The Effects of Personal Value Similarity on Business Negotiations

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Siew Meng Leong
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INTRODUCTION

Among the topics emerging from a recent Delphi study of desirable future research in international business was examining the differences in values pertinent to marketing negotiations [1]. This underscores the continued importance of addressing the impact of personal values in cross-national marketing interactions [2, 3]. With the trend towards increased globalization, a deeper appreciation and understanding of what and how personal values affect negotiations will enable organizations, especially those with international operations, to stay ahead of their competition. Along this line, work assessing the influence of culture on cross-national business relationships and industrial buying selection criteria has emerged in the industrial marketing literature [4, 5].

A basic premise in negotiation research is that individuals sharing similar values will improve negotiation processes and outcomes [6, 7]. This similarity hypothesis

This study examines whether shared personal values affect adaptability and attitude towards a foreign partner in business negotiations. Two values were experimentally investigated—time processing orientation and agreement preference. Shared time orientations and agreement preferences did not consistently result in greater adaptability and attitude toward the foreign partner than value differences between negotiators. Furthermore, shared oral agreement preferences elicited greater adaptability only selectively, while shared written preferences produced no significant differences against the other agreement preference conditions. No attitudinal differences were observed for agreement preference. © 2000 Elsevier Science Inc. All rights reserved.

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holds much intuitive appeal. Clearly, difficulties and misunderstandings may arise from differences in values that influence perception and interpretation of, and attitude towards, the business and business-related matters [8]. A greater awareness and understanding of personal value differences would thus help enhance working relationships and reduce conflicts especially with foreign partners [9, 10].

However, empirical research on the relationship between negotiator similarity and negotiation outcomes has produced mixed results. In intracultural experimental simulations, similarity between French negotiators was found to be positively related to buyers' satisfaction [6]. However, contrary to expectations, an inverse relationship was reported for the German group, and no significant relationships were established among U.S. and UK negotiation dyads. In intercultural scenario-based research, a moderate level of adaptation to American cultural norms was found to improve the adjudged attraction of Japanese but not Korean business people [11].

While the degree of similarity between negotiators may partially affect negotiation effectiveness, the nature of similarity may be as, if not more, important a factor in the negotiation process. Indeed, a major line of inquiry in international business research has been directed towards uncovering differences in values among executives of different nationalities [12–14]. Such differences furnish a rich conceptual and empirical basis in international negotiation research left largely untapped. In particular, previous work has used an overall index of similarity by aggregating such values as generalized self-esteem and the 36 Rokeach values [6]. While this approach provides a broad-based assessment of the effects of negotiator similarity, it may well mask potential differences in the impact of specific values on negotiation processes and outcomes. Work is needed on determining not whether values affect negotiation, but which and in what direction. Moreover, there could also be such considerations as efficiency that may influence the negotiation process aside from similarity.

Using intercultural scenarios as the context, this study aims to determine the effects of shared personal values on adaptability and attitude toward a foreign negotiating partner. Adaptability is the degree to which a business partner is willing to accommodate the perceived foreignness of the other party and adjust his or her beliefs accordingly [15]. It differs from adaptation that suggests an actual belief change. In marketing, attitude towards a product is enhanced when the values it represents are consistent with those of the consumer. Favorable attitude in turn enhances purchase intention. Similarly, liking for a foreign partner may be influenced by shared personal values, which in turn leads to favorable negotiation outcomes.

To facilitate more meaningful analysis and empirical generalization, two personal values are studied—time processing orientation and agreement preference. These values have been frequently cited in both academic [16] and trade [17] media as being important especially in cross-national business dealings. Negotiators with a monochronic orientation of following preset schedules may find it difficult to adjust to those with a more polychronic orientation where time processing is more flexible. Likewise, negotiators preferring written agreements may be uncomfortable when dealing with those who may deem oral agreements adequate.

LITERATURE REVIEW

Adaptability

Adaptability, in the context of international business negotiation, is the degree to which a business partner is willing to accommodate the perceived foreignness of the other party and adjust his or her beliefs accordingly [15]. Adaptability exists on two fronts—emotional and behavioral. Emotional indicators, the thrust of this study, include willingness to accommodate the other negotiator. Thus, a business partner low on the emotional dimension of adaptability tends to be less willing to work with the foreign party as a business partner. This differs from adaptation in that no actual change has taken place. Adaptability in negotiations is important as it influences the perception of similarity between both parties [18]. This generally results in more positive interactions between the participants. Adaptability is therefore typically moti-
vated by a desire to bridge distances, gain acceptance, and improve communications.

**Attitude**

Attitude is an expression of feelings an individual has towards an object. In the context of international negotiation, one’s attitude towards a foreigner includes how much one likes and enjoys working with the foreign party. To the extent that more favorable evaluations toward the foreign party are held, negotiations can progress more smoothly leading to enhanced outcomes.

**Time Processing Orientation**

Time spent on business such as negotiation is relative. Patterns of time usage fall on a continuum between monochronic and polychronic time processing [19]. Figure 1 shows the characteristics of individuals possessing these types of time processing.

Monochronic time processing is defined as “only one task is undertaken at any time, following a schedule” (p. 64) [16]. It represents a sequential-tasking decision-making approach. Monochronic individuals believe that time can be compartmentalized and therefore spent, saved, wasted, and lost. They tend to adhere to preset schedules [20]. When pressed for time, they place priority towards meeting dates and schedules.

In contrast, polychronic time processing involves “dealing simultaneously with different tasks, actions, and/or communications for convenience, pleasure, and efficiency” (p. 64) [16]. Due to such parallel-tasking decision making, polychronic individuals have a flexible attitude towards time. Appointments are not taken seriously and therefore frequently broken. Meetings may drag. Schedules can be easily changed to maintain commitment to a person. Often, important plans may be changed. Polychronic individuals also tend to interact with several people at once [20]. Hence, polychronic individuals can be actively involved in two or more activities at a time [21].

![Monochronic vs. Polychronic Time Processing](image)
Such differences in time processing can have significant effects on business dealings. Figure 2a provides a graphical representation of the theoretical basis of the hypotheses. Time-based misunderstandings may arise [9, 16]. Monochronic individuals treat time wastage with unease. They may perceive polychronic individuals as lacking in interest and order. The main disadvantage monochronic individuals have when negotiating with a polychronic partner is that time pressure may cause them to make concessions to meet deadlines. In contrast, polychronic individuals may view their monochronic counterparts as lacking in sincerity and politeness [20]. Thus, unhappiness due to misinterpretation of the monochronic individual’s time efficiency may disrupt a business negotiation. A shared time processing orientation is thus crucial to minimize misunderstandings. Hence, H1 predicts:

\[ H1: \text{Adaptability and attitude towards the foreign partner are enhanced when both parties share the same time processing orientation than when one party is monochronic while the other is polychronic in time orientation.} \]
However, the above hypothesis appears somewhat simplistic in light of efficiency arguments. In particular, a match between monochronic partners may be expected to generate more favorable attitude towards the foreign partner compared with a match between polychronic partners. The rationale is that when it comes to business dealings, order may be preferred as it affects the bottom-line [10, 22]. When at least one partner is monochronic in time processing, s/he will define the business agenda, set the deadlines, and seek closure of the business deal. In contrast, if both partners are polychronic, such agenda and deadlines may be harder to set and accomplish. Thus, even though both partners share polychronic values, they may prefer that their partner be more monochronic to ensure that the business moves along. Hence, shared monochronic values should result in greater adaptability and a more favorable attitude towards the foreign partner than shared polychronic values. Based on efficiency, H2 predicts:

\[ H2: \text{Adaptability and attitude towards the foreign partner are enhanced when there is a match on monochronic processing than when there is a match on polychronic processing between parties.} \]

**Agreement Preference**

Another value that may affect negotiation success is the preference for written or oral agreements. While busi-
ness agreements are mostly written, oral agreements constitute some secondary portions of a written agreement in certain cultures. In such cultures, the written component provides a framework for further understanding and dialogue. This is augmented by the “my word is bond” philosophy where oral agreements signify trust in the party [16]. The notion is that if there is no trust, a piece of paper carries no value. Written agreements are often meant for impersonal trust and mistrust. China and Thailand are two countries where there is heavy reliance on oral agreements, while written agreements are used heavily in Hong Kong [17, 23]. For traditional Chinese, the spirit of agreement may be more important than the letter of agreement [23]. Such Chinese may be offended by the insistence on written contracts. Based on such evidence, the similarity hypothesis would suggest that parties sharing similar agreement preferences would find it easier to adapt to each other during negotiations than those who do not.

The similarity hypothesis also holds that shared agreement preferences would lead to more liking for the foreign partner in business negotiations (see Figure 2b). Thus, when traditional East Asian organizations negotiate with one another, both tend to adopt an oral agreement stance (“my word is my bond”; [24]). Likewise, in typical Western negotiations, companies usually opt to “put things in writing” thus implying a shared preference for written agreements. Shared agreement preferences can facilitate negotiation as both parties understand where the other is coming from. However, when both parties have different preferences, confidence and trust is lost as they may be unable to reconcile on the agreement methods [25]. Numerous instances of such problems have arisen in negotiations involving traditional East Asian companies preferring oral agreements and Western firms preferring written ones [26]. Thus, H3 states:

\[ H3: \text{Adaptability and attitude towards the foreign partner are enhanced when both parties hold the same agreement preferences than when one prefers written and the other oral agreements.} \]

While the similarity hypothesis suggests that adaptability and attitude toward the foreign partner could be adversely affected when agreement preferences are not aligned, it does not account for the nature of the mismatching that could produce differences in negotiator evaluation. Clearly, negotiations could be affected adversely as the party preferring written contracts may not settle for a simple verbal consent. However, evidence suggests that it would be more difficult for the negotiator favoring written agreements to set a threshold of trust with more orally oriented partners. In a study examining attitudes towards contracts, it was noted that “you can settle any dispute if you keep the lawyers and accountants out of it. They just do not understand the give-and-take needed in business” (p. 61) [27]. Furthermore, those with a rigid attitude towards contracting are typically unsettled by informal assurances that “everything will work out” [28]. In contrast, it is easier for a partner favoring oral agreements to adapt to one with a written agreement preference as the written agreement serves as a binding contract in addition to an oral “my word is my bond.” Liking for the foreign partner with a different agreement preference is also higher when the local party has an oral than a written agreement preference. Thus, H4 states:

\[ H4: \text{When negotiators have different agreement preferences, there is greater adaptability and more favorable attitude towards the foreign partner when such a partner has written over oral agreement preference.} \]

**METHODOLOGY**

**Design**

Two four-level between-subjects designs were used, one for each personal value. For each design, two levels represented the matched conditions and two the mismatched conditions. One match condition of time processing orientation involved both negotiators favoring monochronic processing, while the other had both inclined towards polychronic processing (see Figure 3a). The mismatch conditions involved one negotiator having a monochronic and the other a polychronic time processing orientation. Likewise, agreement preference had two match conditions where both negotiators had similar oral or written preferences, while the two mismatch conditions had one negotiator favoring oral and the other written agreements (see Figure 3b). To create these conditions, scenarios were developed that manipulated one (the foreign) partner’s time processing orientation and agreement preference. Subjects’ scores on these values were measured and median splits performed to determine whether they were more monochronic or polychronic in time processing and preferred written or oral agreements. For internal validity purposes, the country-of-origin of the foreign partner was not revealed to subjects as nationality information may confound with the manipulations and contaminate the measurement of the dependent variables.
Subjects

Subjects were 165 Singaporean executives randomly assigned to cell sizes of 20 or 21. The use of Singaporean subjects afforded several benefits to the research. First, much international negotiation research has been conducted using Western respondents. Employing Asian subjects thus enhances the breadth of such work. Second, as time processing orientation and agreement preference were to be studied, the respondent pool had to comprise subjects varying in these characteristics. As Singapore is an Asian nation with strong Western influence, there are both traditional Asian and modern Western businesses in the country. Consequently, Singaporean executives vary in training and outlook. They are hence likely to differ in monochronic and polychronic time processing orientation as well as hold varying oral and written agreement preferences. Almost 85% of the subjects were aged between 25 and 35. Some 79% were males. All subjects were graduates with experience in international negotiation. Chi-square tests conducted showed that subjects did not vary significantly in education, age, sex, income, and years of business experience across the experimental conditions.

(a) Time Processing Orientation

Local Negotiator (Subject)

<table>
<thead>
<tr>
<th>Foreign Negotiator (Mr X)</th>
<th>Monochronic</th>
<th>Polychronic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Matched monochronic processing</td>
<td>Mismatch I</td>
</tr>
<tr>
<td></td>
<td>Mismatch II</td>
<td>Matched polychronic processing</td>
</tr>
</tbody>
</table>

(b) Agreement Preferences

Local Negotiator (Subject)

<table>
<thead>
<tr>
<th>Foreign Negotiator (Mr X)</th>
<th>Oral</th>
<th>Written</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Matched oral preference</td>
<td>Mismatch I</td>
</tr>
<tr>
<td></td>
<td>Mismatch II</td>
<td>Matched written preference</td>
</tr>
</tbody>
</table>

FIGURE 3. Experimental designs.
Procedure

Subjects were randomly assigned to either the time processing or agreement preference design. They were given a written scenario in which they assumed the role of a representative of their company outstationed in country A (see Appendix). Their assignment was to oversee the completion of a factory. The scenario had subjects visiting Mr. X, the manager of one of their firm’s machine providers to discuss a contract. Three incidents each of time processing and agreement preference of Mr. X were factored into the scenarios. Half the subjects read the monochronic (oral) and the other half the polychronic orientation (written preference) of Mr. X in the time processing (agreement preference) design. After reading the scenario, the dependent variables were measured. The manipulation checks were then obtained, followed by subjects’ time processing orientation and agreement preference. Finally, demographic information was collected. Each experimental session averaged 12 minutes.

Manipulations

TIME PROCESSING ORIENTATION. Three incidents relating to punctuality, interruption, and time scheduling were inserted into the negotiation scenario. In the monochronic scenario, Mr. X was described as being punctual in ushering the subject into his office; asking his secretary to handle an incoming call instead of interrupting his meeting with the subject; and keeping to his scheduled appointments. In the polychronic scenario, the subject was kept waiting for the appointment; Mr. X engaged in an incoming call during the meeting with the subject; and Mr. X kept another person waiting even though an appointment had been made. Two items on six-point scales (1 = disagree; 6 = agree) were used to measure time processing. Subjects were asked whether “Mr. X probably feels at ease when he plans his day well,” and “Mr. X probably makes an appointment to meet someone from another organization” (r = 0.75).

AGREEMENT PREFERENCE. Each negotiation scenario also had three incidents of preference for either oral agreement or a written one. These concerned the written inclusion of three contracts that had been omitted in the previous negotiation. In the oral preference scenario, Mr. X expressed that agreements are understood even without writing; that not all requirements need be stipulated in writing; and that there was no need to include the omissions in the contract. In the written preference condition, Mr. X expressed that agreements should be in writing; that all requirements be included in the contract; and that the omissions should be inserted in writing. The manipulation check involved six six-point items (1 = disagree; 6 = agree): “After the negotiations, the contract still has too many oral agreements left out,” and “After the negotiations, the contract is still incomplete and not sufficiently explicit” (r = 0.88).

Match/Mismatch Conditions

To establish the experimental conditions, we first assessed subjects’ scores on the two values by using six six-point scales (1 = disagree; 6 = agree). Pretests showed that the time processing index exhibited low reliability in the current context (alpha < 0.50), possibly due to its generic nature. Thus, two items specific to business were created to measure subjects’ time processing orientation: “I think in business, one should not be late for an appointment to meet someone from another organization,” and “I think a person should split up his work day in such a way as to plan time for each task” (r = 0.60). For agreement preference, the items were: “I think all contracts should be written” and “When doing business, I feel comfortable when all agreements are written.” (r = 0.79).

Median splits for these two values were then used to classify subjects regarding their time processing orientation and agreement preference. These were then crossed against the manipulated foreign partner’s values. A match condition arises when subjects share similar values with Mr. X. Hence, two match/mismatch conditions were derived for each value. By using time processing as an example, the match conditions are those where subjects
Shared monochronic values preferred over shared polychronic values for efficiency.

were classified as monochronic (polychronic) and Mr. X was manipulated as being monochronic (polychronic) in orientation. The two mismatch conditions would be those where subjects were classified as monochronic (polychronic), and Mr. X was manipulated as being polychronic (monochronic).

Dependent Measures

ADAPTABILITY TOWARDS FOREIGN PARTNER. Adaptability was measured in terms of how willing subjects were to work with Mr. X as a partner. Two six-point items were used measuring how willing they were to play by Mr. X’s rules and how easy it was to accept his work methods (r = 0.77).

ATTITUDE TOWARDS FOREIGN PARTNER. Using two six-point scales, attitude towards Mr. X was measured in terms of how much subjects liked Mr. X as a business partner and how pleased they were to work with him (r = 0.77).

RESULTS

Manipulation Checks

Given their adequate reliability, average scores were used to assess the manipulations of the two values. Subjects in the monochronic condition rated Mr. X as being more monochronic than those in the polychronic condition (x = 4.15 versus 3.02; t = 6.84, P < 0.05). Subjects in the oral preference condition rated Mr. X as preferring oral over written agreements than those in the written preference condition (x = 5.43 versus 3.88; t = 10.96, P < 0.05). Hence, both manipulations seemed successful.

Hypotheses Testing

Given their adequate reliabilities, average scores for adaptability and attitude were used for hypotheses testing. The means for the adaptability and attitude dependent variables for the various experimental conditions are given in Tables 1 and 2, respectively.

H1 predicted that a shared time processing orientation results in greater adaptability and enhanced attitude towards the foreign partner than when the two parties have dissimilar orientations, while H2 held that there will be more favorable negotiator evaluations when there is a match on monochronic than polychronic processing. As Table 1 indicates, H1 was supported when both parties share monochronic processing but not when they share polychronic processing. Support for H2 was observed as monochronic matches consistently yielded the highest mean scores for both adaptability and attitude, while polychronic matches received the lowest mean scores. In

### TABLE 1
Time Processing Orientation Results

<table>
<thead>
<tr>
<th>Condition</th>
<th>Subject’s Orientation</th>
<th>Mr. X’s Orientation</th>
<th>n</th>
<th>Adaptability*</th>
<th>Attitude†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monochronic</td>
<td>Monochronic</td>
<td>21</td>
<td>2.40a</td>
<td>2.40a</td>
<td></td>
</tr>
<tr>
<td>Monochronic</td>
<td>Polychronic</td>
<td>21</td>
<td>2.35b</td>
<td>2.04b</td>
<td></td>
</tr>
<tr>
<td>Polychronic</td>
<td>Monochronic</td>
<td>20</td>
<td>1.98</td>
<td>1.98b</td>
<td></td>
</tr>
<tr>
<td>Polychronic</td>
<td>Polychronic</td>
<td>20</td>
<td>1.78c</td>
<td>1.51c,de</td>
<td></td>
</tr>
</tbody>
</table>

*Column-wise, pairs of mean values with same letters implies that the means are significantly different from each other at P < 0.10. For example, under adaptability, 2.40 is significantly different from 2.35 or 1.98.

†Column-wise, pairs of values with same letters implies that the means are significantly different from each other at P < 0.05.

### TABLE 2
Agreement Preference Results

<table>
<thead>
<tr>
<th>Condition</th>
<th>Subject’s Preference</th>
<th>Mr. X’s Orientation</th>
<th>n</th>
<th>Adaptability*</th>
<th>Attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oral</td>
<td>Oral</td>
<td>21</td>
<td>2.46a</td>
<td>2.08</td>
<td></td>
</tr>
<tr>
<td>Oral</td>
<td>Written</td>
<td>20</td>
<td>2.45b</td>
<td>2.23</td>
<td></td>
</tr>
<tr>
<td>Written</td>
<td>Oral</td>
<td>21</td>
<td>1.81b</td>
<td>1.83</td>
<td></td>
</tr>
<tr>
<td>Written</td>
<td>Written</td>
<td>21</td>
<td>2.17</td>
<td>2.08</td>
<td></td>
</tr>
</tbody>
</table>

*Column-wise, pairs of mean values with same letters implies that the means are significantly different from each other at P < 0.05. For example, under adaptability, 2.46 is significantly different from 1.81 but not different from 2.45 or 2.17.
between these extremes, mismatches involving mono-
chronic subjects with polychronic partners had higher 
means on both dependent measures than mismatches in-
volving polychronic subjects and monochronic partners.
Statistical analyses bear these inferences out. Specifi-
cally, the MANOVA results were significant for time 
processing (Hotelling’s F = 3.31, P < 0.01). Subsequent 
univariate ANOVAs found that both adaptability and at-
titude were significantly different across the four levels 
of time processing (F’s = 5.42 and 3.04, P’s < 0.05). 
Newman-Keuls contrasts showed that subjects’ adapt-
ability towards Mr. X was marginally greater for mono-
chronically matched dyads and mismatches involving 
monochronic subjects and polychronic foreign partners 
than when both negotiators were polychronically or-
iented. Monochronically matched dyads also yielded sig-
nificantly higher attitudinal evaluations than polychroni-
cally matched ones. Indeed, both mismatched time 
orientation conditions evaluated Mr. X marginally more 
favorably than the polychronically matched dyads.
H3 hypothesized that a match in agreement prefer-
ences will result in greater adaptability and more favor-
able attitude than a mismatch, while H4 predicted that 
when agreement preferences differ, there will be greater 
adaptability and more favorable attitude for the foreign 
negotiator if such a foreigner has a written compared to 
an oral agreement preference. Table 2 shows that the di-
rectional pattern of means for both dependent variables 
was identical across the four levels of agreement prefer-
dences. Subjects in the mismatch condition preferring 
written agreements while their foreign partner preferred 
oral agreements rated Mr. X most poorly, followed by 
those with matched written agreement preferences. The 
most positive ratings of Mr. X were obtained in the oral 
agreement matched condition, followed by the mis-
mismatch involving subjects preferring oral, and Mr. X pre-
ferring written, agreements. These findings appear to 
provide support for H4, while H3 was supported only 
for the matched oral but not matched written agreement 
condition.
Statistical analyses partly affirm this conclusion. The 
MANOVA for agreement preference was marginally sig-
nificant (Hotelling’s F = 2.02, P < 0.10), while the 
ANOVA was significant for adaptability but not attitude 
(F’s = 3.54 and 1.17, P’s < 0.05 and > 0.10, respec-
tively). Newman-Keuls contrasts showed that subjects 
with matched oral agreement preferences, and those with 
oral preferences while their foreign partner had written 
preferences, had significantly higher adaptability towards 
Mr. X than those preferring written to their partner’s oral 
agreement preferences. No adaptability differences were 
observed for the matched written preference condition 
relative to the three other groups.

**DISCUSSION**

The objective of this research was to determine the ex-
tent to which similarity in two personal values—time 
processing orientation and agreement preference—af-
fected adaptability and attitude towards the other negotia-
tor. Past research using global measures of value similar-
ity had produced mixed results. By isolating specific 
values for study, it was posited that more detailed in-
sights into the nature of similarity effects on negotiation 
processes can be drawn.
The results support using this approach to personal 
value research in business negotiations. They showed 
that the similarity hypothesis was not upheld for both 
time orientation and agreement preference. Shared time 
orientation and agreement preferences did not consis-
tently result in greater adaptability and attitude toward the 
foreign partner than mismatches between the negotia-
tors on the two values. While a shared monochronic time 
orientation produced the highest adaptability and most 
favorable attitude, a polychronic processing match 
yielded the weakest negotiator evaluations. Similarly,
shared oral agreement preferences elicited greater adaptability only over one of the mismatched agreement conditions. Moreover, shared written preferences were not statistically different from the other agreement conditions. This complex pattern of findings implies that the similarity hypothesis does not offer the fine-grained insights needed to account for the influence of time processing orientation and agreement preference on adaptability and attitude assessment.

Indeed, a more plausible explanation for the time processing results observed is based on the efficiency hypothesis. This predicts that some form of orderliness is desirable in negotiations as it affects the bottom line [10, 22]. This is maximized when both parties share a monochronic time processing orientation and minimized when they are polychronic time processors. More moderate adaptability and attitude evaluations occur when one party has a monochronic orientation that keeps the negotiation agenda going. Therefore, despite differences in time processing orientation, attitude and adaptability are enhanced compared with when both parties are similarly polychronic.

The similarity hypothesis was also not supported for agreement preference. Attitude towards the foreign partner was not affected by agreement preference. Moreover, adaptability evaluations appear to be selectively more favorable only when there is a match of oral agreement preferences, while shared written preferences did not yield different negotiator evaluations from the other agreement conditions. Significantly, subjects in the two mismatched conditions provided different adaptability ratings of their foreign partners. In particular, those who preferred oral agreements while their partner preferred written ones gave higher adaptability evaluations than those preferring written agreements to their partners’ oral preferences. This is consistent with the view that when a mismatch occurs in agreement preference, the party with an oral preference will be more likely to adapt than the one preferring written agreements. The added security provided in explicit written form can give negotiators used to the oral word greater comfort. In contrast, reliance on implicit trust based on oral agreements may cause negotiators used to written contracts greater discomfort. It would thus be easier for negotiators preferring oral agreements to accommodate their partners than those who were more inclined towards written agreements.

Although the present study used transcultural dyads to examine how cultural differences/similarities influence attitude and adaptability, the results can be extended to intranational negotiations as well. Differences in time processing and agreement preferences may vary among individuals within the same culture and hence affect negotiations.

**MANAGERIAL IMPLICATIONS**

The results suggest that it is not optimal for firms to assign polychronic executives to negotiate with similarly polychronic business partners. Preference is for at least one party to be monochronic. Therefore, without knowing the time processing orientation of the other party, it pays for a firm to send a monochronic individual to negotiate as it is assured that at least one party to the negotiation (its own) has a monochronic orientation. Such monochronic time processing is advantageous for several reasons. As a monochronic individual tends to be cognizant of deadlines, he is likely to push for negotiation closure. This is particularly important for businesses as time may be of the essence in affecting first-mover advantage. Thus, sending a monochronic processing negotiator helps in meeting deadlines. Such an individual is also likely to ensure that the various points in a business agenda are discussed. Since monochronic individuals tend to conduct one task at a time in a sequential manner, it is likely that details of a negotiation will be covered in an orderly...
manner. Therefore, a firm is assured that at least the important aspects of a negotiation will be discussed.

Such efficiency benefits of having a monochronic negotiator become more evident when dealing with international negotiations. Negotiation closure is relevant because employees are sent overseas and additional expenses are incurred as negotiations drag. Furthermore, some partners use polychronic time processing as an instrument to tire out foreign parties into acceding to their requests. Chinese business people have been reported to engage in long drawn-out meetings as a mechanism to get foreign parties to give them favorable negotiation terms [29]. Having a monochronic negotiator therefore will hasten the negotiation process and facilitate closure. However, the negotiator should be empowered to extend the deadline, if necessary, so that no compromises are made to the detriment of the firm.

In terms of agreement preferences, the findings suggest that when negotiating with a party whose agreement preference differs, more effort is needed to allay the fears of the party that prefers written agreements. A negotiator who prefers written agreements tends to feel uneasy when contracts are based on verbal promises. Thus, when dealing with such parties, one should be cognizant of such fears and provide constant reassurances that the terms of the agreement are being fulfilled. On the other hand, if a firm prefers written agreements but the other party does not, a compromise may have to be sought. Parties that prefer oral agreements generally rely on the “my word is my bond” philosophy. Therefore, having a shorter version of an agreement specifying the main points without going into the details may help allay fears for the firm preferring written agreements, while meeting the “trust” dimension of the other oral preference party.

FUTURE RESEARCH

Overall, the findings imply that while firms need not find a perfect fit in values with their counterparts over the negotiating table, they should be sensitive to value differences to optimize their returns. The results also suggest that the intuitive appeal of the similarity hypothesis requires more than anecdotal evidence to engender confidence. Identification of its boundary conditions is needed as is work on the rival efficiency hypothesis that appears to be more firmly supported by the findings.

In this connection, this study focused on two personal values—time processing orientation and agreement preferences. Future research may investigate other values that negotiators look for when determining perceived similarity including space orientation and locus of control. Different individuals have different areas of private space. Hence, uneasiness may arise if one intrudes into their private space. Individuals with varying loci of control have a different outlook in life that may affect their interactions with dissimilar cultures. A meta-analysis of empirical work on the similarity and efficiency hypotheses in the context of international negotiation can also be conducted after such research.

In addition to adaptability and attitude, future research may explore other pertinent responses in a negotiation setting including suspicion towards, patience with, comfort with, and irritation with the foreign partner. Suspicions is a critical factor in negotiation success. When there is suspicion, partners are wary of each other’s intentions, which may be misinterpreted and hinder the negotiation. Patience is important when it comes to dealing with individual differences. Comfort helps increase the ease of working in a different environment, and not being irritated by a different value helps increase the chances of acceptance.

Besides the emotional adaptability that was studied, behavioral and cognitive adaptability can also be investigated. Previous researchers have espoused behavioral adaptability (adaptability of actions) as a means of gaining acceptance from other cultures by reducing potential conflict [8, 17]. Cognitive adaptability (changes in beliefs and thoughts) may also be considered. This study used a cross-sectional approach to measure adaptability. Longitudinal research may examine whether adaptability improves with time and/or interaction with the foreign partner.
The present study used single-person parties in the negotiation scenarios. In some negotiations, each party consists of several individuals and negotiation responses reflect those of the group rather than an individual. Future research may thus investigate the impact of group versus personal values in negotiation. While this study used a single negotiation scenario, multiple scenarios may be used in future to effect a stronger manipulation of the values investigated. The use of multiple scenarios also has face validity as it resembles more closely the reality of negotiations. Subjects used here were Singaporeans who provided the range of time orientations and agreement preferences needed for the study. Future work may use respondents from other Asian and non-Asian cultures to investigate the generality of the observed effects. This study used cross-cultural dyadic negotiations as the context. As differences in these cultural values may also vary among individuals of the same culture, future research may study intranational negotiation settings.

Finally, this study only involved data collection from one side of the negotiation dyad, while manipulating the characteristics of the other. Again, this was to enhance the internal validity of the experiment as unmeasured variables of the other partner may confound the research. Much previous negotiation research has used face-to-face deliberations. This procedure is more externally valid and facilitates data collection from both sides of the negotiation dyad. Possibly, future research may measure the value profiles of both parties for analyses. As the findings suggest, this approach may be preferable to the use of more broad-based indices. However, they also increase the risk of unmeasured values compared with the present study, which limits such exposure to only one side of the negotiation dyad.

REFERENCES

APPENDIX

Treatment for Monochronic Time Processing

Assume that you are the representative of your company, outstationed in country A. Your job is to oversee the completion of a factory. You have decided to pay a visit to Mr. X, the manager of one of your machine providers, to discuss some finer details of the contract. An appointment has been set for 9 a.m. today. You arrive at his office.

Punctually at 9 a.m., Mr. X ushers you into his office.
You: Good morning Mr. X.
Mr. X: Good morning. You are early this morning. Sorry for keeping you waiting.
You: It’s OK. I’m here to discuss two sections of the contractual agreement before finalizing the contract.
Mr. X: Sure.
Secretary comes in.
Secretary: Mr. Y is on the line. He would like to fix a date to sign the contract.
Mr. X: I am quite busy now. Can you please see to his request?
Secretary interrupts again.
Secretary: Sorry for the interruption. Mr. K is here to see you.

Mr. X: Oh dear me. I really have to go for my next appointment. Can we schedule to meet again some other time?

Treatment for Written Agreement Preference

Assume that you are the representative of your company, outstationed in country A. Your job is to oversee the completion of a factory. You have decided to pay a visit to Mr. X, the manager of one of your machine providers, to discuss some finer details of the contract. An appointment has been set for 9 a.m. today. You arrive at his office.

You show him the contractual agreement on electricals.
You: If I recall in our previous discussion, you did say that you would be providing power supply wiring to all motors. It is not reflected in this contract.
Mr. X: Please include it. It must have been omitted unintentionally.
You: Oh I see . . . We also require earthing too. We don’t want anything to happen to the work crew, you know.
Mr. X: Of course not. There should be no accidents. Please also include the requirements on earthing into the contract. We have always seen to this aspect of safety.

Mr. X: Is there anything else you want to discuss about electricals?
You: Yes. I would not require you to deal with the incoming power supply cabling. Shall I include that in your contractual terms?
Mr. X: Yes, please. Include it.