Applying Research on Cultural Differences in Negotiation to a Negotiation Simulation

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Cross Cultural Differences in Org Behaviour
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Goals of Session

• Experience what it is like to negotiate with a cultural dynamic
  – Integrate learning from experiences in negotiation course into the cultural negotiation
Goals of Session

• Analyze experiences in negotiation simulation in terms of research culture & Negotiation
  – Understand how culture can affect negotiation processes & outcomes
    • Research and theory
  – Describe experiences in “Sick Leave” negotiation role play
    • Your behavior, other party’s behavior
  – Compare “Sick Leave” negotiation experiences with other negotiations
    • cross-cultural & within culture
Your Task for this Simulation

• Understand the relative role of situation vs individual personality vs. cultural norms/values (Weiss, 2003)

• Understand how ‘culture’ affects (Rubin & Sander, 1991)
  – The other party
    • As an individual
    • As a cultural representative (vs. not)
      – E.g., how does culture affect info sharing, perception of negotiation (Brett & et al, 1998)
  
  – Your own biases/strengths/weaknesses
Culture’s Role in the Process of Negotiation

- Culture
  - Proximal Social Factors
    - Negotiator’s Psychological states
      - Negotiator behaviors
        - Negotiated outcomes

Gelfand & Dwyer, 2000

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Cultural Dimensions Relevant to Negotiation

- Individualism/Collectivism
  - Group vs. individual orientation

- Power distance
  - Hierarchical vs. egalitarian

- High/low Communication Context  (data less recent)
  - Information is direct/explicit vs. meaning communicated indirectly by words & acts
Culture

Proximal Social Factors

- Individualism/collectivism
- Power Distance
- Hi/Low Communication context

Roles
Constituencies
Negotiator relationships

Negotiator’s Psychological states

Negotiator behaviors

Negotiated outcomes

Adapted from Gelfand & Dwyer, 2000

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Cultural Differences in Proximal Social Factors

• Roles
  • Power distance → the extent to which Buyer is perceived to be more powerful than Seller

• Constituencies
  • Individualism/Coll → extent to which negotiators are cooperative vs competitive when accountable

• Negotiator Relationships
  • Ind/Collectivism → differences in behavior toward in-group vs out-group
Culture

- Individualism/collectivism
- Power Distance
- Hi/Low Communication context

Proximal Social Factors

- Roles
- Constituencies
- Negotiator relationships

Psychological states

- Implicit theories
- Biases
- Motives
- Norms
- Reasoning processes

Negotiator behaviors

Negotiated outcomes

Adapted from Gelfand & Dwyer, 2000

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Cultural Differences in Psychological State-I

• Implicit Theories about negotiation
  • Cooperation vs. Competition
  • Rights vs. Obligations

• Judgment biases
  • Ego-centric ~ individualism
  • Anchoring ~ collectivism
  • Fixed pie ~ individualist

• Reasoning
  • Rational/Analytic vs. Intuitive Experiential
    – Emotional appeals, goodwill appeals
    – Infer logic vs explicit arguments
Cultural Differences in Psychological State

• Motives/Goals
  • Instrumental vs. Relational
    – distribution of resources vs. maintain relationship (Adair & Brett, 2004)

• Norms (Adair & Brett, 2004)
  • Re: communication (discussed later)
Culture

- Individualism/collectivism
- Power Distance
- Hi/Low Communication context

Proximal Social Factors
- Roles
- Constituencies
- Negotiator relationships

Psychological states

- Implicit theories
- Biases
- Motives
- Norms
- Reasoning processes

Negotiator behaviors
- Communication
- Tactics
- Sequence of offers & scripts,

Negotiated outcomes

Adapted from Gelfand & Dwyer, 2000, Brett, 2000

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How Culture & Psychological State affect Behavior

• Communication ~High low context communication
  • Implicit vs. explicit information sharing
    – Within vs. between culture negotiation
  • Information about issues/priorities vs. proposal making
    – Japan vs. USA
• Direct vs. indirect confrontation
Culture, Psychological State, and Behavior

• Tactics
  - Contending~ High concern for self, low for other;
  - Yielding~ high concern for other
    - Extend to collectivism?

• Sequence of Offers and Scripts
  - Offers, multiple offers, offers with tradeoffs

• Psychological State & Behavior
  - Relation may differ across culture
    - e.g., personal vs. group loss ~ conceding

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Culture in a Dyadic Negotiation

Culture

Proximal Social Factors

A’s Psychological states

B’s Psychological states

A’s Behaviors

B’s Behaviors

Negotiated outcomes

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Adapted from Gelfand & Dwyer, 2000
For “real” Cross Cultural Interactions
• Do not modify your strategy because….
  • You may not be able to modify it effectively
  • Even if you did, it may not lead to a better outcome
  • You already negotiate differently with people in another culture
  • Moderate adaptations are better
• Advice for those engaging in cross-cultural or inter-cultural negotiations
  • Low Familiarity w/culture
    • Employ agents
    • Use mediator
    • Induce other to use your strategy
  • Moderate Familiarity
    • Adapt to the other’s strategy
    • Coordinate adjustment
  • High Familiarity
    • Use other’s strategy
    • Improve on both negotiator’s strategy
    • Create a new common strategy

Weiss (1994)