profiles of shared cultural values (Schwartz, 1994), and *verifying* those cultural assumptions with existing measures. Moreover, most research ignores the psychology of negotiation in different cultures, and thus we know little about the *cognitive* and *motivational* mechanisms that mediate cultural effects. This knowledge base would not only help us to understand and

predict negotiations across cultures, but would also aid practitioners in developing training programmes that help negotiators understand their own and others' behaviours in intercultural negotiations. Lastly, existing cross-cultural research treats the system of negotiation simplistically in only examining a limited range of proximal negotiation conditions. Negotiations do not occur in a vacuum—they are characterised by a host of contextual or situational variables (Pruitt & Carnevale, 1993). In this respect, current research neglects not only cultural variation in the *types* of conditions that may be characteristic of negotiations, but also cultural variation in the *impact* that conditions have on negotiators. Below, we build on these previous models and describe a third model of culture and negotiation which has received some recent empirical support (i.e. Brett & Okumura, 1998; Gelfand & Realo, in press; Shapiro & Rognes, 1996; Tinsley, 1998).

Model 3: Toward a Dynamic and Psychological Model of Culture and Negotiation

Fig. 3 illustrates the complexity through which culture is expected to influence the system of negotiation. Central to this model is that culture is operationalised on a variety of specific value dimensions. Also paramount to the model are negotiators' psychological states, which broadly encompass negotiators' implicit theories and metaphors, judgment biases, reasoning processes, motives, self-regulation, and affect. As can be seen, aspects of culture are expected to have *direct* effects on negotiators' psychological states. In this respect, the framework advanced is consistent with field theory (Lewin, 1935), which posits that accounts of social behaviour should be based on psychological events which exist in the "life space" at the time behaviour is occurring (McCusker & Gelfand, 1997). The framework is also consistent with culture theory, which asserts that culture affects the psyche or how people "enter into meaning" in social situations (Bruner, 1990; Markus et al., 1997).

As seen in the model, culture is also expected to *moderate* certain components in the system of negotiation. Specifically, culture is expected to (1) moderate the influence of proximal situational conditions on negotiators' psychological states (and indirectly influence behaviours), and (2) moderate the influence of negotiators' psychological states on negotiators' behaviours. Finally, although culture is not shown to have direct effects on outcomes, we will highlight some indirect effects that culture may have on outcomes in negotiation, through the dynamic interplay between culture, psychological states, and negotiation behaviours.[3]

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[3] This builds upon Bazerman and Carroll's (1987) framework which illustrates that negotiators' behaviours affect their counterparts' psychological states.

CULTURE
- Individualism/Collectivism
- Hierarchy/Egalitarianism
- Tightness/Looseness
- Mastery/Harmony

NEGOTIATOR A'S PSYCHOLOGICAL STATES
- Implicit theories and metaphors
- Judgment biases
- Reasoning processes
- Motives
- Self-regulation

NEGOTIATOR A'S BEHAVIOURS
- Tactics
- Sequence of offers and scripts
- Communication

PROXIMAL SOCIAL CONDITIONS
- Roles
- Constituencies
- Deadlines
- Negotiator relationships

NEGOTIATED OUTCOMES

NEGOTIATOR B'S PSYCHOLOGICAL STATES
- Implicit theories and metaphors
- Judgment biases
- Reasoning processes
- Motives
- Self-regulation

NEGOTIATOR B'S BEHAVIOURS
- Tactics
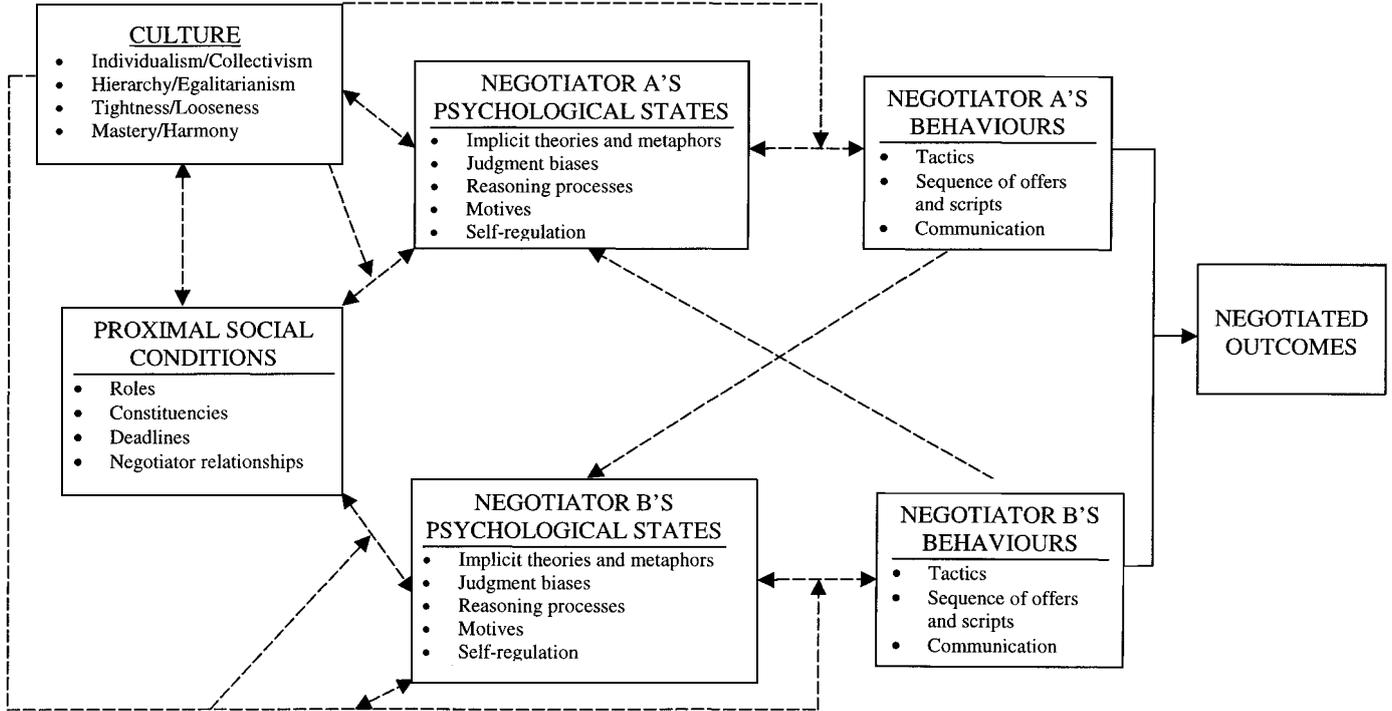- Sequence of offers and scripts
- Communication

FIGURE 3. Towards a more dynamic and psychological framework.

This perspective highlights the multiple ways in which culture may exert influence in the system of negotiation. By incorporating theoretical accounts of culture, psychological processes, and a range of proximal situational conditions, this model allows for a more complex account of cultural effects in negotiation. As such, it begins to open the "black box" that exists by attempting to model how and why culture affects negotiation. Below we elaborate on the relationships depicted in Fig. 3. When possible, we describe recent studies which support aspects of the model and will also offer a number of specific prospects for future research.

CULTURAL INFLUENCES ON NEGOTIATORS' PSYCHOLOGICAL STATES (AND INDIRECT INFLUENCES ON BEHAVIOURS)

According to Fig. 3, aspects of culture play an important role in directing negotiators' psychological states, and restricting attention to particular aspects of the self and the environment. In this view, culture provides the shared meaning systems, as well as the practices and symbols, through which individuals understand their environment (Markus et al., 1997). In the domain of negotiation, we expect that culturally shared meanings will be reflected in the way negotiators *make sense* of negotiations (e.g. their implicit theories, judgments, and ways of reasoning), as well as the way negotiators are *motivated to action* (e.g. goals and self-regulation), both of which are expected to relate to the types of behaviours or scripts which are enacted in negotiations. Below, we discuss recent research that provides some support for these notions, and also discuss unexplored questions regarding cultural influences on negotiators' cognition and motivation.[4]

Culture and Negotiator Cognition

Culture and Implicit Theories.   Culture is expected to affect negotiators' "implicit theories" or schemas (Brett & Okumura, 1998; Gelfand, Nishii, Dyer, Holcombe, Ohbuchi, & Fukuno, 1998; Tinsley, 1998) and metaphors invoked (Gelfand & McCusker, forthcoming) about the generalised negotiation context. All negotiations begin with the implicit recognition by parties that there is something to negotiate. However, the meaning of the negotiation context is not "objectively" defined; rather, negotiators cognitively construct the reality of the social context in which they are negotiating (Bazerman & Carroll, 1987). In the current view, such interpretations are grounded in the meaning systems and practices which

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[4] For space limitations, we will not discuss negotiator affect (see George, Jones, & Gonzalez, 1998, for a recent discussion).

pervade the larger cultural context, and thus, what negotiators pay attention to will vary across cultures.

Consistent with Fig. 3, Gelfand, Nishii, et al. (1998) illustrated that Japanese and American students have different cognitive interpretations of identical conflict episodes. For instance, American students perceived conflicts to be concerned with individual rights and autonomy, whereas Japanese students perceived conflicts to be concerned with violations of duties and obligations. American students also perceived conflicts to be more about competition, whereas Japanese students perceived conflicts to be more about cooperation. Moreover, in a recent study of American and Japanese negotiators, Brett and Okumura (1998) demonstrated that cultural differences in cognition have important consequences for negotiation outcomes. Specifically, they measured aspects of culture (individualism–collectivism and hierarchy–egalitarianism) and illustrated that they affected negotiators' schemas and scripts (i.e. related to self-interest, power, and information sharing). Their results strongly suggest that incompatible schemas and scripts made it more difficult to achieve integrative outcomes in intercultural, as compared to intracultural negotiations (see also Adair, 1999). In related research, Gelfand and McCusker (forthcoming) have also recently argued that culture is related to "*metaphors in use*" in negotiations, and proposed that negotiations in the USA are often conceived through sports metaphors, whereas negotiations in Japan are often conceived in terms of family household metaphors. They illustrate how these two metaphors may direct negotiators' attention to particular goals, scripts, and criteria in negotiations.

The foregoing studies illustrate that conflicts and negotiations are likely to be perceived quite differently in two cultures, the USA and Japan. Future research is needed to examine the nature of negotiation schemas and metaphors in other cultures, which vary on additional dimensions of culture. One notable study which furthers this endeavour is that of Tinsley (1998), who linked dimensions of culture with negotiators' beliefs about normative conflict models. In particular, cultural differences on hierarchical differentiation (acceptance of social inequality, such as in Japan), explicit contracting (using formal agreements, such as in Germany), and poly-chronicity (processing many tasks simultaneously, such as in the USA) were related to preferences for using authorities, relying on external regulations, and integrating interests in conflicts, respectively.

Research is also needed on how culture affects other implicit theories in negotiation, such as negotiators' theories of their counterparts. To date, there is little known about the factors that contribute to perceptions of trust, credibility, and competence of negotiators, and how this varies across cultures. In an early study on person perception and intentions to trust, Bond and Forgas (1984) illustrated that Hong Kong Chinese placed a

greater weight on perceived conscientiousness in forming trust judgments, as compared to Americans. Future research can examine these notions in a negotiation context, as well as examine how other value dimensions affect expectations that negotiators have of their opponents. Such research may be very useful to negotiators in intercultural negotiations, who may need to adapt their styles to develop trust (see Francis, 1991, for an interesting discussion of adaptation in cross-cultural negotiations).

Additionally, whereas this discussion has focused on culture and the content of schemas, it is also likely that there will be cross-cultural differences on the degree of *intersubjectivity* in negotiators' implicit theories and metaphors (i.e. degree of socially shared cognition; Resnick, Levine, & Teasley, 1991), which could have consequences for coordination and outcomes achieved. For example, there may be more divergence in cognitive representations of negotiations in loose cultures, as compared to tight cultures, in which there may be more convergence in cognitive representations. Such greater equivocality in negotiations in loose cultures may result in longer negotiations and less coordinated action, yet ones in which there are more creative solutions, given that such negotiators may have a greater number of perspectives than in tight cultures.

Culture and Judgment Biases.   As illustrated in Fig. 3, culture is expected to influence the nature and extent of negotiators' judgment biases. To date, much research has illustrated that negotiators rely on cognitive heuristics or "rules of thumb" which, although useful in simplifying the environment, can bias negotiator performance (Neale & Northcraft, 1991). For instance, negotiators have been found to be consistently overconfident and self-serving (Thompson & Loewenstein, 1992), to view negotiations in fixed-pie perspectives (Thompson & Hastie, 1990), and tend to devalue the concessions of others (Stillenger, Epelbaum, Keltner, & Ross, 1991), all of which engender competitive tactics and, often, nonoptimal performance (Neale & Northcraft, 1991).

From a cultural perspective, while all humans are expected to rely on heuristics in order to simplify reality, biases in negotiator cognition are likely directed and sustained by dominant cultural ideals and values, and thus, the types of biases that are prevalent in negotiation may vary across cultural contexts. An important area for future research, then, would be to examine whether biases consistently found in the USA are also found in other cultural contexts. In a recent study, Gelfand and Christakopoulou (1999) found that *fixed-pie biases*, or the degree to which negotiators fail to understand the interests of their counterparts, were more prevalent in negotiations in individualistic cultures (the USA) versus collectivist cultures (Greece). Future research is needed to examine whether judgment biases such as reactive devaluation (the tendency for the negotiator to devalue an

opponent's concessions, i.e. what is good for the other must be bad for me), and negotiators' overconfidence, are exacerbated and sustained in cultural systems where competition and self-enhancement are natural and expected (i.e. cultures high on mastery and individualism). An important implication of this analysis is that there may be *unexamined* judgment biases which are more characteristic of negotiators in other cultures. More generally, cross-cultural research on negotiators' judgments may assist in building more comprehensive negotiation theories by illuminating a wider range of judgment phenomena.

Culture and Reasoning Processes.   Another important area for future research is how culture affects the way in which individuals process information and reason in negotiations (Fig. 3). In previous research, scholars have proposed that there are at least two distinct modes of processing information, namely an *analytical-rational* mode and an *intuitive-experiential* mode (Epstein, Pacini, Denes-Raj, & Heier, 1996). However, there is little research on cultural differences in the use of these modes in negotiation. Based on culture theory, we may posit that negotiators in cultures high on autonomy may rely more on analytical-rational thinking styles and associated tactics (e.g. development of positions, limits, and use of logical argumentation and presentation of facts). Indeed, in their well-known book, Fisher and Ury (1981) advise that successful negotiators are those who adopt a principled approach, in which they use logic and deductive thinking, and "separate the person from the problem". However, this esteem for logical thought, which has its roots in individualism and the Enlightenment (Markus et al., 1997) may not be as valued in negotiations in other cultures. Negotiators in cultures high on collectivism may rely more on intuitive-experiential thinking styles and tactics (e.g. appeals to emotions, presentation of concrete personal stories, and metaphors). Anecdotal evidence for this can be found in March (1988), who noted that in Japanese culture, negotiators often appeal to the feelings and goodwill of others (e.g. the use of *amae*, *ningensei* and *naniwabushi*; see March, 1988, for descriptions), while the use of logic is generally eschewed (Goldman, 1994; see also Glenn et al., 1977). The important implication of this analysis is that styles of thinking and associated persuasion tactics may be effective in one cultural context, but may be ineffectual in other cultural contexts.

Culture and Motivation

In the current view, negotiators' motivation is also conditioned by the cultural context in which they are embedded. Much research needs to be done to illustrate the impact that culture has on the types of goals being

pursued (McCusker & Gelfand, 1997), as well as the impact that culture has on the way negotiators regulate their goals during negotiations.

Culture and Negotiation Goals.   The role of goals has had a long tradition in negotiation research (Pruitt & Carnevale, 1993). Conceptualisations include, for instance, the level of concern for self and others (Pruitt & Rubin, 1986), levels of aspiration (Pruitt, 1981), and particular objectives which negotiators pursue. From a cultural perspective, such goals and associated strategies are affected by prevailing meanings and practices in the larger cultural context, which highlight what is important to the self in negotiation situations. In support of this, Lytle (1994) found that dyads' collectivist values were related to relationship goals and priorities on issues concerning group welfare (and to behavioural tactics, such as priorities discussion, voicing of agreement, and trading issues). Moreover, dyads' uncertainty-avoidance values were negatively related to persuasion goals and priorities on issues involving risk-seeking actions (and to tactics of procedural remarks and trading of issues). Indeed, as depicted in Fig. 3, such differences in goals and tactics affected outcomes, in that more collectivist cultural values were positively related to dyads' negotiated outcomes on group welfare issues, and this relationship was mediated by the dyads' priorities on issues concerning group welfare.

Future research would benefit from examining additional cultural values and their link to negotiators' goals. Wilson and Putnam (1990) have discussed a variety of negotiators' goals, including instrumental goals (removing obstacles to a task), identity/face goals (creating and sustaining positive identities and respect), and competitive/cooperative goals, which are assumed to affect the types of strategies enacted in negotiations (Wilson & Putnam, 1990). For example, negotiators in cultures high on conservatism may be more likely to pursue identity/face goals, and therefore, use tactics such as social exchanges, questions, and reflective listening in negotiation. On the other hand, negotiators in cultures high on autonomy may be more likely to pursue instrumental goals (e.g. removing specific obstacles block-ing a task) and therefore use tactics such as formal argumentation and information exchange. It may also be predicted that negotiators in high mastery cultures will be more likely to focus on winning (e.g. competitive goals), and therefore use more dominating tactics such as threats or warnings. Finally, future research may also investigate how aspects of culture are related to justice motives (e.g. procedural, distributive, inter-actional) within a negotiation context (see Morris & Leung, this special issue). For example, we may find that negotiators weigh justice concerns differently across cultures, with negotiators in cultures high on mastery prioritising outcome fairness, and cultures high on harmony prioritising interactional fairness in negotiations.

Culture and Self-regulation in Negotiation.   In addition to the content of
negotiators' goals, we also posit that aspects of culture will impact the *ways*
in which negotiators regulate their goals. One relevant distinction is whether
individuals regulate their behaviour though *primary* or *secondary* control
mechanisms (Weisz, Rothbaum, & Blackburn, 1984). Primary control refers
to attempts to change others and situations to meet one's needs, whereas
secondary control refers to changing oneself to fit with the environment.
Based on Schwartz's (1994) research, it might be posited that negotiators
would be more likely to use primary control mechanisms to regulate goals
in cultures which are high on mastery, whereas negotiators would be more
likely to use secondary control mechanisms to regulate goals in cultures
which are high on harmony. The implication of this analysis is that nego-
tiators' views of the appropriate way to achieve their goals may be quite
different, depending on their particular cultural vantage point.

   In sum, future research would benefit from examining how culture affects
negotiators' cognitions (e.g. implicit theories, judgment biases, reasoning
processes) and motives (e.g. goals and self-regulation), each of which are
expected to relate to different negotiation strategies. With respect to inter-
cultural negotiations, this analysis suggests that parties may be construing
identical situations differently, processing the same information differently,
and pursuing different goals, all of which may make it more difficult to
coordinate and come to high quality agreements.

CULTURE, PROXIMAL SITUATIONAL CONDITIONS, AND NEGOTIATORS' PSYCHOLOGICAL STATES

As illustrated in Fig. 3, there are a number of ways in which culture and
proximal situational conditions are related, including both main effects and
moderating effects. First, culture is expected to affect the types of proximal
situational conditions that characterise negotiations (i.e. have *main effects*
on situational conditions). There are a variety of situational conditions
which differentiate negotiations (Pruitt & Carnevale, 1993), including the
nature of the relationship between the parties (e.g. power differentials),
party configurations (e.g. dyadic, group, and the use of third parties),
deadlines (e.g. time constraints), and the social setting (e.g. public or private,
formal or informal). Because cultural contexts differ in terms of distribution
of social practices and everyday situations (Markus et al., 1997), it is likely
that the *prevalence* of certain types of proximal conditions which are
characteristic of negotiations will vary across cultural contexts (cf. Adler,
1991; Lewicki, Litterer, Minton, & Saunders, 1994; Triandis & Bhawuk,
1997).

   Based on Schwartz's research, we may expect that negotiations in cultures
high on conservatism (collectivism) are more likely to involve groups and

third parties, while negotiations in cultures high on autonomy (individual-ism) are more likely to involve individuals or representatives of groups. Even when negotiations are between representatives in different cultures, it is likely that the criteria for their selection will vary across cultures (Lewicki et al., 1994). For example, cultures high on autonomy (e.g. the USA) may be more likely to choose representatives based on achieved status (e.g. expertise or accomplishments), while cultures high on hierarchy (e.g. China) may be more likely to choose representatives based on ascribed status (e.g. age, social class). Indeed, other aspects of culture may affect components of the social setting which are characteristic of negotiations. For example, the formality of negotiation situations may be linked to tightness–looseness. We may expect that in tight cultures (e.g. Germany), negotiations will be more likely to adhere to more precise protocol and formality (e.g. dress, seating arrangements), as compared to loose cultures (e.g. Thailand). Likewise, the degree to which time constraints are imposed on negotiations may also be linked to the cultural context. In particular, we may find that in cultures high on mastery, which promote individuals' striving for achievement and success, there is less time afforded for negotiations, as compared to cultures high on harmony. Indeed, this is consistent with a "time is money" metaphor prevalent in many Western contexts, in which time can be wasted, spent, and saved (Lakoff & Johnson, 1980). While these examples are far from exhaustive, one important implication of this discussion is that negotiators in different cultures may invariably face a different pattern of socially constructed proximal conditions. In the event of intercultural negotiations, then, it is likely that the situational conditions that the parties expect and see as natural to the negotiation context are quite different, which may result in confusion, and perhaps frustration among the parties.

Thus far, we have discussed the ways in which culture is likely to have direct or main effects on the proximal negotiation context. However, in the system of negotiation, culture is also likely to interact with proximal conditions to predict negotiators' psychological states and tactics nego-tiations (and thus culture will have *moderating effects*). Put differently, the impact of proximal situational conditions on negotiators' psychological states is likely to vary depending on the cultural context. In this respect, the same "objective" social conditions (e.g. constituents, time pressure, surveillance, power differentials) are expected to be ascribed different meanings, and evoke different behaviours, across cultures. Thus, the meaning of proximal situational conditions is *culturally contextualised* and experienced. Importantly, and consistent with Fig. 3, this also suggests that negotiators' schemas and cognitions *within* cultures are not static—they can change depending on the situation.

Along these lines, Gelfand and Realo (in press) argued that accountability to one's constituents would differentially affect negotiators' construals,

tactics, and outcomes among individualists and collectivists. In a negotiation context, accountability is typically activated when representatives are required to justify their actions after the negotiation, when they are going to be evaluated, or when their rewards or punishments are in their constituent's control (Carnevale, 1985). Gelfand and Realo (in press) reasoned that since accountability is fundamentally a norm-enforcement mechanism (Tetlock, 1992), and norms and standards for behaviour vary for individualists and collectivists (Markus & Kitayama, 1991; Triandis, 1995), accountability to constituents would activate different cognitive construals and behaviours across cultures. As predicted, the results of two laboratory studies illustrated that among collectivists, accountability activated cooperative construals and behaviours, and resulted in higher outcomes. Among individualists, however, accountability activated competitive construals and behaviours, and resulted in lower outcomes. These studies illustrate that the *same* situation differentially affected negotiators, depending on their cultural background. Likewise, Tinsley and Pillutla (1998) demonstrated that identical cooperative instructions activated different meanings among negotiators in the USA and Hong Kong. Specifically, negotiators in Hong Kong interpreted co-operative instructions to mean they should strive for equality in outcomes, whereas US negotiators interpreted the same instructions as indicative of the need to strive for joint gain. Consistent with Fig. 3, both of these studies underscore the notion that aspects of culture interact with proximal negotiation conditions to affect cognitions, which can, in turn, affect tactics and outcomes.

There is much research that needs to be done to further our understanding of how culture moderates the impact of proximal situational conditions on negotiators' psychological states and tactics. By way of example, below we discuss research prospects for additional ways in which relationships with constituents, relationships with opponents, and deadlines may have differential impact on negotiators' psychological states and tactics across cultures.

Culture and Constituencies

Parties in negotiation situations often consist of *groups* of people who are attempting to reach agreement. These groups often rely on individual agents to represent their interests, and to conduct transactions that affect the group's welfare (Rubin & Sander, 1988). For instance, in a business context, negotiations often take place between representatives of different committees, departments, or organisations. In such situations, constituents often give instructions to their representatives with respect to specific limits and priorities, as well as general strategies in the negotiation (e.g. to compete or cooperate) (Adams, 1976). As depicted in Fig. 3, the nature and extent of

constituents' influence on negotiators' psychological states is expected to vary across cultures. For instance, based on the notion that cultures vary on the degree to which the self is embedded or detached from collectives (Schwartz, 1994), future research may test the possibility that negotiators' cognitions and tactics may be more affected by their *constituent's instructions* in cultures high on conservatism, whereas they might be more affected by the *process that ensues* at the negotiation table in cultures high on autonomy. In this respect, we may find that in cultures high on conservatism, negotiators feel they have their "hands tied", psychologically speaking, to a greater extent when given instructions by constituents, as compared to negotiators in cultures high on autonomy.

Likewise, another dimension on which representative negotiations vary is on the degree to which constituents are actually observing negotiations (i.e. representatives are under surveillance versus in private). However, consistent with a cultural perspective, the presence or absence of constituents during negotiations activates different perceptions, depending on the cultural context of the negotiations. In particular, in high autonomy cultures, in which independence and privacy are valued, the presence of others may be interpreted as a sign of distrust, which has been found to increase competitive construals and behaviours in negotiations (Carnevale, Pruitt, & Britton, 1979). Yet the presence of constituents in cultures high on conservatism may be more natural and expected, and thus may be associated with perceptions of trust and support among representatives.

Culture and Negotiator Relationships

Future research would benefit from examining the interaction of culture and other situational conditions that are present in negotiations, such as the particular relationship that exists *between* negotiators at the table. For example, it is likely that negotiators' relative power will have a differential impact on psychological states and tactics across cultures. Power can be derived from *ascribed* status (e.g. one's role), or *achieved* status (e.g. that which is gained through acquired resources, such as concessions acquired in the negotiation, or one's best alternative to negotiated agreements, or BATNA) (Lewicki et al., 1994; Pruitt & Carnevale, 1993). Based on Schwartz's research, we may expect that power derived from these two sources will have different effects in cultures high on mastery versus those high on hierarchy. For instance, research in the USA has consistently illustrated that negotiators who have power based on a high BATNA, or achieved status, are less willing to concede, and obtain higher outcomes as compared to negotiators with a low BATNA (e.g. Bacharach & Lawler, 1981). At the same time, existing cross-cultural research by Graham and associates has illustrated that negotiators' status derived from ascribed roles (e.g. buyer versus seller)

is more predictive of outcomes in hierarchical cultures. Based on this analysis, it seems plausible that in cultures high on mastery, BATNAs will have more of an effect on negotiators' intentions and behaviours than attributes of ascribed status (e.g. age), while the reverse should be true in cultures high on hierarchy. Indeed, we may also find that neither ascribed nor achieved status has as much of an impact on negotiators' intentions and behaviours in cultures high on egalitarian commitment, since status and power differences are generally eschewed in these cultures (e.g. Israeli kibbutzim, Finland) (cf. Brett, Adair, Lempereur, Okumura, Shikhirev, Tinsley, & Lytle, 1998).

Along the same lines, there is virtually no existing research on whether the behaviour of high power negotiators is invariant across cultural contexts. Research in Western contexts has illustrated that high power negotiators typically make fewer concessions and more threats in negotiations, as compared to low power negotiators (Michener, Vaske, Schleiffer, Plazewski, & Chapman, 1975). It is important to examine whether this finding is universal or culture-specific. Perhaps in cultures high on conservatism and hierarchy, wherein superiors are expected to take care of their subordinates, high power negotiators will not use competition and threats. Likewise, a related area ripe for future research is how negotiators respond to *relative* power differences that exist between the negotiators. Hornstein (1965) found that dyads with small power differentials achieved fewer agreements as compared to dyads with large discrepancies or no discrepancies in power. In effect, negotiators with small power differentials enter into "power struggles" because lower status negotiators are not willing to accept such power differences (Pruitt & Carnevale, 1993). However, it is likely that discrepancies in power are interpreted differently across cultures, and thus, relate differentially to negotiators' psychological states and behaviours. For example, in negotiations in which there is a discrepancy in power, negotiators in cultures high on mastery values, who gain status through competition, will be particularly likely to perceive such situations as competitive.

Culture and Deadlines

Lastly, as illustrated in Fig. 3, an important area for future research is how deadlines affect negotiators' cognitions and behaviours in different cultures. In negotiations, there may be situations in all cultures in which deadlines are imposed by the other party or by one's constituents. From a cultural view, however, the psychological states activated in such situations are expected to be influenced by the shared meanings and practices which are prevalent in the particular cultural context. In this respect, Kruglanski's research on time pressure may be very relevant to research on culture and negotiation. In

particular, time pressure has been found to activate chronically accessible schemas (Ford & Kruglanski, 1995). Given that cognitive schemas are expected to be mediated by the cultural context, we may find that time pressure will *augment* the psychological states which are already prevalent in any particular culture. For example, we may find that time pressure imposed in the USA (which is high on autonomy and mastery), enhances schemas of self-interest and competition, since these schemas are assumed to be more accessible in this context. By contrast, time pressure may enhance schemas of cooperation in Scandinavian cultures, since these schemas are assumed to be more accessible in cultures high on harmony.

In sum, in this section, we have argued that future research would benefit from examining culture and negotiation while incorporating an analysis of proximal situational conditions. This will allow managers to understand the types of situational conditions which are likely to characterise negotiations in other cultures, as well as the differential impact conditions may have on negotiators.

CULTURE AS A MODERATOR OF THE EFFECT OF PSYCHOLOGICAL STATES ON NEGOTIATORS' BEHAVIOURS

As illustrated in Fig. 3, we expect that the relationship between psychological states and negotiators' behaviours will be moderated by aspects of culture. In this respect, it is argued that the *same* motivational or cognitive orientation may have differential effects on tactics, depending on the cultural context of the negotiations. This is predicated on the notion that cultures differ not only on prevailing motives and goals, but also on the *instrumentalities* of the behaviours that are necessary to achieve goals (Leung, 1987). Below, we discuss two areas of inquiry as prospects representing this moderating relationship.

Culture and the Relationship between Motives and Tactics

As mentioned previously, the dual concern model (Pruitt & Rubin, 1986) has been very useful in predicting negotiators' tactics based on negotiators' concern for self or concern for others. Specifically, contending tends to occur when negotiators have high concern for self, and low concern for others; problem solving tends to occur when negotiators have high concern for self and high concern for other; inaction tends to occur when negotiators have low concern for self and low concern for others; and yielding tends to occur when negotiators have low concern for self and high concern for others (Pruitt & Carnevale, 1993). This model has received support in a variety of studies in the USA, using different methodologies (Carnevale & Pruitt, 1992). While the elements of this theory may be universal, a question

for future research is whether the relations between self–other concern and particular tactics are culture-specific. It is possible, for example, that in cultures high on conservatism, that high self and other concern would result in the use of indirect and avoiding strategies, given that maintaining relatedness with the other party is likely to be paramount. This would suggest that even given *the same levels of concern* for self and others, different strategies may be enacted by negotiators in different cultures. Applied to an intercultural context, then, it is possible that parties may infer that their opponents have different goals based on their differing actions, even if they in fact do share similar goals.

Culture and the Relationship between Cognitions and Tactics

Along the same lines, Fig. 3 illustrates that aspects of negotiators' cognition (e.g. schemas) may not be universally related to negotiation tactics. For instance, it is possible that in cultures high on autonomy, loss frames will lead to less concession-making in attempts to minimise *personal losses*. Yet loss frames may promote cooperation in cultures high on conservatism, especially in interactions with in-group members, wherein negotiators may attempt to minimise *group losses* through collaboration.

   The general implication derived from this analysis is that negotiators' psychological states may not always relate to the same behaviours depending on the cultural context. Although we have not discussed other psychological states, such as negotiators' affect, research may also find that the same emotions experienced (e.g. anger) may not relate to the same tactics (e.g. aggression) because of different cultural display rules (see Mesquita & Frida, 1992, for discussion of the expression of anger in Japan, for example). As with the previous discussion on motives, this implies that negotiators may misattribute others' cognitions or emotions of negotiators in different cultures because they may mistakenly infer that tactics are invariantly used to express the same psychological states as in one's own culture.

CULTURE AND THE DYNAMIC RELATIONSHIP BETWEEN NEGOTIATORS' BEHAVIOURS, PSYCHOLOGICAL STATES, AND OUTCOMES

Thus far, we have focused primarily on static relationships between the constructs in Fig. 3. However, as Bazerman and Carroll (1987) have illustrated (and as depicted in Fig. 3), negotiation involves the dynamic interplay between a negotiator's behaviours and how they are interpreted by the negotiator's counterpart; how these interpretations in turn affect the counterpart's behaviours; and how the counterpart's behaviours are in turn

interpreted by the first negotiator—a dynamic process which ultimately affects negotiators' outcomes. In the current view, this dynamic process is influenced by culture, based on the notion that culture affects psychological states, namely expectations and interpretations of the environment. More specifically, when one's counterpart's behaviours are consistent with one's cultural expectations, then negotiators may be better able to focus on using persuasion and information exchange to create value in negotiations, and thus achieve higher outcomes in negotiations (Shapiro & Rognes, 1996). Indeed, a recent study by Shapiro and Rognes (1996) provides some evidence that expectations derived from cultural experiences are important in the interpretation of tactics, and ultimately outcomes. They found that higher levels of a dominating orientation (Rahim, 1983) enhanced integrativeness or joint outcomes among Americans, but reduced the level of integrativeness among Norwegians. They argued that Americans, who are from a more individualistic culture, may be more comfortable with dominating behaviour of their opponents, which would enable them to continue focusing on creating value in the negotiation. In support of this, American subjects expected more competition from their counterparts than did Norwegian subjects. Thus, in this study, because tactics were likely *interpreted* differently, they differentially affected outcomes across cultures. Additional evidence of this phenomenon can be found in studies by Brett and colleagues (1998), who found that different tactics related to the creation of joint gain across cultures, and also found that there were cultural differences in the *beliefs* about the behaviours which are important in the creation of value.

Future research is needed to further our understanding of this dynamic process, in other words, how psychological states derived from the larger cultural context affect how negotiation behaviours are interpreted, and how this affects negotiation outcomes. Below, we offer two examples as a further illustration of such possibilities.

Culture, Task versus Relationship Frames, and the Creation of Value across Cultures

One example of this relationship pertains to the belief suggested by negotiation scholars that a focus on the task leads to higher negotiation outcomes, as compared to a focus on emotions or relationships (Drake & Donohue, 1994; Fisher & Ury, 1981; Pinkley & Northcraft, 1994). For example, Fisher and Ury (1981) caution negotiators that extensive concern with the relationship will inhibit effective conflict resolution and lead to suboptimal outcomes, and argue that negotiators should "separate the person from the problem". Likewise, Carnevale (1985) warns that a focus on emotions can lead to suboptimal outcomes. Presumably, relationship or

emotional frames distract negotiators from uncovering trade-offs, which results in poorer integrative agreements. Consistent with these premonitions, research in the USA has illustrated that a focus on the task, rather than relationships or emotions, leads to higher outcomes (Drake & Donohue, 1994; Pinkley & Northcraft, 1994). From a cultural perspective, however, what is implicit in this analysis is that such frames and behaviours are consistent with the psychological states or expectations and norms relevant to individualism and autonomy. Yet since a focus on relationship and emotional aspects of situations is presumed to be adaptive for negotiators in cultures high on conservatism, these frames and related tactics may afford negotiators in these cultures the ability to discover more creative solutions. In other words, we may find that "merging the person with the problem" is more sage advice for creating value for negotiators in these contexts.

Culture, Patterns of Offers and the Creation of Value across Cultures

Following from the above logic, another important area for future research is how patterns of offers are related to outcomes across cultures. A common finding in the USA is that higher first offers, which are combined with many concessions, are more effective in obtaining high outcomes, as compared to moderate first offers and fewer concessions (Lewicki et al., 1994). In the current view, this "*door in the face*" script is likely grounded in cultural expectations about the importance of creating an impression of strength, and making use of norms of reciprocity (e.g. give-and-take concession making). In other cultural contexts, however, these tactics are likely to take on different meanings. In cultures high on conservatism, for example, extreme bids may be perceived as interfering with interdependence and embeddedness in groups. In these cultures, research may find that a "*foot in the door*" technique, in which negotiators made moderate first offers to signal flexibility, is more conducive to obtaining high outcomes. The important implication of this analysis is that a particular pattern of offers may be more or less effective depending on the cultural context.

In sum, culture is expected to influence the dynamic interplay between the behaviours and psychological states within a negotiation dyad, and ultimately, the outcomes achieved, and future research is needed to illustrate such effects.

CONCLUSION

In this paper, we have documented some of the progress and pitfalls in culture and negotiation research. Undoubtedly, the scientific study of

culture and negotiation has burgeoned in the last several decades, and we have made much progress since Harold Nicolson's original speculations in 1939. We have detailed two implicit models that have been investigated in culture and negotiation research, and illustrated that this research has been subject to a number of pitfalls. We then offered a third model, which illuminates the multitude of ways in which aspects of culture may influence the system of negotiation. While there are some studies which are supportive of the relations in this model, there is much to be done, and we discussed some specific, testable possibilities for future research. Ultimately, by examining specific value dimensions, negotiators' psychological states, and proximal situational conditions in negotiations, and by examining both main and moderating effects of culture, we will build a theoretical understanding of culture and negotiation, and begin to see into the "black box". This research will also invariably help us to advance a cultural perspective on negotiation, as well as to understand what is *universal* (etic) and *culture-specific* (emic) about negotiation theories which have been developed in Western contexts.

Practical Implications

In addition to the added theoretical knowledge, the advancement of a cultural perspective has important practical implications. As world trade and global economic activity have grown exponentially, many organisations have become primarily international in their strategy, structure, markets, and resource bases (Adler, 1991). As a result, there has been a great increase in the frequency of intercultural negotiations. Unfortunately, managers who are negotiating across cultural borders still do not have much in the way of theoretically based knowledge to rely on during such encounters.

The framework discussed can provide some practical advice for managers who are negotiating across cultures. Specifically, managers will be in a better position to negotiate more effectively if they understand that in intercultural situations, negotiators from different cultures may (a) be used to different proximal situational conditions, (b) hold different implicit theories and judgment biases, (c) process information differently, (d) pursue different goals, regulate goals differently, and use different tactics, and (e) react differently to conditions, cognitions, goals, and behaviours, all of which may in turn, impact negotiated outcomes. Furthermore, given that aspects of culture are generally implicit, these differences may be particularly difficult to recognise in intercultural negotiations. Indeed, as argued previously, it may even be difficult for parties in intercultural negotiations to recognise when they have similarity in goals, especially if they are using different tactics to achieve them. To help managers negotiate more successfully, cross-cultural training programmes need to be designed that focus on

theoretically based frameworks which try to make the implicit more explicit, and delineate the reasons why such differences exist.

Implicit in this analysis is that intercultural negotiations may result in more coordination problems and lower outcomes, as compared to intracultural negotiations (Brett & Okumura, 1998). However, it is important to examine the conditions under which such differences actually *benefit* negotiators in intercultural situations. Often research assumes that intercultural negotiations are always more difficult and result in lower outcomes than intracultural negotiations, yet the opposite may be found as well. For example, intracultural negotiations may actually be more competitive and result in lower outcomes in cultures high on mastery, as compared to intercultural negotiations between negotiators from cultures high on mastery and negotiators from cultures high on harmony. In the latter case, both parties may not be equally susceptible to self-enhancement biases and competition, which may result in more cooperative processes and higher outcomes. Indeed, Schwartz's research may allow for more precise predictions regarding the conflict and complementarity of cultural value types in intercultural negotiations, and thus, may ultimately afford a more refined understanding of both the difficulties and *opportunities* found in intercultural negotiations.

In conclusion, in the coming 21st century, a cultural perspective on negotiation will undoubtedly benefit both scholars and practitioners alike. As cross-cultural ventures are becoming increasingly pervasive in organisations, strong *a priori* theory and research on negotiation is crucial to the success of global business endeavours. We are optimistic that in the next review of cross-cultural industrial and organisational psychology in *Applied Psychology: An International Review*, the field of culture and negotiation will have advanced considerably, offering much to our science and practice.

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