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Ethical negotiation values of Chinese negotiators

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ABSTRACT

This study explores tactics that violate standards of truth-telling in the Eastern context using the quantitative approach. Based on data collected from 173 respondents, the findings revealed that Chinese negotiators judge the use of emotion management tactics as more ethically appropriate than cognitive deception tactics. Chinese negotiators are also more confident in their ability to successfully deploy emotion management tactics than cognitive deception tactics. In addition, women are less likely to view the deceptive tactics as appropriate, and they are less confident to deploy deceptive tactics than men. Certain differences regarding the appropriateness and ability to deploy the tactics were apparent. The limitations of the study and areas for further research are presented.

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1. Introduction

As managers are increasingly engaging in international business negotiation (Reynolds, Simintras, & Vlachou, 2003), they need not only to better understand the values of cultures other than their own but also to understand the mentality of the corresponding person to cultivate successful relationships (Bagozzi, 1995). The intensifying business activities and negotiations taking place across national borders also makes it vital to examine ethical decision-making and behavior of other cultures (Wood, 1995) because negotiation styles, behaviors, and expectations in other cultures might be quite different. A deeper understanding of ethical negotiation values, for example, can minimize conflict between parties involved.

While there is a higher degree of trust and formation of relationship in integrative bargaining than distributive bargaining (e.g., Lewicki et al., 2006), and some common ethical values among cultures, there are many dissimilarities among national cultures regarding ethical practices and beliefs (Buller et al., 2000). Some scholars have observed that attitudes regarding various negotiation tactics will be nuanced and diverse even within high-context cultures (Lee, Brett, & Park, 2012). For example, Chinese negotiators tend to employ emotional-appeal distributive tactics, while their Japanese counterparts tend to approve the use of integrative and distributive tactics (Lee et al., 2012). Other scholars noted that there are few empirical researches regarding the negotiation values of the Chinese (Sardy, Munoz, Sun, & Alon, 2010), hence making

it challenging to understand how the Chinese perceive ethical negotiation concerns.

Since what is considered ethically appropriate influence tactics or not remain ambiguous (Adler, 2007; Robinson et al., 2000; Volkema, 1999), and since our understanding of how the Chinese distinguish between the appropriateness of various maneuvers remains formative (Rivers, 2009), it is important to understand how the Chinese perceive ethical negotiation concerns to effectively and efficiently handle the negotiation process. Thus, this study sets out to explore the ethically ambiguous negotiation tactics of the Chinese. Specifically, this study investigates whether certain negotiation tactics are appropriate, and whether there are gender differences in the negotiation tactics. In doing so, the study contributes to a better understanding of the ethical negotiation mindset, behavior, styles, and strategies of Chinese negotiators.

The next section presents the theoretical background and hypotheses being tested. The methodology section is followed by the presentation of results and discussion of the main findings. Finally, the conclusions, implications, limitations, and guidelines for further research are presented.

2. Literature review

2.1. Lying in negotiation

Negotiation is “a process of potentially opportunistic interaction by which two or more parties, with some apparent conflict, seek to do better through jointly decided action than they could otherwise” (Lax & Sebenius, 1986, p. 11). Whether it is an opportunistic or integrative process, the parties involved inevitably bring along their assumptions, prejudices, or attitudes into the negotiation situation (Gulbro &

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Herbig, 1996). The process is “littered with ethical dilemmas” (Malshe et al., 2010, p. 176), and the parties involved consistently approach it anticipating the interests of the counterpart to be entirely opposite to their own (Thompson & Hastie, 1990). In doing so, they may be motivated to violate contemporary ethical standards by using influence tactics such as lying to maximize their outcomes.

A lie is “a deliberate false statement which is either intended to deceive others or foreseen to be likely to deceive others” (Carson et al., 1982, p. 17). Lying includes “all means by which one might attempt to create in some audience a belief at variance with one's own” through intentional communicative acts, concealments, and omissions (Wetlaufer, 1990, p. 1223). Individuals would lie to benefit themselves (Grover & Hui, 2005) or to secure a higher payment (Gneezy, 2005). Although lying is costly (Gneezy, 2005), pure “white” lies are thought to be harmless and have no distributive effect between the parties (Wetlaufer, 1990); and people are likely to lie to help save face (DePaulo & Bell, 1996; Wetlaufer, 1990). For example, since “face” (*mianzi*) is important to the Chinese, face-saving actions become “the rites that protect the individual's role in the *guanxi* network, preserving individual identity and social status” (Ting-Toomey, 1988, p. 215). Thus, one might “lie” to either give or save face, and that lie is not considered a lie since the meta-communication was not intended to deceive but to preserve social relationships. Given that “white lies” are often appropriate and may even be essential in managing social relationships (DePaulo & Bell, 1996; Lewicki & Stark, 1996; Wetlaufer, 1990) while lies such as grand deceptions, or lies with highly considerable consequences may trigger more guilt and hesitation, and more reasoning to justify their appropriateness (Lewicki & Stark, 1996), in this study, we used the term “white lies” to refer to emotion management tactics and “lies” to refer to cognitive tactics.

According to Lewicki (1983), the main reason for lying is to enhance the liar's influence via manipulating information. Lies can mislead the adversary (Lewicki & Stark, 1996), influence the apparent benefits and costs of certain choices open to the adversary, or conceal the adversary's selection of options (Lewicki & Stark, 1996). Lies that fail may cause damage to the established relationship between the negotiators, create a temporary swing in bargaining power away from the liar, or provoke defensive or retaliatory lying; and imminent opportunities may be lost (Reitz, Wall, & Love, 1998; Wetlaufer, 1990). Even a successful lie can cause damage to both parties if leading to an agreement that is less beneficial than it might otherwise have been (Wetlaufer, 1990). More importantly, negotiation scholars suggest that lies could dissolve a possibly valuable business relationship, infuriate other individuals, and wear away trust (Lewicki et al., 2006; Shapiro & Bies, 1994).

The literature shows that endorsement of deceptiveness can forecast a negotiator's performance in a mockup negotiation and overall reputation as a negotiator (Fulmer et al., 2009). There is also evidence that negotiators using deceiving tactics may have better results. For example, Aquino (1998) shows that negotiators who use deceptive tactics, particularly when the negotiation involves distributive issues, may have better outcomes. O'Connor and Carnevale (1997) provide similar results with deception about common-value issues and omission of information, while Barry et al. (2000) found that various forms of deceptiveness generate distinct results; that is, attitudes concerning using cognitive tactics of deceptiveness differ from attitudes toward emotion management tactics, and tactics classified as false promises are viewed as more harsh than misrepresentation.

The perception regarding whether tactics such as deception, misrepresentation, and other tactics are ethical depends on who is asked (Anton, 1990). Carr (1968) argues that bluffing, deception, and lying are all ethically valid approaches for enhancing one's welfare in a business deal; while Carson et al. (1982) argues that bluffing is usually morally acceptable. Specifically, bluffing in employment discussions is permissible and reasonably advantageous (Carson et al., 1982). Carr (1968), also defends bluffing and other dubious commercial practices as simply a way of doing business. Lee et al. (2012), however, suggests

that the “use of distributive tactics focused on claiming value and defeating the other party could interfere with the process of giving and saving *face* for the Chinese” (p. 437).

2.2. Ethically marginal negotiation tactics

As discussed earlier, there is vagueness regarding what is considered ethically appropriate in negotiations (Adler, 2007; Robinson, Lewicki, & Donahue, 2000; Volkema, 1999). In the adversarial collective bargaining process, influence tactics used to achieve success include lying, deception, and the abandonment of truth as a moral value (Post, 1990). Examples of lies include false promises, false threats, false predictions, and misrepresentation of reserve price (Wetlaufer, 1990). Influence tactics in negotiation include inappropriate information collecting, false promises, attacking an opponent's network, misrepresentation, and traditional competitive bargaining (Robinson et al., 2000). These tactics are considered cognitive in that they relate to management and manipulation of information (Barry et al., 2000) and information processing maneuvers and strategies (Putnam & Jones, 1982). Since emotion is an important aspect of interpersonal negotiation, based on Barry's (1999) effort to capture the tactical use of emotion management in a bargaining context, Barry et al. (2000) later classified the deceptive tactics into “cognitive” and “emotional” categories. Specifically, the cognitive tactics covers misrepresentation, inappropriate information gathering, false promises, attacking opponent's network, and traditional competitive bargaining while the emotional tactics cover strategic manipulation of negative emotion and strategic manipulation of positive emotion. It is the judgments regarding the appropriateness and efficacy of ethically marginal tactics following Barry's et al. (2000) work that this study is based on.

Individuals are more tolerant of traditional competitive bargaining maneuvers such as acting patiently in arriving to a settlement, and overstating demands; while other more serious strategies, which include gathering inappropriate material, making false promises, attacking the opponent's network, and misrepresenting information, can be regarded as immoral or less acceptable (Al-Khatib, Rawwas, Swaidan, & Rexeisen, 2005; Lewicki & Robinson, 1998; Robinson et al., 2000). In Anton's (1990) research, misrepresentation of one's position to an adversary was considered generally ethical, while bluffing was considered ethically neutral.

Tension lowers trust in negotiation (Lee et al., 2006). Specifically, high tension in the Chinese will likely lead to the convergence of an agreement, while with the Americans, it tends to have the opposite outcome (Lee et al., 2006). Factors that caused tension include “misrepresentation” and “aggressive behaviors” (Lee et al., 2006). While misrepresentation is regarded as one of the cognitive deceptive factors in Robinson et al.'s (2000) study, aggressive behaviors are similar to the emotional negative deceptive factor in Barry's (1998) study. For example, instead of exaggerating position, the Chinese would spend more time building trustful relationship because mutually valuable relations with trustworthy favor-exchange allies are important (Lee et al., 2012). If the counterpart is not an associate of their *guanxi* network, the Chinese may use emotional appeal, since face is not an issue (Lee et al., 2012). When such tactics are used, it can lower the interpersonal trust and lead to different negotiation outcomes.

2.3. Emotions in negotiation

Few studies of negotiation have placed emphasis on the role of emotion (Barry & Oliver, 1996). Emotion management in negotiation is defined as the purposeful use of false emotion to influence negotiation processes and outcomes (Barry, 1999). Examples include replying with eagerness when one is unenthusiastic, pretending to be angry when one is not, pretending to be unemotional, and acting surprised when one is not (Barry et al., 2000).

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