Process in Cross-Cultural Negotiations

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This essay describes the four broad themes that emerged from our discussion about the role of process in cross-cultural negotiations and considers their implications for future research. First, we address the nature of the conflict, in particular whether a negotiation is classified as a dispute or a transactional exchange. Second, we contrast the role of cognition and rapport in negotiations and consider when rapport replaces the centrality of cognition. We also discuss the extent to which negotiating processes create relationships based on trust or power, and consider how cultural values influence the development of these underlying relationships. Finally, we consider the role of culture in defining what is perceived as an optimal outcome and raise the possibility that suboptimal outcomes may hold symbolic value in cross-cultural negotiations.

The scholars who participated in this session focused primarily on the relationship between culture and the negotiation process. Drawing on existing classificatory schemes (e.g., Hofstede 1980; Schwartz 1994), we considered how culture influences both the substantive and relational aspects of communication. The substantive aspects refer to the content of communication; relational aspects refer to form. Culture is known to shape the substance of communications by influencing the kinds of strategies that
negotiators use (Brett and Okumura 1998; Adair, Okumura, and Brett 1998). It is also important to consider whether culture influences how negotiators provide information. For example, differences in the phrasing of substantive information can tell us about negotiators’ perceptions of interdependence; the level at which they define their identity; whether they are attempting to increase or reduce social distance; and, the extent to which they define relationships in terms of power (Donnellon 1994).

We began by posing two questions: (1) What are the processes that lead to shared frames in cross-cultural negotiations?; and (2) Are shared frames essential to high joint gains? To provide a framework for discussing these questions, we drew on existing theory (Burgoon, Stern, and Dillman 1995; Gibson 1997; Leung 1997; Putnam 1990) to identify several issues for consideration. These included the point at which cultural dimensions affect the negotiation process; how culture shapes goals, expectations, and attributions about the other party; how it influences reactions to the violation of expectations; and, whether culture influences the meaning derived from social interactions in the context of negotiations.

The discussion that emerged can be classified into four broad themes: the nature of the dispute; the influence of cognition; the underlying relationship; and, the definition of an optimal outcome. In this brief report, we integrate these four themes with current theory and highlight directions for future research.

**Dispute Resolution or Transactional Negotiation?**

*Theoretical Framework.* Research examining cultural differences in conflict resolution and negotiation has drawn heavily on the work of Hofstede (1980) and Schwartz (1994). These classificatory schemes highlight cultural differences in goals, attitudes toward power and uncertainty, as well as whether individuals adopt a task or relationship focus. For example, the cultural dimensions of individualism versus collectivism and hierarchy versus egalitarianism shape negotiators’ strategy preferences and outcomes (Brett and Okumura 1998). Our question to the group was whether these dimensions act independently or interdependently, and at what point in the negotiation process their impact is felt.

*Discussion.* The discussion challenged the fundamental premise of the question. Instead of discussing cultural differences in negotiation in terms of cultural dimensions, the discussants focused on the idea that conflict occurs within a broad historical context, unrecognized by classification schemes. Contextual factors, though rarely explored, shape and possibly over-ride the differences in cultural values identified by Hofstede (1980) and Schwartz (1994). Consequently, when studying more complex and ongoing cultural conflicts, the negotiation process will be strongly affected by the history of the conflicting parties and the context within which the conflict occurs.

The underlying issue leading to fissure in this discussion may have arisen from a blurring of the distinction between conflict resolution and
transactional (business) negotiations. Cultural disputes are often deeply embedded in a social web of relations. Stakes are high and disputants are more likely to enter resolution processes with an emotionally-loaded agenda. In contrast, business negotiations are relatively more neutral on an emotional and relational plane and negotiators are more likely to treat the negotiation as a problem-solving task.

The discussants also noted the need to recognize that culture is not uniform within a geographical boundary. Subcultures with different histories will also affect how disputes are framed and how they are resolved. For example, while a dominant culture may view business negotiations neutrally as a problem-solving task, for minority groups (subcultures) such transactions may be emotionally loaded because they highlight issues concerning social injustice.

Research Issues. This strand of the discussion raises several questions around the issue of defining culture. From a theoretical point of view, we need to consider the possibility that classificatory schemes of culture may limit our ability to understand cross-cultural conflict resolution. At an applied level, we need to broaden our definition of culture, so that we recognize the different histories of subcultures and their implications for conflict resolution and negotiation. Finally, we need to include consideration of emotional processes in order to understand cross-cultural negotiation more fully.

Rational Negotiations: Can Rapport Replace Cognitive Process?

Theoretical Framework. Negotiators’ goals form the basis of a negotiating script that includes expectations about appropriate behavior. Negotiating scripts encapsulate three types of goals — relational, identity and instrumental — each of which influences negotiators’ expectations and strategy choices (Wilson and Putnam 1990). In the context of cross-cultural negotiations, descriptions of individualist and collectivist cultures strongly suggest that these groups will differ with respect to the relational and identity goals that shape their negotiation strategies. The issues of how culture shapes these expectations and whether there are cultural differences in perceptions of, and reactions to, violations of expectations are yet to be addressed.

Discussion. Discussants argued that the focus on cognitive processes and the substantive content of negotiations has ignored the importance of rapport among parties. Two questions were developed in this discussion: Can rapport be established and maintained independent of goals and expectations? And, what are the consequences of success/failure in developing rapport for negotiated outcomes? For example, research suggests that if individuals speak a foreign language fluently, they are also expected to be fluent in other cultural behaviors and to match those behaviors (Molinsky 1999). However, a negotiator who is verbally fluent may not be familiar with culture-specific paralinguistic or nonverbal cues. In such cases, parties are less likely to develop rapport. Since rapport predicts mutual cooperation in
multi-party negotiations (Drolet and Morris 1997), failure to achieve rapport may jeopardize negotiators’ ability to achieve high joint gains. We note that an expectation for matching behavior may in itself be culture-specific: Negotiators from some cultures may view matching as an insincere act and this in turn may lower their trust of the other party.

**Research Issues.** This strand of the discussion raises three issues. First, there is a need to explore how rapport is established when negotiators hold different relational goals. To what extent will rapport reflect the influence of verbal and nonverbal strategies and how does this affect the creation of joint gains in negotiations? Second, cultures are known to differ in whether their communication is normatively high-context or low-context. Would negotiators from different cultures be more productive if they use communication media that eliminate nonverbal cues? In particular, would individualistic cultures be more comfortable with communication processes that have fewer relational and context cues? Finally, the discussion of rapport raises broader issues of emotion in negotiation. Because culture shapes emotional processes (e.g., see Markus and Kitayama 1991), understanding cultural differences in emotion may be critical to understanding the development of rapport across cultures.

**Trust or Power? The Creation of Negotiating Relationships**

**Theoretical Framework.** Trust and power are both central concepts in negotiation. We started the discussion with a description of two patterns of communication: reciprocity, which is aligned with trust, and complementarity, which is aligned with power. Reciprocity describes a pattern of communication in which negotiators match each other's strategies. This pattern serves to reduce social distance and results in increasingly greater perceptions of similarity, predictability and supportiveness — and, in turn, leads to increased trust. Complementarity describes an asymmetric pattern of behavior in which one party diverges from the other's communication style (Burgoon, Stern, and Dillman 1995; Giles and Coupland 1991). This pattern increases social distance, highlights distinctiveness rather than commonality, reinforces individual rather than group identity, and leads to negative evaluations and attributions. Although this asymmetrical pattern can also increase the predictability of interactions, it defines a power-based rather than a trust-based relationship.

**Discussion.** The concepts of reciprocity and trust generated a broader discussion on the nature and role of trust within negotiations. First, we considered how trust might be defined. Is it enough that the other negotiator’s behavior is predictable or do we require evidence of shared norms? Second, we considered the extent to which reciprocity is a means for establishing trust. Returning to our earlier discussion of matching, we considered what type of reciprocity established trust. Is it sufficient that negotiators match cooperation with cooperation, or do they need to match specific strategies (e.g., priority information exchange)? Do negotiators tolerate deviations
from reciprocity without shifts in their level of trust? Finally, intersecting with the discussion on cognition and rapport, we identified two separate paths to sustaining (or violating) trust. Following a cognitive path, trust may be violated when the negotiation that we experience differs from the negotiation that we expected. Following a relational path, rapport may lead to the development of trust independent of negotiators’ expectations and, more importantly, violations of expectations.

In comparison to the discussion of trust, which focused on transactions, the discussion of power centered on conflict resolution. In this context, historical factors can play an important role in establishing power differentials that subsequently determine the nature of the negotiating relationship. One example of a historically-determined power differential is captured in the distinction between dominant and nondominant cultural subgroups within a country. Power differentials reflect the impact of variables external to the negotiation, such as social status defined by socio-economic level. Although power differentials are often more salient in cultures that are hierarchical, the distinction between dominant and nondominant subgroup affiliation suggests that egalitarian cultures can also be informed by such concerns.

In terms of process, power differentials may influence pre-negotiation preparation: A negotiator belonging to a minority group often needs to gather much more information about the dominant group prior to a negotiation than vice versa. Furthermore, this asymmetric information search may block understanding. In the absence of detailed information, a member of the dominant culture may draw on existing stereotypes to guide behavior and shape interpretation of the behavior of the minority (nondominant subculture) member. This may have the effect of simultaneously eliciting atypical behaviors from the non-dominant subculture and reinforcing the cultural stereotypes of both groups.

Research Issues. Returning to the theoretical framework, research issues center on the two patterns of communication: reciprocity and complementarity. Because these patterns reflect different identity and relational goals, we need to consider whether there are cultural differences in which patterns of communication provide the dominant negotiating dynamic. In assessing reciprocity, we need to consider whether culture influences what is perceived to hold similar informational value. Finally, if negotiators start with the assumption that they may trust one another, can process data help us understand how negotiators react when assumptions about initial trust are violated?

Negotiated Outcomes: Are High Joint Gains Always Optimal?

Theoretical Framework. Although cultures differ in the allocation norms that they endorse (e.g., see Leung 1997), researchers typically assume that the goal of all negotiators is to obtain optimal outcomes. Negotiators do not, however, always maximize joint gains. Although failures to maximize
joint gains may be attributed to faulty processes that result, for example, from cognitive biases (Neale and Bazerman 1991), an alternative explanation is that negotiators sometimes place a greater value on the negotiating relationship than on their substantive outcomes. For example, research demonstrates a curvilinear relationship between the strength of a friendship tie and the negotiation outcomes such that friends do better than strangers but they also do better than married couples (Valley, Neale, and Mannix 1995). Increased rapport and cooperation can be effective for problem solving; however, they may lead to satisficing when concern for the relationship outweighs concern for the task.

Discussion. Extending this line of argument, the discussion led us to consider whether satisficing may carry an important symbolic meaning within negotiations. Adopting a broader concept of negotiation outcomes would allow us to include both the social relationship between the parties at the table and the negotiable items on the table. This framework would allow us to recognize that a tradeoff between current monetary gains and the long-term relationship may not always be a suboptimal outcome. Even when parties enter the negotiating situation as strangers, reaching a mutual understanding may be a more meaningful symbolic gain than realizing the full potential monetary gains on the table.

Research Issues. One question that stems directly from this line of discussion is why much of the existing research defines the quality of outcomes only in terms of substantive gains and treats concerns for the social relationship as nonrelevant residuals. In cross-cultural negotiations, where parties may find it more difficult to establish rapport and build a negotiating relationship, the symbolic value of specific acts such as satisficing may be an important topic for future research.

Linking Process to Culture

In summarizing these discussions, we return to the question of whether and how the negotiating process contributes to the development of shared frames. A range of processes can create and sustain shared frames. Which processes dominate will be determined by whether the underlying dynamic has a relational or transactional focus; whether it seeks to build trust or reinforce power differentials; and what allocation goals negotiators value. We conclude this report by linking the themes that emerged in this discussion to research on negotiation processes, especially the sequencing of strategies.

Consistent with our description of complementary patterns of communication, analysis of negotiation sequences has demonstrated that differentiated roles can create a stable but asymmetrical negotiation process (e.g., Donohue, Diez, and Hamilton 1984; Putnam and Jones 1982). Future research could examine whether similar effects can be observed in cross-cultural negotiations. Do different cultural values effectively create differentiated roles and asymmetrical patterns of communication? Does this
divergence reflect the kinds of processes that might occur when dominant and nondominant subcultures negotiate?

Research also provides evidence that whether negotiators hold cooperative or individualistic relational goals influences the kinds of strategy sequences that occur (e.g., see Olekalns and Smith 1998; Weingart, Bennett, and Brett 1993). Another direction for research is to consider whether culture influences the relational goals held by negotiators. For example, do cultural differences in patterns of reciprocity and complementarity (Adair 1999) reflect different relational goals?

Finally, research shows that the types of strategies that are selected and how they are sequenced affects the level of joint gains (e.g., see Olekalns and Smith 1997; Weingart, Thompson, Bazerman, and Carroll 1990). Dyads differ in their level of joint gains, suggesting that negotiators hold different allocation norms and goals at the outset of a negotiation. An alternative research path relates to the relationship between culture and the allocation norms held by individual negotiators. In cross-cultural business negotiations, distributive negotiations reflect a priori preferences among cooperative, individualist, and competitive social motives (Kopelman 1999). While some cross-cultural negotiations are plagued by differences and low joint gains (Brett and Okumura 1998), more compatible cultures are able to optimize gains and attain outcomes that are comparable to intra-cultural dyads (Adair, Kopelman, Gillespie, and Brett 1998). Research might consider whether maximizing substantive outcomes is always the goal, and how differences in allocation norms affect the pattern of strategies that emerges in negotiations.

REFERENCES


