



Cross-cultural equivalence and latent mean differences of the Negotiation Style Profile (NSP-12) in Taiwan and US managers



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ABSTRACT

Cassee's (1981) Negotiation Style Profile (NSP) measures *perceiving* (intuitive and factual) and *processing* (normative and analytical) behaviors used during intercultural negotiations. The NSP has been used across cultures in global training and consulting, and in research; however, measurement equivalence/invariance (MI) across national cultures has not been reported for the NSP of any length. An online survey was used to examine the NSP-12 in two cultural samples that represented individual-collectivist and low-high context cultures and two geographic regions. A stratified, random sample of 330 CEO's and managers from publicly traded companies of Taiwan and the United States (US) was selected. Multi-group confirmatory factor analysis (MGCFA) established levels of MI for each of the four NSP-12 styles across the two cultures: "normative style" (strict MI), "factual style" (partial scalar and partial strict MI), "analytical style" (partial metric and partial scalar MI), and the "intuitive style" (metric MI). Latent mean differences showed US managers used factual and analytic styles more frequently than Taiwan managers, consistent with individualistic and low context cultures. Furthermore, Taiwan managers used normative and intuitive styles more frequently than US managers, consistent with collectivist and high context cultures. Limitations and recommendations are discussed.

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1. Introduction

Negotiation is one of the primary functions of organizational communication (Neher, 1997), and with it global economic exchange has contributed to increased international negotiations. Research that examines the importance of culture in negotiation and use of negotiation styles to gain competitive advantage has been documented (Salacuse, 2005; Schein, 1997; Simintiras & Thomas, 1998; Tu & Chih, 2011). Extensive observations of international negotiations resulted in Cassee's model of "skills, styles, strategies and tactics that effective international negotiators tend to use" (Cassee & Deol, 1985, p. xv). The Negotiation Style Profile (NSP) was developed for intercultural negotiating situations for trainers, consultants, and managers (Cassee, 1981).

The profile is constructed from four negotiation style scores representing *perceiving* (factual and intuitive) and *processing* (analytical and normative) behaviors. Since the publication of the original NSP, the scale has been shortened from 80 items (Cassee, 1981) to 60 items by Osman-Gani and Tan (2002), 40 items by Tu (2007) and Tu and Chih (2011), 24 items by

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Farazmand, Tu, and Daneefard (2011), and 12 items by Tu (2014). The NSP has been translated into several languages; applied in national and international training sessions; and, studies showed a consistent four-factor structure (analytic, normative, factual, and intuitive styles). However, MI (metric, scalar, or strict) for any length of the NSP has not been established, and this is necessary in scales to justify correlational and comparative research. MI is the statistical measurement property establishing that a construct (such as negotiation styles) is being measured the same across different groups (gender, cultures, languages, job titles, time periods, situations, or other conditions). That is, the measure is interpreted similarly among the groups. MI is relevant to interpreting the relationship between indicator variables and latent constructs. An invariant measurement has the same loadings (metric MI), intercepts (scalar MI) and residual variances (strict MI) (Vandenberg & Lance, 2000).

The aforementioned studies that used the NSP studies have been conducted in Asian and Middle Eastern countries, typically “collectivist”, and in the US (individualistic). However, no study focused on comparing Eastern vs. Western national cultures. The purpose of this study was to extend the validity of the NSP by establishing MI for each of the four negotiation style subscales of the NSP-12 across an Eastern and Western sample of managers. Furthermore, pending acceptable levels of MI for the different negotiation styles, a second purpose was to examine differences in styles according to Eastern and Western cultures. The works of Casse (1981) and Casse and Deol (1985) were influenced by Hall’s (1976) low-high communication contexts, Hofstede’s dimensions of culture (1976), and Jung’s (1971) four psychic functions (sensing, intuiting, thinking, and feeling). These concepts and measurement invariance are reviewed.

1.1. *Perceiving and processing information during negotiation*

“We live in one economic world” (Mahbubani, 2012, para. 4) where we negotiate on a daily basis. Negotiations have always played a central role in international business relations. Negotiation “is the process by which at least two parties with different cultural values, beliefs, needs, and viewpoints try to reach agreement on a matter of mutual interest” (Casse & Deol, 1985, p. 2), *perceiving and processing* information. “The individual is a critical component for explaining the dynamics of the communication process in intercultural business negotiations. It is the individual who communicates and finds ways for reaching agreement—not nations, countries, or cultures” (Rudd & Lawson, 2007, pp. 15–16); however, national culture does influence an individual’s world view and conduct in social interactions (pp. 15–16). While there are personal and environmental factors that influence the negotiating process, there is “general” cultural variability among those negotiating from different nations.

Jung (1971) is attributed with theorizing four functions of our consciousness used in experiencing one’s internal and external world: sensing and intuiting are *perceiving* functions and thinking and feeling are *processing* functions (evaluating or judging). A balance of all four functions is desired. These cognitive functions affect behaviors when one engages in social relations and result in different behavioral styles (cognitive-behavioral model). No one style is good or bad. These are shared by all cultures, and manifested collectively, as characteristics of whole cultures (Jung, 1971). Negotiating awareness is based on our need to know our own style, the styles of others, and our ability to “switch from one style to another” (Casse & Deol, 1985, p. 53). Understanding “general cultural variability” in *perceiving and processing* information is of importance because of its relevance to negotiation awareness. Negotiation awareness may lead to better economic outcomes for managers (Jensen, 2012, para. 2).

1.2. *Cultural dimension models by Hall and Hofstede*

Major theories about cross-cultural negotiations have been credited to Hall and Hofstede. Hall (1976) was one of the earliest authors to examine the impact of culture on international activities. His four-factor model by which cultures are measured include: high vs. low speed of messages, high vs. low context, spatial distance, and polychromatic (multi-tasking) vs. monochromatic (single tasking) approach to time. Low-high context cultural factors distinguish two cultures in which negotiations occur. Low context cultures use clear and specific verbal communication relying on the message (North American and European countries), and are viewed as individualistic. High context cultures are generally more ambiguous, vague in communication, relying on behavior and circumstances where the context provides the meaning (African, Asian, Middle East, and South America countries) (Hall, 1976; Langovic-Milicevic, Cvetkovski, & Langovic, 2011). High-context cultures are collectivist, focusing on group harmony, cooperation, feelings, relations, and intuition. US and Taiwan managers represent these two national cultures (low-high context cultures) where negotiation styles are expected to differ, contributing to general culture variability.

In 1980, Hofstede introduced his seminal theory of dimensions of cultures with four major variables of cultural differences: power distance (small to large), uncertainty avoidance (from weak to strong), individualism vs. collectivism, and masculinity vs. femininity. Analysis of data resulted in assignment of scores that ranked each country on these dimensions. A fifth dimension, initially called Confucian dynamism now identified as long-term orientation (long-term vs. short-term orientation, future vs. present orientation), was added following research in Hong Kong by Bond and colleagues in 1991. This dimension makes a distinction between Chinese and Western cultural values. To date, nearly 100 countries have been analyzed according to several of Hofstede’s dimensions (Hall, 1976).

In several writings, Hofstede (1980) cites Hall’s (1976) low-high context communication dimension and associates it to his individualism-collectivist dimension of cultures, the most widely studied of his cultural dimensions. This dimension is

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