

Cultural Influences in Negotiations: A Four Country Comparative Analysis

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Abstract

Empirical work systematically comparing variations across a range of countries is scarce. A comprehensive framework having the potential to yield comparable information across countries on 12 negotiating tendencies was proposed more than 20 years ago by Weiss and Stripp; however, the framework was never operationalized or empirically tested. A review of the negotiation and cross cultural research that have accumulated over the last two decades led to refinements in the definition of the dimensions in the framework. We operationalized four dimensions in the Negotiation Orientations Framework and developed the Negotiation Orientations Inventory (NOI) to assess individual orientations on those four dimensions. Data were collected from a sample of 1000 business people and university students with business experience from Finland, Mexico, Turkey, and the United States. Results are presented and further scale development is discussed. Findings establish the utility of the dimensions in the framework in making comparisons between the four countries.

Cultural Influences in Negotiations: A Four Country Comparative Analysis

The effects of cross cultural differences on international negotiation are widely acknowledged. Cohen (1997) notes that cultural factors can complicate, prolong, and frustrate negotiations. While there is substantial empirical evidence that negotiating tendencies differ by culture (see Adair et al., 2001; Graham et al., 1994), much of the information that is available to an expanding corps of international negotiators about negotiating behaviors in countries around the world is descriptive (Elashmawi, 2001; Foster, 1992; Gesteland, 1997; Moran and Stripp, 1991; Morrison et al., 1994; Salacuse, 2003). Negotiators may find themselves relying on very basic lists of dos and don'ts (see *CultureGrams*, 2005; Morrison et al., 1994), which may or may not contain tips relevant to negotiating. Moreover, the items included in the lists are generally not comparable across countries. Empirical work that systematically compares variations across a range of countries is scarce (Metcalf and Bird, 2004). The conventional wisdom presented in Table 1, summarizes the type of information available to a negotiator for the four countries that are the subject of this study. What the table makes clear is the lack of information on some countries, the stereotypical nature of what is available, and the contradictions that exist – without explanation – between widely available sources. In this era of increased global cooperation, it is imperative that negotiators be equipped with a better understanding of the behaviors they might expect at the negotiating table. Negotiators need information about the negotiating tendencies they are likely to encounter in a given country and, because a growing cadre of negotiators conduct business in several, or even many, different countries, they also need access to a systematic comparison of negotiating tendencies across a wide range of countries.

Insert Table 1 about here

A number of models that would permit comparisons between countries have been

proposed. These models capture the myriad influences on international negotiating behavior (see Berton et al., 1999; Cellich and Jain, 2004; Cohen, 1997; Ghauri, 2003; Salacuse, 1991; Weiss and Stripp, 1998) and can be classified according to the comparative, micro-behavioral (cross cultural) paradigm identified by Weiss (2004) in his review of the international negotiation literature. The micro-behavioral paradigm directs attention to the face-to-face interaction between negotiators, with particular interest in the orientations and behaviors of negotiators, as well as the effect of contextual factors. Streams of empirical research in this paradigm include, for example, the work of Graham and his associates (Graham, 1984; Graham and Lin, 1987; Graham et al., 1988) on comparative negotiation, and Brett and associates (2000, 2001) on intercultural negotiation. While shedding light on cultural differences in negotiating behaviors, these streams of empirical work were limited in focus to three or fewer negotiating tendencies or styles.

A comprehensive framework having the potential to yield comparable information across countries on 12 negotiating tendencies or styles was proposed more than 20 years ago by Weiss and Stripp (1985). The framework was conceptual and the 12 dimensions in the framework were loosely defined, with considerable overlap among them. Moreover, the dimensions comprising the framework were not clearly linked to the body of negotiation and cross cultural research. The authors' intent in developing the framework was to sensitize researchers and practitioners to possible culturally based differences in negotiation attitudes, behaviors, and contexts (Weiss and Stripp, 1998). At the time the model was developed, systematic comparative research on international business negotiations was rare. Perhaps for that reason, the framework received almost no attention and was never empirically tested.

The goals of our work over the past several years have been (1) to ground the work in the relevant bodies of negotiation and cross cultural research that have been built up over the last two decades; (2) to remove conceptual ambiguity and to propose modifications in the original framework that would allow empirical testing; and (3) to

operationalize the dimensions in the model. As a result of our work, 12 dimensions have been substantially redefined and reinterpreted. In so doing, we conferred with Weiss to ensure that we had remained faithful to the aims and to the content of the original framework. Our reinterpretation of the framework (see Figure 1) is presented below as the Negotiation Orientations Framework.

Insert Figure 1 about here

While we have refined the conceptual framing of all of the dimensions in the Negotiation Orientations Framework and are working to develop measures for all 12, at this point, we have operationalized four of the dimensions in the model. Consequently, the focus of this study is on the four dimensions that we have operationalized: Basic Concept of Negotiation, Most Significant Type of Issue, Basis of Trust, and Form of Agreement. The research reported in the remainder of this article (1) describes the development and validation of scales for each pole of the four dimensions listed, and (2) demonstrates how the resulting scales can be used to identify country differences in negotiation orientations. First, we present definitions for the four dimensions included in this study. Second, we describe how items for each dimension were generated. Third, we use data from samples drawn from four countries to select items based on factor analysis loadings and correlations. Fourth, we use resulting scales and indicators to look at differences in negotiation orientations across the four countries on the four dimensions.

The Negotiation Orientations Framework: Defining the Dimensions

Precise definitions provide the basis of good measurement and the means by which subsequent research findings can be compared and synthesized (Churchill, 1979). Developing precise definitions for each dimension and pole in the Weiss and Stripp

framework led us to an extensive review of the literature on negotiation, cross cultural psychology, and cross cultural communication. Refinements in the definition for all 12 of the dimensions have been presented in previous work (Metcalf and Bird, 2003). In the interest of space, we limit the refinements presented below to the four dimensions on which we compare the four countries included in this study.

Basic Concept of Negotiation (BCN): Distributive vs. Integrative

Basic Concept of Negotiation refers to how each party views the negotiating process. Consistent with Walton and McKersie's work (1965), we proposed a bipolar dimension, with the orientation that negotiators bring to the negotiating process being either distributive or integrative. The assumption underlying distributive bargaining strategies is that one party gains at the expense of the other the size of the pie is fixed. In contrast, the assumption underlying integrative bargaining strategies is that both parties place different values on the issues being negotiated and that each party can find effective trade-offs by conceding less important issues to gain on more important ones the size of the pie is not fixed (Bazerman and Neale, 1992).

Integrative negotiation involves both cooperation to expand the pie and competition to divide the pie between the two parties (Adair and Brett, 2004).

Distributive (BCN-D)

Negotiators from countries that fit this profile believe that there will be one winner and one loser (Mintu-Wimsatt and Gassenheimer, 2000). Consequently, the negotiator's goal is to establish dominance in the negotiation (Donohue and Ramesh, 1992).

Negotiators take a hard-line approach, seeking to meet only their own goals or interests, in order to maximize the benefit for their side (Li and Labig, 1996). Negotiators assume their interests directly conflict with those of the other party (Bazerman and Neale, 1992). As a result, negotiators demonstrate a strong concern for themselves and little concern for others. Their goal is to induce the other party to alter attitudes and positions, which may be accomplished either by using promises or threats (Graham and Mintu-Wimsatt, 1997) or by remaining polite and neutral (DeMente, 1987). Their aspiration levels may be high and rigid, which makes them resistant to making concessions

(Chan, 1998). Alternatively, in order to exploit their position to the greatest extent, negotiators may continuously adapt their strategy based on the other party's actions (DeMente, 1987). The atmosphere may be contentious or frustrating and a competitive outlook dominates, as negotiators focus on the need for the other party to concede (Gelfand et al., 2001).

Integrative (BCN-I)

Negotiators from countries that fit this profile believe that mutually beneficial solutions can be generated. Consequently, integrative negotiators take a problem-solving approach, where the focus is on exchanging information in order to identify the underlying issues and interests of both sides and to generate outcomes that benefit both parties. Negotiators adopting integrative behaviors attempt to understand the underlying issues and their relative importance to both parties. Their goal is to capitalize on the different interests of both parties so as to find effective trade-offs. Negotiators concede on less important issues in order to gain on more important ones (Bazerman and Neale, 1992). Negotiators not only share information about their own interests but also seek to obtain information about the other party's interests. Through the process of exchanging information, both parties react to each other's arguments and adjust their initial stances on the issues (Putnam and Holmer, 1992). Negotiators reach agreement not by compromise (giving in) but by employing creative problem-solving approaches to develop solutions that expand the size of the rewards available to everyone.

Most Significant Type of Issue (MST): Task- vs. Relationship-based

Most Significant Type of Issue refers to the types of issues negotiators spend more time discussing. Consistent with previous work (Pinkley, 1990), we proposed a bipolar dimension, with task- and relationship-based issues as the endpoints. Negotiators with a task frame focus on specific issues having to do with the project at hand, and place emphasis on exchanging information regarding various alternatives. Importantly, negotiators with a task frame view these issues as being external to the relationship (Gelfand et al., 2001). In contrast, negotiators with a relationship frame focus on the

relationship that exists between the two parties. Considerable time is spent on the process of getting to know the other party and on establishing rapport between members of negotiating teams (Simintiras and Thomas, 1998).

Task (MST-T)

Negotiators from countries where task issues are more important spend most of their time discussing specific operational details of the project, as opposed to broad objectives. They tend to negotiate a contract in an item-by-item way (Victor, 1992). Negotiators feel that it is important to come away with a clear understanding regarding the control, use, and division of resources (e.g. profits, management, ownership, and so forth).

Relationship (MST-R)

Negotiators from countries where relationship issues are more important spend most of their time engaging in activities that build trust and friendship between the members of each team, and discussing broad objectives (e.g. the intent of the parties to work together and mutual long-term interests). A good relationship must be established before task issues can be discussed. As the social relationship develops, task issues will be blended in and eventually resolved (Victor, 1992).

Basis of Trust (BOT): External to the Parties vs. Internal to the Relationship

Trust is one party's belief that the other party will take action to honor agreements that have been reached (Wilson and Moller, 1991). In all countries, trust provides the foundation on which both parties to a negotiation can work together. However, negotiators from some countries trust that the other party will fulfill its obligations because there is a signed contract and the sanction of law to back it up, while negotiators from other countries trust that the other party will fulfill its obligations because of the relationship that exists between them.

External to the Parties (BOT-E)

Negotiators trust the other party because a contract has been negotiated and agreed

to, which can be litigated and enforced (Fukuyama, 1995). The legal system and governmental agencies are viewed as providing an adequate, reliable, and effective underpinning for commercial transactions. A partner will honor the terms of the contract because the legal system will impose sanctions otherwise. The written word is binding; a deal is a deal (Trompenaars, 1993). In this context, a trustworthy partner is simply one who complies with the law.

Internal to the Relationship (BOT-I)

Negotiators trust the other party because they have invested in a relationship that has been built up over time and they believe that the other party is committed to it. The relationship between the parties is what matters; the contract is simply a symbol of the bond between the parties who drafted it (Victor, 1992). Consequently, less emphasis is placed on detailed, written contracts. Negotiators expect that the other party will consider unique and changing circumstances over the life of the relationship. A trustworthy partner is one who strives to maintain the relationship, possibly by modifying an existing contract to reflect new developments (Trompenaars, 1993).

Form of Agreement (FOA): Explicit Contract vs. Implicit Agreement

This dimension refers to the preferred form of agreement between the parties: either formal written contracts or informal oral agreements. This bipolar dimension is strongly supported by the literature. Formal written contracts clearly specify desired partner actions, the degree to which both parties to the agreement will cooperate and conform to each other's expectations, as well as the penalties that one party can extract should the other party fail to perform. On the other hand, informal agreements often consider the historical and social context of a relationship and acknowledge that the performance and enforcement of obligations are an outcome of mutual interest between parties (Frankel et al., 1996).

Explicit Contract (FOA-EC)

Negotiators favor and expect written, legally binding contracts (Weiss and Stripp, 1985). A

written contract records the agreement and definitively specifies what each party has agreed to do (Trompenaars, 1993). Consequently, negotiators believe that written agreements provide the stability that allows their organization to make investments and minimize the risk of business loss (Frankel et al., 1996).

Implicit Agreement (FOA-IA)

Negotiators favor broad or vague language in a contract because they feel that definitive contract terms are too rigid to allow a good working relationship to evolve. Particularly with new relationships, negotiators may feel that it is impossible to anticipate and document every conceivable contingency. They may also believe that contracts inhibit the parties from exploring unexpected or unusual opportunities for improvement and success. Negotiators view the contract as a rough guideline, not because they want to evade responsibility, but because the relationship, not the contract, is primary (Trompenaars, 1993). In some cases, an oral contract may suffice.

With the dimensions defined in terms of extant bodies of research, we sought to develop measurement scales that could be used to assess tendencies in negotiating behaviors across countries. In the next section we describe how items for each dimension were generated, and use data from samples drawn from four countries to select items based on factor analysis loadings and correlations.

Methodology Item Generation

Through an extensive review of the literature (a subset has been included earlier), which included a review of items used in previous studies to assess elements of cross cultural negotiating behavior and related concepts (Adair et al., 2001; Adler et al., 1992; Hampden-Turner and Trompenaars, 2000; Salacuse, 1998; Triandis, 1995), descriptions of behaviors exemplifying each pole of each dimension were identified. These descriptions of negotiating behaviors were converted to statements, yielding 29-nine items, which were scored by respondents on a 5-point Likert scale, with endpoints 'strongly agree' and 'strongly disagree'. Of the 29 items, 12 were intended to measure

Basic Concept of Negotiation (BCN), six each were intended to measure Most Significant Type of Issue (MST) and Basis of Trust (BOT), and five items were intended to measure Form of Agreement (FOA).

Following the literature, items for the distributive pole of Basic Concept of Negotiation (BCN-D) incorporated such ideas as the following: a win–lose perspective, the assumption that one party’s interests would directly conflict with those of the other party, an interest in seeking dominance over the other party, and a hard-line approach. Items for the integrative pole of Basic Concept of Negotiation (BCN-I) focused on information sharing, making trade-offs, and mutually beneficial outcomes. The task pole of Most Significant Type of Issue (MST-T) was represented by items pertaining to a focus on details, hammering out operational issues, and negotiating contracts in an item-by-item fashion. The relationship pole of Most Significant Type of Issue (MST-R) was represented by items that captured the importance of establishing a relationship, taking a long-term perspective, and focusing on broad objectives. Basis of Trust – External (BOT-E) included items that focused on the written word as binding, as well as basing trust on a signed contract. On the other hand, Basis of Trust – Internal (BOT-I) focused on contracts as flexible instruments and trusting the other party because a relationship had developed between them. Finally, the items representing Form of Agreement – Explicit Contract (FOA-EC) focused on the expectation of generating a legally binding contract and a dependence on written agreements that specified each party’s obligations. The items representing Form of Agreement – Implicit Agreement (FOA-IA) focused on general, loosely structured contracts, and whether or not an oral contract was satisfactory. The 29 items representing these four dimensions comprised our research instrument, the Negotiation Orientations Inventory (NOI).

Countries

It was important to determine whether or not scales could be developed that were meaningful to people not only in the United States, where the Weiss and Stripp framework was developed, but also to people in substantially different nations. With the

intent of pushing out the range of variation between cultures, the four countries selected for consideration in this study were drawn from different cultural clusters. Ronen and Shenkar (1985) originally proposed the notion of cultural clusters and, more recently, the GLOBE research project (House et al., 2004) adopted a similar cluster approach. The premise underlying the notion of cultural clusters is that, because of reasons of geographic proximity, common language and historical relatedness, similarities in values and beliefs may be found among a group of national cultures. Four cultural clusters are represented in this study: Finland is classified in the Nordic/Scandinavian cluster; Turkey in the Near Eastern/Middle Eastern cluster; Mexico in the Latin American cluster; and the USA in the Anglo cluster (House et al., 2004; Ronen and Shenkar, 1985).

Survey Instrument

The English-language NOI was translated into Finnish, Mexican Spanish, and Turkish by research colleagues in Finland, Mexico, and Turkey, respectively. To ensure that NOI items had been translated accurately, each translation was compared with the original English-language version by bilingual scholars familiar with cross cultural negotiation concepts. The NOI items were also reviewed to ensure that the negotiation concepts and behaviors they represented could be appropriately applied in the Finnish, Mexican, and Turkish business environments.

Participants

A sample of business people and university students with business experience was drawn from executive MBA programs in Finland, Mexico, Turkey, and the USA. Data were collected from 147 men and women from Finland, 327 from Turkey, 192 from Mexico and 327 from the USA. Chi square test results show demographic differences between the samples. Finnish and Indian respondents were predominantly male, whereas respondents from the other three countries were more evenly divided. US and Indian respondents were younger than Mexican and Turkish respondents. Indian respondents were better educated than the respondents from the other four countries.

Finally, 45% of the Indian sample reported having either middle management or top-level executive experience, with 39% for Mexico, 28% for Turkey, 14% for the US, and 12% for Finland. Differing demographic profiles across countries is not uncommon in multicountry studies involving multiple countries and multiple investigators (see the GLOBE project). In our analyses, national differences in negotiation orientations remained after controlling for demographic differences.

Item Analyses

Pan-cultural and within-culture factor analyses and correlation analyses were used: (1) to evaluate whether the items designed to represent each construct actually did so, and (2) to improve the scales. Two criteria for determining whether or not one of the intended scales could be constructed for a given country were (1) that a sufficient number of the intended items loaded on the factor for which they were designed, and (2) that a scale with reliability (or an alpha) of over .60 could be produced in each country. Additional considerations were item clarity and face validity. The majority of our scales simply did not work as intended. In developing items, we followed the literature and carefully included items that reflected both poles of a dimension. The assumption was that we could reverse code items representing the opposing end of a given pole and include them in a scale. Doing so resulted in reliabilities well below the criterion we had set. This led us to examine the possibility that, while the Weiss and Stripp model suggested that the ends of a dimension (e.g. explicit contract versus implicit agreement) could be viewed as polar opposites, in practice, people may not think of them as such (e.g. explicitness and implicitness are independent constructs). Others (see Oyserman et al., 2002; Weiss, 2004) have come to similar conclusions – constructs that the negotiation literature treats as bipolar appear to be better understood as distinct dimensions. As Table 2 indicates, most scales suggested in theory to represent polar opposites in fact have low negative or non-significant correlations.

Insert Table 2 about here

Consequently, we began to think in terms of eight negotiating tendencies, rather than four dimensions each with two poles. While reliabilities improved substantially, many were still modest. A search for the cause led us to rethink some concepts, such as Most Significant Type of Issue, which really refers to a cluster of different but related tendencies – the tendency to focus on aspects of the deal is different from the tendency to negotiate contracts in an item-by-item fashion. Most Significant Type of Issue is a multidimensional construct. As a result, items that assessed different aspects of Most Significant Type of Issue could not be combined to form a single MST scale.

As shown in Appendix 1, we have single item measures for MST-T, MST-R, BOT-E, BOT-I, and FOA-IA. We are confident that these single item measures faithfully capture the essence of the respective constructs. We have multiple-item scales that measure the FOA-E, BCN-D, and BCN-I (see Appendix 1).

Preliminary results suggest that there are similarities in the three scales that we retained across countries, although reliabilities are typically best for the US, where the Weiss and Stripp model was developed. In the following sections, we use the scales that we found to be the most reliable and also several single-item indicators to look at differences in negotiation orientations across the four countries on the four dimensions: Basic Concept of Negotiation, Most Significant Type of Issue, Basis of Trust, and Form of Agreement. As noted in the discussion, we also recognize that the scale development analyses suggest that the basic concepts on which international negotiation theory rests need to be rethought, and that new items need to be prepared to represent the revised theory.

Results

Country Comparisons

To test whether or not the resulting scales and items could identify differences in negotiating orientations, we conducted a MANOVA analysis predicting the full set of measures. The results were significant, indicating that country differences in negotiating tendencies do exist. Mean scores for each country on each of the eight negotiating tendencies are reported in Table 3. To test for country differences individually across each of the eight negotiating tendencies, we used Tukey's Honestly Significant Difference (HSD) test, which is the most powerful post hoc multiple comparison test for evaluating a large number of pairs of means (Winer et al., 1991). Tukey's HSD results are also presented in Table 3. Chi square test results show significant differences in response distributions across all four countries on all negotiating tendencies. As we report the results, differences in response distributions will be discussed where they add interesting insight.

The Negotiation Orientations Inventory scales and items appear to differentiate between the four countries represented in this study. We focus first on results for each negotiating orientation, and then move on to a consideration of the broader findings.

Basic Concept of Negotiation – Distributive (BCN-D)

As noted, the assumption underlying distributive bargaining strategies is that one party gains at the expense of the other – the size of the pie is fixed. Mean scores for Turkey and Mexico show respondents from these countries tending toward the 'agree' side of this scale, indicating a distributive basic concept of negotiation. Significant differences in mean scores for this negotiating orientation were observed between Turkey and the other countries included in the study (Table 3), and also between Mexico and the other countries. Turkish respondents showed a significantly greater tendency toward a distributive orientation toward negotiation – 82% agreed with statements comprising the scale – than respondents from the other three countries, with Finnish and US respondents

showing the weakest tendency toward this orientation.

Basic Concept of Negotiation – Integrative (BCN-I)

The assumption underlying integrative bargaining strategies is that, because both parties place different values on the issues being negotiated, effective trade-offs can be reached by conceding on less important issues to gain on more important ones – the size of the pie is not fixed. Mean scores for all four countries indicate a tendency for respondents to view positively an integrative basic concept of negotiation. Eighty percent of Turks are on the agreement side of this scale, which is surprising given their greater tendency toward a distributive orientation. Despite the general tendency of respondents from all countries toward an integrative basic concept of negotiation, this negotiating orientation produced statistically different means between all pairs of countries, except for Finland–Mexico (Table 3). Finnish and Mexican respondents showed the greatest tendency toward an integrative orientation, with 99% of the Finns and 97% of the Mexicans agreeing with the statements comprising the scale.

Insert Table 3 about here

Most Significant Type of Issue – Task-related (MST-T)

Negotiators with a task frame focus on specific issues having to do with the project at hand, and view these issues as being external to the relationship. Although the Finns disagreed (74%) that it was most important to focus on the details, the mean scores for the other countries indicate general agreement with this statement. With that said, significant differences in mean scores on this item (see Appendix 1) were observed between all pairs of countries except Turkey–USA (Table 3). Over half of the Turkish and US respondents agreed that focusing on the details was most important. The Mexican response was mixed, with 36% agreeing, 36% at neither, and 28%

disagreeing that it was most important to focus on the details.

Most Significant Type of Issue – Relationship-based (MST-R)

Negotiators with a relationship frame focus on the relationship that exists between the two parties. Interestingly, given the task- based orientation of US and Turkish respondents, mean scores for all four countries agree that it is important to build trust and friendship with members of the opposing team. Significant differences in mean scores were observed between Turkey and all the other countries in the study, with Turks the least likely to agree that it is important to build trust and friendship (Table 3).

Basis of Trust – External (BOT-E)

Negotiators with this frame of reference trust that the other party will fulfill its obligations because there is a signed contract and the sanction of law to back it up. Mean scores for all four countries indicate that respondents trust the other party because a contract has been negotiated and agreed on (Table 3). Surprisingly high percentages of Mexican (58%) and Turkish respondents (46%) agreed with the statement – with respondents from both countries showing a stronger tendency to agree than respondents from the United States (43%). In fact, US respondents showed the strongest tendency to disagree with this statement (27%) versus 17% for each of the other three countries.

Basis of Trust – Internal (BOT-I)

Negotiators whose basis of trust is internal, trust that the other party will fulfill its obligations because of the relationship that exists between them. Mean scores for Finland, Mexico, and the United States show a clear orientation toward trust based on relationships. Seventy-one percent of Finnish respondents agreed with the statement ‘I trust the other party because we have developed a relationship’. On the other hand, only 29% of Turkish respondents agreed with the statement. Significant differences in mean scores were observed between Turkey and all the other countries (Table 3).

Form of Agreement – Explicit Contract (FOA-EC)

Negotiators with this frame of reference favor and expect written contracts. Mean scores for all four countries indicate a preference for a legally binding written agreement, with more than 75% of the respondents in each country either agreeing or strongly agreeing. Percentages of respondents on the agreement end of this scale were 83% (US), 82% (Finland), 80% (Mexico), and 78% (Turkey). The only pair of countries for which this scale produced a significant difference in means was Finland–Turkey, with the Finns showing the stronger preference for a contract (Table 3).

Form of Agreement – Implicit Agreement (FOA-IA)

Negotiators that favor implicit agreements acknowledge that the performance and enforcement of obligations are an outcome of mutual interest between parties the relationship rather than the contract is primary. Mexicans and Turks showed the strongest tendency to favor implicit agreements (Table 3), preferring broad contracts that allow good working relationships to evolve. Finns showed the strongest tendency to disagree (51 %) with this orientation. Implicit agreement produced significant differences in mean scores for all pairs of countries except Finland–USA.

Discussion and Implications

Our objectives for this study were twofold. First, we sought to operationalize the dimensions in the model and to gather data that would allow comparisons between countries. Second, our intent was to establish the utility of the framework in identifying country differences across four countries: Finland, Mexico, Turkey, and the United States.

Scale Development

In general, our efforts to develop scales reflecting four of the dimensions in the Negotiation Orientations Framework were not successful; however, the lack of success provides direction for further measure development. Our attempt to develop scales for

four dimensions suggests that the notion of bipolar negotiation concepts needs to be revised in two ways. One is that we should think in terms of eight separate constructs, rather than four bipolar dimensions, each of which appears likely to have multiple sub-dimensions. That suggests a very different scale development approach from the one we had anticipated. It also suggests that understanding intercultural negotiation is considerably more complex than is appreciated in the current intercultural negotiation literature. Osland and Bird (2000) noted that most cross cultural research looks at cultural dimensions in a bipolar fashion, resulting in what they call ‘sophisticated stereotyping’ that does not capture the complexity within cultures and the underlying socioeconomic and political contexts.

Country Differences

We did, indeed, find significant differences in negotiation orientations between Finland, Mexico, Turkey, and the United States. For four of the negotiation orientations, we found significant differences in mean scores for five of the six paired comparisons, as shown in Table 3. Chi square test results indicate significantly different patterns of response for all four countries on all negotiating tendencies. Although each country presented a unique pattern of negotiation orientations, not surprisingly, countries were found to be similar on some dimensions. For example, with the exception of Finland–Turkey, no significant differences were found between pairs of countries on Form of Agreement–Explicit Contract. These similarities and differences present the opportunity to explore further interesting findings.

In Table 4, we present scores for each of the four countries on Hofstede’s (2001) four work-related dimensions of national power distance (PDI), uncertainty avoidance (UAI), individualism–collectivism (IDV), and masculinity–femininity (MAS). Additionally, we report ‘as is’ and ‘should be’ scores from the GLOBE project (House et al., 2004) for assertiveness. In the GLOBE study, assertiveness is linked to competition, dominance, and toughness, whereas non-assertiveness is linked to a cooperative, submissive, egalitarian outlook. ‘As is’ scores are descriptive of current conditions, whereas ‘should be’ scores

reflect preferred conditions. Hofstede's work and the GLOBE findings provide insight into the negotiation orientations demonstrated by respondents in our study.

Insert Table 4 about here

Basic Concept of Negotiation – Distributive and Integrative

Respondents from all countries show a strong orientation toward an integrative basic concept of negotiation. Additionally, sizeable percentages of respondents from all four countries also demonstrate a distributive basic concept of negotiation, ranging from 32% (Finland) to 82% (Turkey). These results clearly indicate that Basic Concept of Negotiation is not a bipolar dimension.

That Finns show an integrative basic concept of negotiation is not surprising. Lewis (2004) notes that Finns seek early integration of their ideas in the planning of a project. Hofstede's (2001) work, showing the tendency for feminine cultures toward mutually beneficial outcomes, also supports the Finnish integrative orientation; Finland's score on MAS (Table 4) is the lowest of the four countries. Likewise, GLOBE findings (House et al., 2004) are consistent with our results, which show a relatively low percentage of Finns with a distributive basic concept of negotiation. 'As is' scores (Table 4) on assertiveness for Finland are the lowest of any of the four countries (higher scores indicate assertiveness).

The dual Turkish orientation (both distributive and integrative) on basic concept of negotiation is also consistent with other research findings. Turkey's MAS score (Table 4) is relatively low (Hofstede, 2001), which supports the Turkish integrative orientation. Supporting the Turkish distributive orientation are the relatively high 'as is' scores (Table 4) on assertiveness (House et al., 2004).

Conventional wisdom indicates that Mexicans prefer win–win solutions – that is, an integrative basic concept of negotiation. So it is somewhat surprising that over half of Mexican respondents are also oriented toward a distributive, or win–lose, basic concept of negotiation. Both Hofstede (2001) and the GLOBE project (House et al., 2004) report results that are consistent with the Mexican orientation toward a distributive basic concept of negotiation. Mexico’s MAS score is relatively high and this country’s scores on assertiveness are also relatively high (Table 4).

As with Mexico, conventional wisdom for the United States suggests that negotiators seek mutual gains whenever possible. Negotiation approaches promoted heavily over the last decade in the United States emphasize a win–win orientation toward negotiation (see Bazerman and Neale, 1992; Fisher and Ury, 1991). Consistent with conventional wisdom, US respondents were oriented toward an integrative basic concept of negotiation. Finally, slightly more than one-third of US respondents showed a distributive orientation toward basic concept of negotiation, which is also supported both by the GLOBE project findings (House et al., 2004) on assertiveness (Table 4) and by the relatively high score for the United States on MAS (Hofstede, 2001).

Findings for all four countries suggest that negotiators should neither view the negotiation process as adversarial, nor should they look at it as a forum for making unilateral concessions. While negotiators from all four countries are oriented toward win–win, the sizeable percentage of respondents in all countries, particularly Turkey, with a win–lose orientation suggests that negotiators from other countries need to explore the attitudes of the specific parties with whom they are negotiating. This, of course, is prudent advice in all negotiation settings.

The preceding implication, as well as those for the other negotiation orientations, is presented in Table 5. Our findings suggest that negotiators should prepare differently from what the ‘conventional wisdom’ regarding negotiation orientations in these four

countries might suggest (refer again to Table 1). Table 5 presents a number of practical ‘dos’ and ‘don’ts’ that negotiators can take away from our empirical findings.

Insert Table 5 about here

Most Significant Type of Issue – Task-related and Relationship-based

Respondents from all countries agreed that it was important to build trust and friendship with members of the other negotiating team. In addition, a majority of US and Turkish respondents agreed that it was most important to focus on details – a task orientation. Our findings are consistent with Borgatta et al. (1954), whose work suggests that task and relationship are independent qualities. On the other hand, the orientation of respondents from each of the four countries on both dimensions is surprising given the work of others (see Hofstede, 2001), which indicates that, in collectivist cultures, relationships must be established between two parties before they can do any business, and that personal relationships prevail over task considerations. Additionally, Hofstede’s (2001) work indicates that task prevails over personal relationships in individualist societies. Consequently, one would expect US and Finnish respondents to be more task oriented, with Turkish and Mexican respondents being more relationship oriented (Table 4). Our findings show a greater percentage of Finnish respondents as having the strongest relationship orientation, with 93% of in agreement, and the weakest task orientation, with 18% of respondents in agreement. In contrast, Turkish respondents had the weakest relationship orientation (61% in agreement) and one of the strongest task orientations (51 % in agreement).

Our findings suggest that negotiators should build rapport with Finns by discussing the general themes and principles behind the negotiations before getting into the details of the project. In addition, negotiators should be prepared to discuss details of a project

with Turks.

Basis of Trust – External and Internal

Conventional wisdom suggests that trust in the United States is based on contracts rather than on relationships, and that the opposite is true for Mexicans. Given this, one would expect US respondents to agree strongly with the statement ‘I trust the other party because a contract has been negotiated and agreed on’, and Mexican respondents to disagree. Our results demonstrate that this was not the case. While US respondents did base trust on a negotiated and agreed-on contract, so did Mexican respondents – in fact, significantly more so. Moreover, our findings indicate no significant difference between the US and the Mexican response to the statement ‘I trust the other party because we have developed a relationship’. Fifty-six percent of US respondents and 60% of Mexican respondents agreed with this statement. The relationship orientation of US respondents may reflect a growing emphasis in the United States on developing and maintaining long-term relationships with suppliers and customers. Although contracts are important, close relationships facilitate business processes, such as supply chain management and JIT manufacturing, that are the hallmark of today’s industry leaders.

The Turkish response was also surprising, given the relationship orientation commonly cited in negotiation guides (see Morrison et al., 1994). Only 28% of Turks place trust in another party on the basis of a relationship that has been developed. Moreover, fewer than half (46%) of the Turkish respondents agreed that trust in another party is based on a contract. Taken together, these findings point to possible difficulties Turks may have in establishing trust with others. Hofstede (2001) links low interpersonal trust with collectivism, which appears paradoxical until one distinguishes between in-groups and out-groups. Of the four countries, Turkey has one of the lowest scores on Individualism (Table 4). The tendency in collectivist cultures is to trust only ‘one of us’ (Hofstede, 2001). Data from the most recent world values survey (Inglehart et al., 2004) confirm Turks’ distrust of out-groups. Turks demonstrate a high degree of trust for people of their own nationality (ranking sixth of the countries included in the

survey), but a very low degree of trust for others (ranking last or close to it). Other work (Hofstede, 2001) identifies a relationship between high power distance and low 'faith in people' – Turkey's score on PDI is relatively high (Table 4). For these reasons, it may be difficult for Turkish negotiators to trust others – with or without contracts or relationships.

Finns base trust both on contracts (70%) and on relationships (71 %), as do a majority of Mexicans (58% and 60%). GLOBE findings (House et al., 2004) indicate relatively high 'as is' scores for both Finns (5.02) and Mexicans (4.18) with respect to spelling out instructions and requirements in detail. That Mexicans base trust on relationships is not surprising, given Mexico's low IDV score (Table 4). In negotiations, Finnish expectations are that the other party will be faithful and solid (Lewis, 2004), which may provide insight into the Finnish orientation toward relationships as a basis for trust.

These findings suggest that negotiators should both build relationships and conclude contracts with negotiators from the four countries included in this study. Conventional wisdom about Mexicans and Turks and their reliance on relationships, rather than contracts, may be misleading – our findings do not support this tendency.

Form of Agreement – Explicit Contract and Implicit Agreement

Respondents from all countries expect and depend on written agreements to outline and enforce the commitments between the two parties. In addition, respondents from all countries also show a preference, to some extent, for broad contracts that allow for a good working relationship to evolve. These findings are consistent with neither conventional wisdom nor research-based findings. Hofstede (2001) notes that things that are self-evident in collectivist cultures must be stated explicitly in individualist cultures. Also noted is that collectivist cultures rely on relationships. Based on IDV scores (Table 4), one would expect businesspeople from the United States and Finland to rely on contracts to enforce commitments, and businesspeople from Turkey and Mexico to rely on the relationship between the two parties instead of a contract. This

is not the case.

Supporting the importance of clearly spelled out obligations in Mexico and Turkey are ‘should be’ scores for these countries in the GLOBE project (House et al., 2004). Additionally, Lewis (2004) sheds light on the Finnish orientation toward relationship, indicating that Finns simply expect the other party to adhere to mutually agreed-on obligations. While on the surface it may be surprising that US respondents were not as contract-oriented as conventional wisdom might indicate, our findings may reflect a shift in US orientation brought about by continuous and specific criticisms of US negotiators during the 1980s and 1990s – which said they were too focused on pushing the contract to the detriment of social relationships. Researchers have called for businesspeople to be ‘cross pollinators’ and ‘fertilizers’ that span different cultural environments (Bartlett and Ghoshal, 1992). The explosion in global trade over the past decade and the diffusion of best business practices across the globe may have simultaneously increased the relationship sensitivities of US negotiators, and increased the contract sensitivities of negotiators in countries such as Mexico and Turkey, which have traditionally relied more heavily on relationships as a mechanism for compliance.

A clear implication of this finding is that negotiators should realize that the goals of a signed contract and of building a relationship are not necessarily mutually exclusive, and that the achievement of one can lead to the other. Also, as business practices change over time as a result of global diffusion, one should be wary of the conventional thinking that negotiators from the United States are contract-oriented and those from Mexico and Turkey are relationship-oriented.

Next Steps

One of the more interesting findings of our study is not about cultural differences in negotiation; rather it is about how the field has historically conceptualized possible differences. Our results imply that some dimensions typically presented as bipolar

and one-dimensional are actually multifaceted. In the example noted earlier, Most Significant Type of Issue is not a one-dimensional construct – instead, it refers to a cluster of different but related tendencies. This suggests the need to ask colleagues in nations very different from the United States to propose variants on the constructs in the Weiss and Stripp model and, further, to propose additional constructs. Similarly, it suggests that we should also ask these colleagues to generate items reflecting each construct in their own language, and to provide translations into English.

Our study has several limitations. We had single-item scales for five constructs, and for the three other constructs our reliability scores were modest. In the future, qualitative research must be conducted with negotiation professionals to explore the possibility of two separate dimensions for each of the original bipolar dimensions and multiple items generated for these separate dimensions. Also, we measured the orientations that businesspeople bring to a negotiation, without differentiating between domestic and international contexts. We acknowledge that respondents' negotiating styles may vary depending on whether their counterparts are from the same country or from another country. Another limitation is the use of a 'pseudo-etic' approach (Triandis and Marin 1983), where we used items developed in the United States to explore tendencies in other cultures. As we noted earlier, future work will need to focus on generating items in other countries as well.

Conclusion

In summary, the results reveal that constructs frequently presented as bipolar may not be. Rather than demonstrating an orientation toward one pole of a continuum to the exclusion of the other, respondents from all four countries were often oriented toward both. Similar to the results of individual-level research about individualism and collectivism (Oyserman et al., 2002), constructs that the negotiation literature treats as bipolar appear to be better understood as distinct dimensions.

The results also demonstrate that use of a dimensional framework allows for meaningful cross-national comparison. Negotiators can use the dimensions in a framework to

systematically identify possible areas of tension, thereby making it possible to appropriately adjust their expectations and negotiation practices accordingly. Although the findings of this study are limited to four countries, because these countries are drawn from four different cultural clusters, they point to the likelihood of wider generalizability. Second, negotiators can use a framework to develop insight into their own orientations. Using basis of trust as an example, a negotiator who is oriented toward contracts *and* relationships, develops a more fine-grained self-awareness of his or her style. It is no longer acceptable, accurate, or useful – if it ever was – for a US negotiator to expect a Mexican counterpart to be relationship-oriented, or a US counterpart to be contract-oriented. Our findings point to the inherent inaccuracy of what Osland and Bird (2000) have referred to as ‘sophisticated stereotyping’. If it is trite to note that international negotiations are highly complex affairs, then it should not come as a surprise to find that the negotiators themselves are similarly complex.

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Figure 1

The negotiation orientations framework

Dimensions		
1. Basic Concept of Negotiation	Distributive	Integrative
2. Most Significant Type of Issue	Task-based	Relationship-based
3. Selection of Negotiators	Abilities	Status
4. Influence of Individual Aspirations	Individualist	Collectivist
5. Internal Decision-making Process	Independent	Consensus
6. Orientation Toward Time	Monochronic	Polychronic
7. Risk-taking Propensity	Risk-averse	Risk-tolerant
8. Basis of Trust	External to the parties	Internal to the parties
9. Concern with Protocol	Formal	Informal
10. Style of Communication	Low-context	High-context
11. Nature of Persuasion	Factual-inductive	Affective
12. Form of Agreement	Explicit	Implicit

Table 1

Conventional wisdom about negotiation in four countries*

Dimension	Finland	Mexico	Turkey	United States
Basic Concept of Negotiation: Distributive or Integrative	Finns seek cooperative solutions at early stages and are intransigent once positions are taken.	Mexicans have a win-win attitude.		Look for mutual gains, whenever possible.
Most Significant Type of Issue: Task-Related or Relationship-based	Finns have a task orientation.	Mexicans are relationship oriented.	Establish relationships before negotiating.	Establish rapport quickly, then 'get down to business'.
Basis of Trust: External or Internal	Finns do not trust words.	Trust is based on personal relationships.		Heavy reliance on the legal system. Lawyers may be involved from start to finish.
Form of Agreement: Explicit Contract or Implicit Contract	Agreements are adhered to and relied upon. Statements are promises.	Words are not a binding commitment to action. Relationships ensure follow-through.		Emphasize the contract and the fine points of an agreement.

* These recommendations are drawn from a variety of sources, including *Business Mexico* (2002); *CultureGrams* (2005); Elashmawi (2001); Fisher and Ury (1991); Hall and Hall (1990); Hampden-Turner and Trompenaars (2000); *Investor's Business Daily* (2004); Kras (1989); Lewis (2004); Moran and Stripp (1991); and Morrison et al. (1994).

Table 2
Scale and item correlations

	BCN-D	BCN-I	MST-T	MST-R	BOT-E	BOT-I	FOA-EC	FOA-IA
BCN-D	1	-.334*	.232*	-.185*	-.021	-.160*	.073*	.057
BCN-I		1	-.092*	.349*	.153*	.284*	.090*	.075*
MST-T			1	-.097*	-.032	-.109*	.066*	.044
MST-R				1	.138*	.311*	.078*	.040
BOT-E					1	.398*	.181*	.081*
BOT-I						1	.057	.180*
FOA-EC							1	-.066*
FOA-IA								1

*Significant at $p = .05$.

Table 3

Negotiating tendency means, standard deviations and Tukey's HSD for Finland, Mexico, Turkey, and the USA

Negotiation Tendencies	Means and standard deviations				Tukey's HSD					
	Fin	Mex	Turk	USA	Fin Mex	Fin Turk	Fin USA	Mex Turk	Mex USA	Turk USA
1. Basic Concept of Negotiation (BCN)										
Distributive	3.31 ¹	2.78	2.19	3.11	+ ²	+	NS	+	+	+
	(0.914)	(0.808)	(0.764)	(0.802)						
Integrative	1.47	1.58	2.28	1.77	NS	+	+	+	+	+
	(0.473)	(0.548)	(0.728)	(0.594)						
2. Most Significant Type of Issue (MST)										
Task-related	3.70	2.91	2.60	2.54	+	+	+	+	+	NS
	(0.917)	(1.082)	(1.090)	(0.981)						
Relationship-based: Trust and Friendship	1.56	1.79	2.30	2.01	NS	+	+	+	NS	+
	(0.768)	(0.826)	(1.008)	(0.867)						
3. Basis of Trust (BOT)										
External	2.36	2.48	2.67	2.83	NS	+	+	NS	+	NS
Internal	2.29	2.43	3.04	2.56	NS	+	+	+	NS	+
	(0.991)	(0.897)	(0.874)	(0.912)						
4. Form of Agreement (FOA)										
Explicit Contract	1.98	2.14	2.19	2.15	NS	+	NS	NS	NS	NS
	(0.849)	(0.810)	(0.751)	(0.680)						
Implicit Agreement	3.10	2.40	2.80	3.06	+	+	NS	+	+	+
	(1.254)	(1.015)	(1.048)	(0.927)						

¹Scale: 1 = strongly agree, 5 = strongly disagree

²Significant difference, $p < .05$.

Table 4

Selected Hofstede (2001) and GLOBE Project findings

	Hofstede				GLOBE: Assertiveness	
	MAS	IDV	PDI	UAI	'As Is'	'Should Be'
Finland	26	63	33	59	3.81	3.68
Mexico	69	30	81	82	4.45	3.79
Turkey	45	37	66	85	4.53	2.66
USA	62	91	40	46	4.55	4.32

Table 5

Cultural tendencies in negotiation: implications for preparation and behavior

Dimension	Do	Do not
<p>Basic Concept of Negotiation: Distributive or Integrative</p>	<p>Acquire knowledge about general attitudes of individual negotiators. Turks are as likely to be distributive as integrative. Mexicans may also be distributive.</p>	<p>Assume that an integrative approach will be appealing. When Turks or Mexicans adopt a distributive attitude, emphasize your concessions and their gains.</p>
<p>Most Significant Type of Issue: Task-Related or Relationship-based</p>	<p>Build rapport with Finns by laying out the general themes and principles behind the negotiations.</p>	<p>Begin negotiations with Finns by discussing details of the project.</p>
<p>Basis of Trust: External or Internal</p>	<p>Establish relationships with Finnish negotiators.</p>	<p>Assume that Mexican and Turkish negotiators are not focused on concluding a contract.</p>
<p>Form of Agreement:</p>	<p>Negotiate specific contract terms in Mexico and Turkey</p>	<p>Expect that broad or vague language in a contract will be acceptable to most negotiators in Finland, Mexico, Turkey, and the US.</p>

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Appendix 1

Scales for Four Negotiating Tendencies

Dimension	Scale Items	Reliabilities
Basic Concept of Negotiation Distributive (BCN-D)	BCN1: In dealing with negotiations, I believe that there will be a winner and a loser. BCN3: When negotiating, it's important for my team to establish dominance over the other party. BCN4: It is important to me that my negotiating team comes away with the better deal.	Pan-cultural: .68 Finland: .65 Mexico: .56 Turkey: .58 USA: .70
Basic Concept of Negotiation Integrative (BCN-I)	BCN5: In negotiations, I believe that mutually beneficial solutions can be reached. BCN11: When negotiating, I seek information about the other party's needs so that we can achieve a mutually beneficial outcome. BCN12: When negotiating, I provide information about my own organization's interests so that we can achieve a mutually beneficial outcome.	Pan-cultural: .68 Finland: .50 Mexico: .56 Turkey: .57 USA: .70
Most Significant Type of Issue Task-related (MST-T)	MST7: When negotiating, it is most important to focus on the details.	
Most Significant Type of Issue Relationship-based (MST-R)	MST17: It is important to build trust and friendship with members of the other negotiating team.	
Basis of Trust External (BOT-E)	BOT47: I trust the other party because a contract has been negotiated and agreed upon.	

Basis of Trust Internal (BOT-I)	BOT49: I trust the other party because we have developed a relationship.	
Form of Agreement Explicit Contract (FOA-EC)	FOA67: I expect to generate a legally binding contract in negotiations. FOA68: I depend on written agreements to make it clear what each party has agreed to do.	Pan-cultural: .59 Finland: .60 Mexico: .57 Turkey: .54 USA: .69
Form of Agreement Implicit Agreement (FOA-IA)	FOA69: I prefer broad contracts to allow for a good working relationship to evolve.	