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The science of culture and negotiation

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Recent negotiation research has produced a groundswell of insights about the effects of culture on negotiation. Yet, few frameworks exist to organize the findings. This review integrates recent research using a two-dimensional framework: The first dimension organizes the research into that which has taken: (1) a comparative intracultural approach, versus (2) an intercultural approach. The second dimension organizes the research by its emphasis on: (1) inputs into negotiation, (2) processes of negotiating, and (3) outcomes of negotiation. This framework helps to organize extant research and produces novel insights about the connections between disparate research streams, revealing both commonalities and culture-specificities in negotiation strategy and outcomes and suggesting that intercultural negotiations are difficult but not insurmountable. We conclude by discussing several areas in which more research on culture and negotiation is urgently needed in today's globalizing world.

Addresses

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Available online 10th November 2015

<http://dx.doi.org/10.1016/j.copsyc.2015.10.008>

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Negotiations, or contexts in which individuals and groups manage their interdependence [1], clearly transcend time and place. Centuries ago, in the *Histories* (circa 400), Herodotus discussed the inherent difficulty of intercultural trade encounters. In modern times, globalization has dramatically increased intercultural negotiations in many domains of life, including politics, business, and defense. Historically, negotiation theory and research have been largely a Western enterprise [2]. Understanding how culture affects negotiation, as well as the factors that inhibit and facilitate intercultural negotiations, is critical for expanding negotiation science and informing practice.

In this *Current Opinion*, we discuss recent developments in research on culture and negotiation, using an

input-process-outcome framework to organize the discussion (see [Table 1](#) for a summary of our framework). Since negotiation research focuses on explaining negotiation outcomes, we begin with cultural similarities and differences in outcomes, then discuss the processes and inputs that explain such variation. We then review research on intercultural negotiations. We conclude with a discussion of limitations and opportunities for future research.

Comparative intracultural research

Much of the research on culture and negotiation is *comparative intracultural*: it compares the negotiation behavior and outcomes of individuals from two or more nations or cultural groups. This section reviews evidence of cultural commonality and specificity from recent comparative intracultural research (For broad historical reviews of culture and negotiation, see [2–4]).

Outcomes

Negotiators across cultures value both relational and economic outcomes. Theory predicts that Eastern and Middle Eastern cultures will place a heavier emphasis on relational outcomes than Western cultures will [5–7]. In terms of economic outcomes, empirical research has focused on value creation ('expanding the pie' or joint gain) and value claiming ('slicing the pie' or individual gain), showing that, at least in structured negotiation simulations, some cultures create more value than others (e.g., the U.S. vs. India; Germany vs. China) [8*,9*], and other cultures claim more value (e.g., Hong Kong vs. the U.S.) [10*]. Research also reveals that these effects are due to the strategies negotiators use [3], as detailed below.

Processes

In order to create or claim value, negotiators in all cultures use strategies: goal-directed verbal and non-verbal behaviors [3]. Two types of strategy — early and sustained information exchange about underlying interests and priorities versus persuasion and offers, communicated indirectly or directly — emerge globally [8*,11*]. Additionally, research has suggested that the information-sharing strategy tends to promote value creation whereas the persuasion and offer strategy tends to promote value claiming, irrespective of culture [12].

Notwithstanding cultural commonalities in the basic elements of negotiation strategy, culture influences the strategies that negotiators prototypically employ [3]. Western culture negotiators are more likely than East and South Asians to rely on the information exchange strategy, whereas East and South Asians are more likely to adopt the persuasion and offer-making strategy

Table 1

Summary of findings.

	Inputs	Processes	Outcomes
Intracultural	Critical psychological states (i.e., cognitions, goals, affect) and situational factors (i.e., negotiation structure) affect negotiation processes and outcomes in all cultures. Negotiators across cultures have different biases, goals, and levels of trust and respond differently to the same types of contextual influences (accountability, team configuration, power, communication media).	Negotiators across cultures use two different goal-directed strategies: direct information exchange and persuasion/offers, with the former promoting value creation and the latter promoting value claiming. Culture influences the strategies that negotiators typically employ, with Western cultures relying on direct information exchange and East and South Asians relying on persuasion/offers, in part due to different levels of trust.	Negotiators across cultures seek to achieve economic outcomes as well relational outcomes. Culture affects the weight placed on economic versus relational outcomes. In structured negotiation simulations, some cultures (e.g., US, Germany) achieve more value creation and others (e.g., India, China) achieve more value claiming.
Intercultural	Certain factors such as cultural intelligence, social goals for relationship building, concern for face, and communication quality encourage value creation in intercultural negotiations. Other factors, such as cultural distance and hierarchical concerns hinder value creation in intercultural negotiations.	Negotiators use the strategy that is normative in their cultures but some also adapt to the counterpart's strategy.	Value creation is usually more difficult in intercultural negotiations than in one or both intracultural comparison samples.

[8[•],9[•],11[•]]. The reasons have not been fully developed theoretically or empirically, but trust, which varies with culture [13,14], is clearly part of the explanation [8[•],12]: Negotiators with high trust are more likely to engage in direct information sharing, whereas those with low trust tend to engage in persuasion and offer-making [8[•],9[•],11[•]].

Moreover, there is some evidence, consistent with theory, that East Asian negotiators prefer less direct modes of confrontation than do Western negotiators [15,16]. For example, Chinese negotiators show dominance less directly than Canadians by taking up additional physical space [17]. Chinese negotiators also engage in more informational deception than Americans to avoid overt conflict [18]. Similarly, Easterners generally show less comfort with anger [19[•]], apologize more often [20], and construe aggression as including more indirect behaviors [21[•]]. Eastern negotiators' behavior, however, hinges on the group status of their counterparts, as East Asians afford more trust to ingroup than outgroup counterparts and distinguish between the mild and severe transgressions of ingroup but not outgroup members [22[•]].

At the same time, several recent studies suggest that Chinese negotiators can be aggressive when deal-making. For example, Liu and colleagues report that Chinese negotiators place greater importance on competitive goals and use more influence and fewer information sharing behaviors than Americans [11[•],23,24]. And, in an email study, German negotiators used more information sharing and fewer influence behaviors than Chinese negotiators

[9[•]]. Perhaps the ingroup–outgroup status of the counterpart, coupled with their social presence, determine whether Chinese negotiators cooperate or compete.

Going beyond the geographic East/West distinction, emerging research distinguishes between honor, face, and dignity cultures [7,25], with important strategic implications. For example, the rational logic that facilitates creativity in dignity cultures like the U.S. backfires in honor cultures like Egypt, where creativity follows from morally-tinged statements conveying honor [26[•]].

Finally, there is some evidence that culture may affect the link between strategies and outcomes. For example, the persuasion and offers strategy creates relatively more value among Japanese negotiators [27] than American or Indian negotiators [8[•]]. Similarly, expressions of anger are relatively more effective for claiming value among Westerners than Easterners [19[•]].

Inputs

Culture and negotiation research, like negotiation research generally, has identified critical psychological inputs (cognitions, goals, affect) and situational factors (e.g., a negotiation's structure) that affect negotiation processes and outcomes. Negotiators across cultures think about and use these psychological constructs similarly. Although more research is needed, it seems that people in different cultures construe dominance [17], aggression [21[•]], and even trust [13] similarly. Although negotiators initially adopt trust levels that are rational within their own cultural ecology [5], negotiators across cultures may

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