A DYNAMIC CONSTRUCTIVIST APPROACH TO CROSS-CULTURAL NEGOTIATION

by

Wu Liu

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Approved:

Professor Ray Friedman

Professor Bruce Barry

Professor Tim Vogus

Professor Ying-Yi Hong

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CHAPTER I

INTRODUCTION

This dissertation examines how the interaction between cultural and situational factors affects business negotiation. Taking a dynamic constructivist view of culture (Hong et al., 2000; Morris & Fu, 2001), I propose that cultural differences in negotiation will be exacerbated under certain conditions, but attenuated under other conditions.

I will apply this view to comparing Chinese and American negotiators, and negotiations within and between these two cultures. Generally, Chinese negotiators tend to take a relationship-oriented approach and American negotiators tend to take a self-focused approach in negotiation. Such a cultural difference may appear or disappear contingent upon two social conditions: whether negotiators are held accountable, and with whom they negotiate. Two sets of experiments are designed to test these hypotheses.

A Gap in Cross-Cultural Negotiation Research

With the growing trend of globalization, cross-cultural business interaction has significantly increased (Leung, Bhagat, Buchan, Erez, & Gibson, 2005). Nowadays, many companies depend on partners from other cultures to make transnational deals, set up joint ventures, find after-service collaborators, or outsource goods (Brett, 2001). *Negotiation*, as the social interaction of two or more social units which are attempting to make joint decisions when their initial preferences differ (Bazerman & Carroll, 1987; Walton & Mckersie, 1965), has increasingly taken place across national boundaries under the current circumstance of globalization (Brett, 2001; Graham & Lam, 2003; Weiss,

1994). For example, in the last ten years, over 30,000 foreign direct investment (FDI) contracts in China have been signed between American investors and Chinese counterparts (US-China Business Council, 2007). Numerous inter-cultural negotiations are going on every day.

In response to the culturally diverse business environment, management scholars have paid more attention to cross-cultural negotiation in the last two decades (see a recent handbook edited by Gelfand & Brett, 2004). This pursuit is driven by the widely-shared belief that culture, as a building block of social interactions, exerts influences on negotiation. Indeed, this line of research has consistently reported cultural differences in negotiation processes and outcomes. Specifically, negotiators from different cultures show distinct patterns in terms of negotiation schema (Brett & Okumura, 1998), judgment biases (Gelfand & Christakopoulou, 1999), psychological states (Gelfand & Realo, 1999), negotiation strategies (Tinsley & Pilutla, 1998), and communication styles (Adair & Brett, 2005; Adair et al., 2001). Probably due to these cultural differences, it has been also reported that it is more difficult to attain joint gains in intercultural negotiations than in intra-cultural negotiations (Adler & Graham, 1989; Brett & Okumura, 1998). This research has significantly contributed to the development of negotiation theories, most of which are substantially established in Western cultures (Brett & Gelfand, 2006; Gelfand & Brett, 2004; Pruitt, 2004).

Nevertheless, "rigorous theorizing about negotiation and culture is in its infancy" (Gelfand & Brett, 2004: 416). Our knowledge of cross-cultural negotiation is still very limited due to the focus of research and the nature of inquiry in this area. One salient limitation in this literature is that most studies focus only on the main effects of culture

on negotiation while rarely taking social situational factors into consideration (See reviews by Bazerman et al., 2000; Gelfand & Dyer, 2000; Gelfand & Cai, 2004).

The neglect of social contexts may limit our understanding of cross-cultural negotiation in several ways. First, although existing studies offer us simple and parsimonious models about the effects of culture on negotiation, the simplicity and parsimony have been achieved at the expense of the predictive power of culture. A typical study in this literature starts with an investigation of whether negotiation in culture A differs from that in culture B, followed by a further exploration of whether such differences could be explained by cultural values, norms or beliefs (e.g., individualism vs. collectivism). The implicit assumption of such inquiry is *a trait/entity view of culture*, a notion that defines culture as a holistic set of stable dispositions, including values, norms, and beliefs (see Hong & Chiu, 2001). Originating from the "national character" research (Benedict, 1934/1946; Mead, 1935, 1955), such a trait/entity view assumes culture as a static and monolithic trait or entity (see Morris & Fu, 2001).

The trait/entity view of culture emphasizes between-culture differences but tells us little about within-culture variation (Hong & Chiu, 2001; Hong & Mallorie, 2004). Without taking situational factors into account, the trait/entity approach assumes that culturally typical cognitive or behavioral patterns hold across various social contexts. However, such an assumption is problematic. For example, it has been found that Chinese generally rely more on avoiding tactics in conflict resolution whereas Americans generally rely more on competitive tactics (Friedman et al., 2006; Morris et al., 1998; Tinsley & Pillutla, 1998). Based on this finding, can we infer that Chinese or American negotiators *always* use their culturally typical conflict resolution tactics no matter with

whom they are negotiating? Since a trait/entity view of culture, which dominates most of the cross-cultural negotiation studies, does not take situational factors into consideration, this question cannot be tackled adequately. In short, regarding culture as a monolithic and static trait/entity cannot grasp the dynamic nature of cognitive and behavioral patterns within different cultures; and glossing over situational factors fails to inform us of the nuance of culture's effect on negotiation (Morris & Fu, 2001).

Neglecting the social context of cross-cultural negotiation can lead to a second bias of overestimating the influence of culture while underestimating the effect of human agency. Most cross-cultural studies highlight the internal forces of cultural values, norms, and beliefs, but downplay individual motivation or free choice. More than two decades ago, Swidler (1986) criticized the deterministic view of cultural influence on human action, by arguing that culture provides a "tool kit" or behavioral repertoire, upon which people rely in performing actions. In a similar vein, recent cross-cultural psychology research provides evidence that culture does not rigidly determine behavior, and that people can adjust their cultural lenses in different cultural environments (Hong et al., 2000; Triandis, 1989, 1995). Consequently, researchers recently have called for a dynamic view of culture, suggesting that human cognition, affect, and behavior are not determined by the quintessence of a certain culture, but rather are influenced by the interaction between culture and situational factors (Chiu et al., 2000; Hong et al., 2000; Hong & Chiu, 2001).

Third, cross-cultural psychology scholars have long argued that situational effects on cognition, affect, and behavior are even stronger in East Asian culture than in Western culture (Makus & Kitayama, 1991; Trafimow & Finlay, 1996). Compared with

Westerners, East Asians are more subject to situational factors in making attributions (Miller, 1984; Morris & Peng, 1994), more likely to derive intrinsic motivations from significant others (Iyengar & Lepper, 1999), and more flexible in adjusting their attitudes when dealing with different people (Suh, 2002).

These context-dependent cross-cultural differences have not yet been captured by existing negotiation research (Gelfand & Cai, 2004). Typically, in most negotiation studies, either negotiations among Westerners themselves were examined in different social contexts (e.g., Carnevale, Pruitt, & Seilheimer, 1981; De Dreu, Koole, & Steinel, 2000), or Western and Eastern Asian negotiators were compared in a single context (e.g., Brett & Okumura, 1998; Gelfand & Christakopoulou, 1999). Despite the insights yielded by these studies, they tell us little about whether and how negotiations among different cultures are affected by social contexts (Gelfand & Brett, 2004). Thus, existing literature provides limited knowledge of how to predict cross-cultural differences in negotiation processes and negotiation outcomes.

Finally, compared with intra-cultural comparative research, there is even less research on inter-cultural negotiations, i.e., negotiations between parties from different cultures (Gelfand et al., 2007; Gelfand & Brett, 2004). One interesting research finding suggested by few intercultural negotiation studies is that negotiators made lower joint gains in inter-cultural negotiations than in intra-cultural negotiations (Adair et al., 2001; Brett & Okumura, 1998). These few studies, however, propose a simplistic dichotomy between intra-and inter-cultural negotiations while never examine situational factors together with culture. Such a practice may run the risk of making *cultural attribution error* (Dialdin et al., 2002). That is, any differences between intral-cultural and

intercultural negotiations are generally attributed to the impacts of cultural differences. Without taking social contexts into consideration, we cannot exclude the possibility that social contexts may drive those differences in negotiation. More fine-grained questions should thus be asked regarding under what conditions would cultural differences exert negative or positive effects on negotiation (Morris & Fu, 2001).

In summary, although previous cross-cultural negotiation research is invaluable, it suffers from an overemphasis upon the "internal forces" of culture and neglect of the situational factors (Morris & Fu, 2001: 328). It is time for cross-cultural negotiation research to investigate the interplay between culture and social contexts (Gelfand & Cai, 2004; Morris & Gelfand, 2004). This dissertation is an endeavor to pursue such an investigation.

The Conception of Culture and Negotiation

It is necessary to clarify the conceptualizations of culture and negotiation upfront in this dissertation. Genearlly, based on the most recent theory in cross-cultural psychology, this dissertation takes a dynamic constructivist view of culture (Hong et al., 2000; Hong & Chiu, 2001; Morris & Fu, 2001; Morris & Gelfand, 2004). In addition, negotiation is conceptualized as an open system with the background of social contexts.

The Dynamic Constructivist View of Culture

According to *the dynamic constructivist view of culture* (Hong et al., 2000; Hong & Chiu, 2001), culture is defined as "a network of shared knowledge that is produced, distributed, and reproduced among a collection of interconnected individuals" (Chiu &

Hong, 2006: 31). Shared knowledge refers to collective "habits of thinking, feeling and interacting with people" (Chiu & Hong, 2006: 31).

The dynamic constructivist view differs from the trait/entity view of culture in terms of two basic assumptions. To begin with, culture is regarded as a loosely-organized knowledge system rather than a general, monolithic, and integrated entity (Hong & Chiu, 2001; Hong & Mallorie, 2004). Moreover, combining the social cognitive principles of knowledge activation (Higgins, 1996), research in this thread has focused on the dynamic nature of cultural process, asking the questions of *when* culture exerts influences on human cognition, affect, or behavior (Hong & Chiu, 2001; Morris & Gelfand, 2004). Such a dynamic constructivist approach argues that whether a culturally typical pattern in a particular domain displays is influenced by the availability, accessibility, and activation of cultural knowledge (see details in Chapter 2). Of particular interest are the social conditions under which cultural differences appear, disappear, or reverse (Hong & Chiu, 2001; Morris & Gelfand, 2004).

The dynamic constructivist view of culture has very important implications on cross-cultural research. First, unlike the trait/entity view of culture, which regards intracultural variance as measurement errors, the dynamic constructivist view investigates intracultural variance. By examining culture together with social contexts, the predictive power of culture may be increased. Second, with the guidance of social cognition theory (e.g., Higgins, 1996), the dynamic constructivist approach may help us predict in which situations people would show culturally typical patterns and in which conditions they would not (Morris & Fu, 2001; Morris & Gelfand, 2004). Third, the dynamic constructivist view of culture provides us a lens to theoretically understand bicultural or

multicultural people, a group of people who can internalize different cultural systems (please read Hong et al., 2000 for details).

Recently, scholars have applied the dynamic constructivist view of culture to negotiation studies (Gelfand et al., 2006; Morris & Fu, 2001; Morris & Gelfand, 2004). The current discussion focuses on the activation of cultural knowledge, i.e., what factors may exacerbate or attenuate cultural influence on negotiation. In this dissertation, I focus on two situational factors relevant to negotiation contexts: group membership (ingroup vs. outgroup, Gelfand & Cai, 2004; Wong & Hong, 2005) and accountability (Morris & Gelfand, 2004; Gelfand & Realo, 1999). In the following section, I will briefly define these two factors, and a detailed literature review will be conducted in Chapter 2.

Group membership

Although the definition of ingroup/outgroup is subjective, ingroups are usually connected with common attributes (demographics, activities, preferences, or institutions), goals, fate, or external threat; whereas outgroups involve dissimilar attributes, or the lack of common goals or common fate (Campbell, 1958; Tajfel & Turner, 1986; Triandis, 1989). The concept of ingroup-outgroup is related to the psychological boundaries between self and others (Markus & Kitayama, 1991; Tajfel & Turner, 1986). Cross-cultural research suggests that East Asians draw the distinction between ingroups and outgroups in a more salient way than Westerners (Markus & Kitayama, 1991; Triandis, 1989; 1995). Previous research provides evidence that in social interactions, some culturally typical patterns are only applicable to ingroup members, but not to outgroup members (e.g., Wong & Hong, 2005).

Accountability

Accountability is defined as "the condition of being answerable for conducting oneself in a manner that is consistent with relevant prescriptions for how things should be" (Schlenker & Weingold, 1989: 24). In many cases negotiators bargain on behalf of their organizations rather than on behalf of themselves. It is believed that accountability helps align the interests of a negotiator with those of her constituents (Lerner & Tetlock, 1999).

Accountability is a pervasive social mechanism that enforces social norms (Tetlock, 1992). More importantly, what social norms and values that accountability reinforces are highly contingent upon micro- and macro-level social contexts (Lerner & Tetlock, 1999; Tetlock, 1992). For example, recent cross-cultural research shows that accountability motivates people from different cultures to follow different culturally typical patterns (Briley et al., 2000; Gelfand & Realo, 1999), suggesting that accountability may be an important factor that activates cultural knowledge.

Negotiations as Open Systems

Given the focus of this dissertation, it is necessary to clarify the concept of negotiation. In negotiation literature, there are three general approaches to conceptualize negotiation. Some scholars (e.g., Bazerman & Neale, 1992; Raiffa, 1982) portray negotiations as *rational systems* (McGinn & Keros, 2002; Scott, 1987). The main research question pursued is why negotiators deviate from optimality or rationality. The failure of negotiation is attributed to the deviance from rational choices (e.g., Bazerman

& Neale, 1992). Thus, the key to the success of negotiation is to be aware of the limitation of individual cognitions.

In contrast, other researchers (Fisher & Ury, 1984; Pruitt, 1995; Walton & McKersie, 1965) treat negotiations as *natural systems* (McGinn & Keros, 2002; Scott, 1987), in which negotiators are problem-solvers. The success of negotiation depends on whether negotiators can cooperate with each other, share information, and find common interests. Therefore, the key to the success of negotiation is to find common goals and the ways to achieve that goal.

Both rational and natural approaches regard negotiations as closed systems, in which negotiators are separated from social contexts. Although social context is found to be important in negotiations in the real world (Friedman, 1994), little research has incorporated the social contexts in which negotiators are embedded into the investigation. Thus, a common criticism of the rational and natural approaches is that social contexts are mainly neglected. For example, Barley (1991) questioned whether findings based on simulated negotiations between strangers could be generalized to real negotiations in which social contexts play a vital role. Kramer, Pommerenke, and Newton (1993) echoed this critique, arguing that negotiators' judgment and decision making usually are influenced by social contexts, such as preexisting social ties and relationships, which, however, are largely ignored in negotiation research. Kramer further commented that:

> "Context can be reduced conveniently to its bare and least troublesome features (e.g., in the prototypic laboratory simulation of a negotiation, comparative strangers with little or no prior relationship come together, adopt artificially assumed preferences, negotiate over abstract resources for a short period of time, and then depart from each other never to meet again). Little is at stake, little is invested, and the outcome is quickly forgotten." (Kramer, 2004: 220).

Recently, a more prominent approach to negotiation has gained popularity among scholars (McGinn & Keros, 2002; Putnam & Kolb, 2000). Regarding negotiations as *open systems*, advocates of this approach (McGinn & Keros, 2002; Scott, 1987) propose studying negotiation together with the backdrop of broad social backgrounds. According to this view, negotiators improvise interaction and continuously adjust their social relations to each other. The failure of negotiation is "not because of cognitive limitations or a lack of information exchange, but because the social relations between the parties break down" (McGinn & Keros, 2002: 443). Compared with the rational and natural approaches, the open-system approach explicitly emphasizes the social contexts of negotiation.

This dissertation follows the open-system approach to negotiation. Negotiation is defined as the social interaction of two or more social units that attempt to make joint decisions while differing in their initial preferences (Bazerman & Carroll, 1987; Walton & Mckersie, 1965). Negotiators are conceptualized as actors embedded in a broad social system rather than as independent individuals. The key actors in such a social system can be categorized as the focal negotiator, her constituents, opponent, and opponent's constituents (Gelfand & Cai, 2004; Wall & Blum, 1991). As Figure 1.1 shows, two variables, accountability and group membership, can help capture the social contexts in which negotiators are nested.

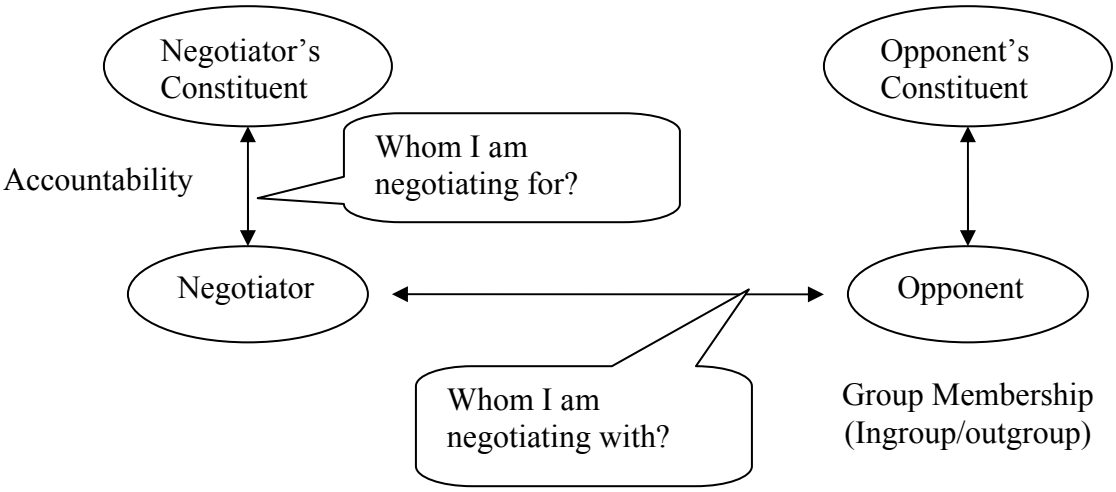


FIGURE 1.1
Social Contexts of Negotiation

Accountability is included because in many cases negotiators are not acting solely on their own behalf, but on behalf of their groups, organizations, or nations (Pruitt & Carnevale, 1993). In these situations, accountability is believed to align the interests of a negotiator with those of her constituents (e.g., Ben-Yoav & Pruitt, 1984a; Gelfand & Realo, 1999). Meanwhile, the characteristics of the party with whom negotiators negotiate are very important. In this regard, it is believed that group membership, i.e. whether the other party is an ingroup or outgroup member, influences negotiation dynamics (Kramer & Brewer, 1984; Kramer, 2004; Thompson, 1993).

This Dissertation

The purpose of this dissertation is to explore the interplay between culture and situational factors in negotiation. Specifically, I will examine how the interaction between culture and two aforementioned situational factors— accountability and group membership (ingroup-outgroup)—exerts impacts on negotiation. I adopt a dynamic constructivist approach, proposing that culturally typical patterns in negotiation would appear in certain conditions but disappear in other conditions. Related to this dynamic approach to culture, I regard negotiations as open systems, emphasizing the social situational backgrounds of negotiations. Accountability and group membership (ingroup-outgroup) are identified as two important situational factors that may trigger cultural differences in negotiation.

This dissertation can make multiple contributions to the literature. First, taking into account rarely considered situational factors and exploring the interplay between culture and situational factors, this dissertation may enhance our understanding of culture

and negotiation. Specifically, this research can increase the predictive power of culture in negotiation, highlight the motivation of negotiators, and sufficiently utilize the existing knowledge from the cross-cultural psychology literature.

Second, this research may contribute to the development of the dynamic constructivist view of culture. Although some scholars have applied such a view to management literature, most discussion involves post-hoc explanations of previous studies (Morris & Fu, 2001; Morris & Gelfand, 2004). My research will apply a dynamic constructivist view of culture to negotiation context based on a priori predictions rather than post-hoc explanations. Such an investigation will further explore the validity and predictability of this approach.

Finally, this dissertation will not only compare intracultural negotiation in different contexts, but also contrast intercultural negotiation with intracultural negotiation in these contexts. There is a dearth of studies pursuing the intercultural interface in cross-cultural management literature (Gelfand et al., 2007). My research will increase our understanding of intercultural interaction in different situations. By taking situational factors into consideration, it will be possible to reduce the cultural attribution error (Dialdin et al., 2002).

In the next chapter (Chapter 2), I will review the relevant literatures in cross-cultural negotiation, the dynamic constructivist view of culture, and accountability and group membership in negotiation. In Chapter 3, I will present hypotheses, regarding how negotiators from two cultures, Chinese and American, may generally differ from each other in negotiation frame and negotiation tactics. From the dynamic constructivist view

of culture, I propose that whether these general tendencies are activated depends on the group membership of the other party, and the presence of accountability. The particular research method employed and results will be discussed in Chapter 4. Two sets of experiments— one set of intracultural negotiations, and one set of intra- and inter-cultural negotiations—are designed to test those hypotheses. Chapter 5 will present the contributions, limitations, and future research directions of this research.

CHAPTER II

REVIEW OF RELEVANT LITERATURE

This literature review aims to fulfill three tasks. First, I will review cross-cultural negotiation literature, including intra- and inter-cultural negotiation. The review suggests that culture exerts important influence on negotiation by affecting negotiators' cognition and behavior. Generally, Americans tend to take a self-centered approach whereas East Asians tend to take a relationship-oriented approach in negotiation. In the second section, I will introduce a dynamic view of culture in detail, exploring important situational factors that may attenuate or intensify the impact of culture on negotiation. Finally, the two situational factors of interest in this dissertation are accountability and group membership, and their effects on negotiation will be discussed in the last section.

Cross-cultural Negotiation

Although negotiation research originated and has mainly developed in Western cultures (e.g., Kelley & Thibaut, 1978; Neale & Bazerman, 1991; Raiffa, 1982; Walton & McKersie, 1965), cross-cultural negotiation has recently become a blooming area (see a recent review by Bazerman et al., 2000; also see a recent handbook by Gelfand & Brett, 2004). The quick expansion of cross-cultural negotiation research may have resulted from scholars' awareness of the potential cultural biases in previous negotiation research (Brett & Gelfand, 2006; Pruitt, 2004) as well as from their timely response to the increasing trend of globalization (Graham & Lam, 2003; Weiss, 1994).

Cross-cultural negotiation research can be categorized into two types: one is *intracultural comparative research* which compares within culture negotiations across cultures (e.g., American-American negotiation vs. Chinese-Chinese negotiation); and the other is *intercultural research* which examines negotiations involving at least two parties from different cultures (e.g., American-Chinese negotiation).

Intracultural Comparative Research in Negotiation

The fundamental question that intracultural comparative research attempts to answer is: What are the differences between negotiations in culture A and those in culture B? Table 2.1 briefly summarizes empirical studies in this branch.

Main Effect of Culture on Negotiators' Cognition

Culture provides basic assumptions for social interaction, including how to define self, how to conceptualize others, and how to communicate (Gelfand & Brett, 2004). Negotiation, as a social interaction process, is fundamentally influenced by those basic assumptions. Many studies explore a logic thread linking three components: culture→cultural characteristics (values, norms, beliefs)→negotiators' cognition. Influential cultural characteristics in this literature include (1) individualism-collectivism (Hofstede, 1980; Triandis, 1989, 1995), (2) cultural values suggested by Schwartz (1994), and (3) Hall's (1976) culturally-related communication styles (e.g., low vs. high communication context and conception of time), which I will discuss respetively.

TABLE 2.1
Empirical Studies Reporting Culturally Typical Patterns in Conflict Management

Area	Theme	Americans	East-Asians	Cultural values	Study
Cognition					
Conflict frame	Compromise-focused	Low	High		Gelfand et al., 2001
	Win-focused	High	Low		
Negotiation Norm	Competitive				Tinsley & Pillutla, 1998
	Compromise				
	Self-interested	High	Low	Self-enhancement (individualism)	
	Joint problem-solving	High	Low	Open to change	
	Altruistic				
Negotiation & Conflict Perception	Self-serving bias	High	Low	Individualism (not tested)	Gelfand et al., 2002
Negotiation Schema	Self-interest	High	Low	individualism	Brett & Okumura, 1998
	Power schema	Low	High	Hierarchy	
	Understanding of partner's preference	Low	High		
Negotiation Perception	Fixed-pie perceptions	High	Low	individualism	Gelfand & Christakapoulou, 1999
	Cooperative perception	Low	High	individualism	Gelfand & Realo, 1999
Negotiation Motivation	Egoistic	High	Low	Not directly test	Chen et al., 2003
	Prosocial	Low	High		

Area	Dimensions	Americans	East-Asians	Cultural values	Study
Behavior					
Conflict Resolution Style	Avoiding style	Low	High	Societal conservatism values (Conformity)	Morris et al., 1998
	Competing style	High	Low	Self-enhancement values	
Negotiation Tactics	Claim more values for self	High	Low		Gelfand & Christakapoulou, 1999
	Promote self (use of threats, warnings, comparisons, and putdowns)	High	Low		
Negotiation Tactics	Appeal to other party's interests	High	Low	Individualism Hierarchy Polychronicity	Tinsley 2001; Tinsley & Brett, 2001
	Appeal to rules and standard procedures	High	Low	Explicit contracting Hierarchy	
	Appeal to power	Low	High	Hierarchy	
	Appeal to collective interest	Low	High	Individualism	
Communication Style in Negotiation	Exchange information directly	High	Low	High vs. low context culture	Adair et al., 2001
	Exchange information indirectly	Low	High		
	Use power influence tactics	Low	High		
	Adapt partner's normative behaviors				

First, the individualism-collectivism has received most attention (Bazerman et al., 2000). Theoretically, individualists tend to have independent self-construals, and thus their cognitions are oriented toward their inner attributes or what makes them unique. In contrast, collectivists tend to have interdependent self-construals, and thus their cognitions are geared toward the relationship with others (Markus & Kitayama, 1991; Triandis, 1995). Empirically, it has been found that Americans (individualists) were more likely to view conflict as a win-lose situation, whereas Japanese (collectivists) were prone to see conflict as a mutual-compromise situation (Gelfand et al., 2001). This is because individualistic negotiators (Americans) endorsed self-interest schema more than collectivistic negotiators (Japanese, Brett & Okumura, 1998). In addition, individualists (Americans) were more likely to believe that their counterparts had incompatible priority concerns in negotiation (e.g., *fixed-pie perceptions*) than collectivists (Greeks, Gelfand & Christakapoulou, 1999). Compared with collectivists (Japanese), individualistic negotiators (Americans) also tended to view their own behavior fairer than those of their counterparts (e.g., *self-serving biases of fairness,* Gelfand et al., 2002). In asymmetric social dilemmas, Americans (individualists) were less cooperative and had a more egocentric view of fairness than Japanese (collectivists) (Wade-Benzoni et al., 2002).

Second, *self-enhancement* and *societal conservatism,* two cultural values proposed by Schwartz (1994), have also been widely examined. The former refers to the extent to which one prefers setting up one's own goals and achieving them, while the latter refers to the extent to which one is obedient to existing social norms. Empirical evidence suggests that Americans tend to have higher levels of self-enhancement, thus endorsing more self-interested and competing norms than East Asians (e.g., Chinese,

Indians, and Filipinos) in negotiation (Morris, et al, 1998; Tinsley & Pillutla, 1998). In contrast, East Asians value more societal conservatism, thus sticking to conflict avoiding norms.

In addition, these two cultural values influence negotiators' mental models (Liu et al., 2007). Mental model in negotiation is "a cognitive representation of the expected negotiation, a representation that encompasses understanding of the self, negotiator relationships, attributions about the other, and perceptions and knowledge of the bargaining structure and process" (Bazerman et al., 2000: 287). Liu and colleagues (2007) found that negotiators with high self enhancement values had competitive elements central in their mental models, whereas those with high social conformity values (a core dimention of social conservatism) had integrative elements central in their mental models.

Finally, cultural differences also take shape in distinct communication styles across cultures. Hall (1976) defined *communication context* as the degree to which communication is embedded within the context. People from low communication context cultures (e.g., American) usually use explicit and direct language, whereas people from high communication context cultures (e.g., Chinese) prefer implicit and indirect messages. In addition, different cultures have different conceptions of time (Hall, 1976). While people prefer multitask in cultures with the polychromic conception of time, in cultures with the monochromic conception of time, people prefer handling only one task at a time. Tinsley (1998) combined these two cultural dimensions (*communication context* and *polychronicity*) with *hierarchical differentiation* (acceptance of inequalities and centralized power) to predict three specific conflict resolution norms: (1) integrating interests, (2) following formal rules and procedures, and (3) consulting authority and

power. She proposed that when resolving conflicts Americans prefer interest integration, Germans tend to follow rules and procedurals, and Japanese are likely to rely on authority (Tinsley, 1998). From a sample of American and Hong Kong Chinese negotiators, Tinsley and Brett (2001) found that Americans embraced the norm of interest integration more, whereas Hong Kong Chinese participants embraced the norm of collective interest and authority more.

Main Effect of Culture on Negotiators' Behavior

Besides cognitions, culture also has impacts on negotiation tactics or strategies. Based on the interest-rules-power model of negotiation (Ury, Brett, & Goldberg, 1988; Tinsley, 1998), Tinsley (2001) examined negotiation tactics in the United States, Germany, and Japan. She found that cultural values (individualism, hierarchy, explicit contracting, and polychronicity) were associated with negotiation tactics (use interest, use regulations, and use power). For example, due to the different cultural values embraced in the three cultures, Americans used interest persuasion more, German used regulation persuasion more, and Japanese used power persuasion more.

In another study, Adair et al. (2001) found that Japanese managers used more indirect information exchange and more power and influence tactics in negotiation than American managers. They concluded that this is because Japanese culture is a high-context and hierarchical culture, whereas American culture is a low-context and less hierarchical culture.

Summary

Existing intracultural comparative negotiation literature has provided convincing evidence that culture influences negotiators' cognition and behavior. Different cultural values, such as individualism-collectivism, self enhancement, and societal conformity, result in different cognitions and behaviors in negotiation. Generally, Americans tend to take a self-centered approach whereas East Asians tend to take a relationship-oriented approach in negotiation. Specifically, American negotiators tend to be egoistic, have fixed-pie perceptions, frame negotiation as a win-lose game, and embrace self-interested, competitive negotiation norms. In contrast, negotiators from East Asia (e.g., Japan or and China) tend to be less egoistic, adopt a compromise-focused frame, endorse conflict avoiding norms, and abide by power authority in negotiation.

Due to the existence of these cultural differences, some researchers comment that *intercultural* negotiation would be like a dance in which one person does a waltz and the other a tango (Hall, 1976; Tinsley et al., 1999). In the following, I briefly review the intercultural negotiation literature.

Intercultural Research in Negotiation

What is the impact of culture on intercultural negotiation? Two main arguments are dominant in this discussion: one is the culture-clash hypothesis, and the other is the cultural adaptation hypothesis. Table 2.2 provides a brief summary of empirical studies on intercultural negotiation.

TABLE 2.2
Empirical Studies in the International Business Negotiation Literature

Paper	Theme	Culture (Country/Region)	Method
Negotiation Simulation			
Graham, 1985	Negotiation strategy: Problem Solving Approach	American vs. Japanese	Face-to-face
Adler & Graham,1989	Intra- vs. Inter-cultural comparison: Problem solving approach, interpersonal attraction, time, satisfaction, individual profits, joint profits	American vs. Japanese Canadian Francophone vs. Canadian Anglophone	Face-to-face
Natlandsmyr & Rognes, 1995	Mexican vs. Norwegian→ behavior→join gain	Mexican vs. Norwegian	Face-to-face
Brett & Okumura, 1998	Intra- vs. inter-cultural negotiation / compatibility of schema: understanding, preference, joint gain,	American vs. Japanese	Face-to-face
Gelfand & Christakopoulou, 1999	Individualism/Collectivism→Fixed pie error	American vs. Greek	email
Adair et al., 2001	US vs. Japan comparison→Negotiation process: Direct vs. indirect information exchange, Power/influence tactics, adaptation, negotiation willingness, clarifying questions, discussing negotiation procedures	American vs. Japan	Face-to-face
Adair & Brett, 2005	High-, mixed-, low-context dyad→negotiation process→Joint gains	American vs. Japanese American vs. Hong Kong Chinese	Face-to-face
Imai & Gelfand, 2006	Cultural intelligence→ negotiation processes→joint gains	American vs. East Asian	Face-to-face
Liu et al., 2007	Intra- vs. inter-cultural comparison Shared mental model→negotiation outcomes	American vs. Chinese	Face-to-face
Other Methods			
Tung, 1982	Factors influence negotiation outcomes in real word	American managers in the US-China trade companies	Recall
Francis, 1991	Adaptation (none, moderate, full)→ Imagined negotiation outcomes and interpersonal attraction	American vs. imagined Japan or Korean	Scenario
Tse et al., 1994	Chinese vs. Canadian → Conflict resolution strategies	Chinese vs. Canadian	Scenario
Rao & Hashimoto, 1996	Japanese vs. Canadian subordinate→influence tactics	Japanese vs. Canadian	Survey
Rao & Schmidt,1998	Power, cultural distance, conflict frames, trust,	US international negotiators	Recall

	interpersonal orientation, time horizon→hard/rational/soft tactics→agreement and alliance success		
Chan & Goto, 2003	Ethnicity of supervisor matters—regard more as conflict when different ethnicity; prefer different resolutions (arbitration, negotiation, mediation, inaction) when different ethnicity	HK subordinate American, Mainland, vs. HK supervisor	Scenario

Culture-clash Hypothesis

The culture-clash hypothesis holds that people from different cultures have distinct cognitions and tactics to resolve conflict, and that these cultural differences may make intercultural conflict resolution a cultural clash process (Adair et al., 2001; Brett & Okumura, 1998). Morris and Gelfand commented that:

> "Negotiators from the same culture, exposed to the same public cultural elements, will have a common set of chronically accessible constructs—self-conceptions, metaphors, expectations, and scripts—making for an "organized" interaction (Gelfand and McCusker, 2002). Not so in intercultural conflicts, which inherently involve two negotiations, the original conflict over resources and the meta-level negotiation over the meanings that should define the event. " (Morris & Gelfand, 2004: 65).

Consonant with the above comments, one consistent finding in intercultural negotiation research is that it is more difficult to make joint gains in intercultural negotiations than in intracultural negotiations (Adair et al., 2001; Alder & Graham, 1989; Brett & Okumura, 1998; Natlandsmyr & Rognes, 1995). For example, Alder and Graham (1989) found that Japanese and Anglophone Canadian achieved lower join profits in intercultural negotiations than in intracultural negotiations. In the same vein, Natlandsmyr and Rognes (1995) reported that intercultural dyads composed of Mexicans and Norwegians made lower profits than intracultural dyads of Norwegians. Brett and Okumura (1998), studying a sample of American and Japanese managers, also indicated that intercultural negotiations yielded low joint gains than intracultural negotiations.

To test such a culture-clash hypothesis, it is important to examine whether the incompatibility of negotiation schemas or scripts is associated with less joint gains (Brett & Okumura, 1998; Adair et al., 2001). The reasoning is that if negotiators from different cultures have different negotiation schemas, then consequent misunderstanding or lack of information exchange would thwart the creation of joint gains. In one study, Brett and

Okumura (1998) did find that cultural values (e.g., individualism/collectivism and hierarchy/egalitarianism) were associated with negotiation schemas (self-interest and power), but they did not find the link between the compatibility of negotiation schemas and the joint gains in intercultural negotiation.

Cultural Adaptation Hypothesis

The other argument is the cultural adaptation hypothesis. Some researchers argue that it is not correct to assume that negotiators would think or behave in the same way in intercultural negotiation as in intracultural negotiation. According to them, people tend to adjust their behaviors to accommodate the other culture in intercultural negotiations (Adler & Graham, 1989; Drake, 2001). If culture is a big hurdle in intercultural interaction, then cultural adaptation may be an efficient way to overcome cultural barriers (Francis, 1991; Pornpitakpan, 1999; Thomas & Ravlin, 1995; Weiss, 1994). *Cultural adaptation* is defined as "a change in behavior to be more typical of behavior in another's national culture" (Thomas & Ravlin, 1995: 133). Although some scholars are suspect of a person's capability to transcend one's own culture (e.g., Bazerman et al., 2000), direct and indirect evidence suggests that cultural adaptation does take place in intercultural negotiation.

For example, Imai and Gelfand (2006) found that *cultural intelligence* (a person's capability in successfully adapting to new cultural settings, Earley & Ang, 2003) of intercultural negotiators led to effective information exchange during negotiation, which in turn were positively associated with joint gains.

For another instance, Adair and colleagues (2001) compared intracultural and intercultural negotiations by focusing on negotiation tactics. They found that in

intercultural negotiations between American and Japanese managers, Japanese mangers seemed to adapt to American culture, using more direct information exchange, less indirect information exchange, and less power influence tactics than their counterparts in intracultural negotiation. In contrast, there were no differences in negotiation tactics between American managers in intercultural negotiation and those in intracutlural negotiation. In other words, in intercultural negotiation between Japanese and American managers, the cultural adaptation is not balanced—Japanese managers made cultural adaptations, whereas American mangers did not.

Such a finding of imbalanced adaptation is related to another interesting phenomenon in intercultural negotiation—compared with their opponents, American negotiators seem to absorb less accurate information from intercultural negotiation process, thus having more judgment errors and less precise prediction of the priorities of opponents (Brett & Okumura, 1998; Gelfand & Christakopoulou, 1999). For example, Brett and Okumura (1998) asked participants to judge their counterparts' priority of negotiated issues after intercultural negotiation. They found that Japanese participants made more accurate judgment than American participants did. The authors explained this finding by the cultural differences in communication—Americans prefer low-context and explicit communication, whereas Japanese prefer high-context and implicit communication. During negotiation, it was easy for the Japanese to understand Americans' explicit communication but hard for Americans to understand Japanese implicit communication. As a result, Japanese negotiators managed to get more accurate information than American negotiators did.

In another intercultural negotiation study, Gelfand and Christakopoulou (1999) found that although there was no difference in fixed-pie judgment error between American and Greek students at the beginning of negotiation, American students had significantly more judgment errors than Greek students after negotiation. Such a finding was explained by individualism-collectivism. Specifically, Americans, as individualists who mainly concern about their own interests, were less likely to adjust judgment errors than Greeks, who are collectivists and emphasize interests and needs of others.

Recent research by Liu and colleagues (2007) provided partial evidence supporting both cultural clash and cultural adaptation hypotheses. Using a sample of Chinese and American negotiators, these researchers investigated negotiators' mental models before and after negotiation in intra- and intercultural negotiation. They reported that intercultural negotiation dyads had less similar mental models than intracultural dyads at the beginning, a finding offering support to the culture-clash hypothesis. However, negotiators' mental models did change after negotiation, and the extent of change was positively associated with joint gains in intercultural negotiation. Such a finding indicates that adaptations did take place and played a critical role in intercultural negotiation, thus providing support to the culture adaptation hypothesis.

In summary, two dominant arguments in the intercultural negotiation literature are culture-clash hypothesis and cultural adaptation hypothesis. On the one hand, culture-clash hypothesis suggests that intercultural negotiation is more difficult than intracultural negotiation due to cultural differences. Empirical studies, however, have not established the link between the incompatibility of cultural schemas and negotiation outcomes. On

the other hand, the cultural adaptation hypothesis indicates that negotiators could make cultural adaptation in intercultural negotiation. There is evidence suggesting that cultural adaptation is imbalanced in intercultural negotiation. Specifically, individualists, such as Americans, were less likely to make adaptations and had more judgment errors than their collectivistic counterparts in intercultural negotiation.

In addition, most understanding of intercultural negotiation is based on the comparison between intracultural negotiations and intercultural negotiations. There is initial inquiry of the impact of cultural intelligence on intercultural negotiation (Imai & Gelfand, 2006). But there is little knowledge of how social contextual factors may influence intercultural negotiation (Brett & Gelfand, 2004). As a consequence, it is hard to predict precisely cross-cultural differences in negotiation.

A Summary of Cross-Cultural Research in Negotiation

A common feature of existing cross-cultural negotiation research is the focus on the main effects of culture on negotiation (Drake, 2001; Morris & Gelfand, 2004). From a trait/entity view of culture, the common inquiry is investigating whether cultural differences exist in negotiation. The answer is positive. We know that Americans tend to take a self-centered approach whereas East Asians tend to take a relationship-oriented approach to negotiation. Such an inquiry is invaluable in expanding the theoretical horizon as well as providing managers with practical advices (Brett & Gelfand, 2006).

But as pointed out in the introduction part (Chapter 1), one limitation of the cross-cultural negotiation literature is that social contexts are rarely explored. It is critical to examine cultural and social situational factors jointly (Drake, 2001; Gelfand & Brett,

2004). Otherwise, scholars cannot capture the within-culture variance in negotiation or exclude the influence of social contexts on negotiation.

The ensuing question is: What situational factors should be investigated? A dynamic constructivist view of culture from recent cross-cultural psychology research (Chiu et al., 2000; Hong et al., 2000; Hong & Chiu, 2001) can shed light on this question, which I will be discussing in the following section.

A Dynamic Constructivist View of Culture

According to the dynamic constructivist view of culture, culture is "a network of shared knowledge that is produced, distributed, and reproduced among a collection of interconnected individuals" (Chiu & Hong, 2006: 31). Cultural knowledge (or construct) is shared knowledge, which encompasses "learned habits of thinking, feeling, and interacting with people" (Chiu & Hong, 2006: 31).

Compared with the trait/entity view of culture, the dynamic constructivist approach has two very different assumptions. First, this approach regards culture as a loosely-organized knowledge system rather than a rigidly integrated system (Hong & Chiu, 2001). It assumes that people develop domain-specific theories or believes to make sense of the world. It is in this sense that this approach is "constructivist." For instance, Morris and Peng (1994), who focused on the cultural differences in causal attribution tendency, argued that attribution tendency is acquired from socialization process. They predicted and found that there was no difference between Chinese and American in making causal attributions for *physical* movements. However, when making attributions

for *social* events, Chinese subjects making more external attribution than American subjects.

Second, although domain-specific knowledge can be widely shared among cultural group members, whether such knowledge exerts influences on individual cognition, affect or behavior depends on whether it is activated or not. It is in this sense that the dynamic constructivist approach is "dynamic." For instance, East Asians *generally* make more situational causal attribution than Americans (see a review by Choi et al., 1999). But such a cultural difference may be attenuated or exacerbated in different conditions. Norenzayan and colleagues (Norenzayan et al., 2002, study 2) found that when situational information was not salient, there were no attribution differences between Koreans and Americans. In contrast, when situational information was salient, Koreans made more situational attribution than Americans.

It is thus critical to attend to the principles guiding cultural knowledge activation. Researchers apply the social cognitive principles of knowledge activation (Higgins, 1996) to cross-cultural psychology, suggesting that culture may affect human cognition or behavior at three influence points: the *availability*, *accessibility*, and *activation* of cultural knowledge (Gelfand et al., 2006; Hong et al., 2000; Morris & Fu, 2001; Morris & Gelfand, 2004). Morris and Gelfand (2004) used a software metaphor to illustrate these three influence points: construct availability is akin to whether a software program is installed on a laptop; construct accessibility is akin to whether the program is easily accessible for use (is there a shortcut on the desktop?); and construct activation is akin to whether the program is double-clicked and open for use.

In the following, I will briefly review these key terms and relevant findings in the conflict management literature.

Construct Availability

Cultural differences may arise because a construct is available in one culture but not in another. Anthropological, ethnographical, and indigenous work are helpful in identifying what constructs are available in one culture but not in another (Morris & Fu, 2001). Nevertheless, many cultural constructs discussed in cross-cultural literature, such as individualism/collectivism and independent/interdependent self, may be available in all cultures (Morris & Gelfand, 2004; Oyserman, Kemmelmeier, & Coon, 2002). Thus, researchers suggest that most cultural differences may be not from construct availability versus unavailability, but from more subtle differences (Morris & Gelfand, 2004).

Construct Accessibility

There are two types of construct accessibility: chronic accessibility and temporary accessibility (Higgins, 1996). *Chronic accessibility* refers to the likelihood that a knowledge construct is accessible in the long term, whereas *temporary accessibility* refers to the accessibility of a knowledge construct due to cues in the immediate context (Higgins, 1996; Morris & Gelfand, 2004).

Chronically accessible constructs are usually widely shared because of everyday practice, frequent public or private communication (Lau, Chiu, & Lee, 2001), or social structure (Morris, Podolny, & Ariel, 2000). Some researchers suggest that cross-cultural

differences found by most previous research could be interpreted as variations of chronic accessibility on certain knowledge (Chiu et al., 2000; Morris & Gelfand, 2004).

For example, given the same social event (e.g., murder), American newspapers would be more likely to attribute it to internal factors (e.g., personality) whereas Chinese newspapers would be more likely to attribute it to external factors (e.g., environment) (Morris & Peng, 1994, study 2). This finding suggests that making internal attributions is a chronically accessible construct in the United States, whereas making external attributions is a chronically accessible construct in China. Consisting with this pattern, American individuals made more internal attribution to social events whereas Chinese individuals made more external attribution to these events (Morris & Peng, 1994, study 3).

For another example, Gelfand and McCusker (2002) found that public discourse (e.g., newspaper stories and TV shows) in the North America frequently portrays negotiation as sports, racing, or war. Consequently, it is not surprising that American negotiators tend to have a win-lose frame toward conflict resolution (Gelfand et al., 2001).

Temporary accessibility results from cues in the immediate context. A deeply buried knowledge construct may be highly accessible due to recent experience or priming cues. Priming is a frequently used technique to influence temporary accessibility. If one cultural construct is available in one culture but not the other, priming may exaggerate cultural differences; but if a cultural construct is available in both cultures and if cultural differences are due to variations of chronic accessibility, priming may attenuate cultural differences. Therefore, priming is a useful diagnostic tool to detect availability. For

example, Hong and colleagues (2000) proposed that some people may accommodate two different cultural systems, and they are bicultural in nature. An important trait of bicultural people is that they can switch cultural frames according to situational demands. Several interesting studies conducted by Hong et al. (2000) report that when bicultural people (Hong Kong Chinese students) were primed by American cultural symbols, they showed typical American attribution styles; and when bicultural people were primed by Chinese cultural symbols, they showed typical Chinese attribution styles.

Besides availability and accessibility, activation is another important condition for the use of cultural knowledge. Compared with the other conditions, the activation facet emphasizes more information processing. Recent research suggests whether a cultural knowledge is activated depends on (1) whether the knowledge is applicable to the situation; or (2) whether individuals are motivated to follow culturally typical patterns.

Construct Activation—Applicability

Construct applicability is different from construct availability or construct accessibility. Although individuals tend to primarily rely on the most accessible knowledge construct, they also judge whether such knowledge is applicable to the particular situation (Chiu & Hong, 2006).

For example, Chinese people generally prefer social harmony, thus usually choosing avoiding tactics in conflict resolution (e.g., Morris et al., 1998). But the distinction between ingroup and outgroup is very salient for collectivists (Triandis, 1989; 1995). When the other party is an outgroup member versus an ingroup member,

achieving harmony is not an applicable construct. Empirical studies indicate that Chinese people may have a competitive frame in conflict resolution when the other party is from outgroup (Derlega et al., 2002; Leung & Bond, 1984). Researchers recently apply this idea to examine whether group membership moderates the effect of culture on mixed-motive games.

Wong and Hong (2005) manipulated cultural orientation by showing cultural symbols to bicultural people (cf. Hong et al., 2000). Westernized Hong Kong Chinese college students (bicultural) were randomly assigned into different cultural priming conditions (Chinese, American, or neutral) and different partner conditions (friend vs. stranger). Participants were asked to run five rounds of prisoner's dilemma game in dyads. When the partner was a friend, participants in the Chinese priming condition significantly made more cooperative decisions and were more confident on the partner' cooperation than those participants in the American priming condition. However, when the partner was a stranger, there were no differences on cooperation between participants in these two cultural priming conditions.

The foregoing review suggests that applicability is an important condition for the use of cultural knowledge. The group membership of the other party (ingroup-outgroup) is a critical contextual factor that determines the applicability of cultural knowledge in conflict management, especially for collectivists. Collectivists are more likely to cooperate with ingroup members than individualists, while both collectivists and individualists are likely to compete with outgroup members.

Construct Activation—Motivation

Whether cultural knowledge is activated or not is also influenced by motivational factors. Culture does not rigidly determine individual behaviors, but individuals are likely to follow culturally typical patterns when their needs for epistemic certainty are high (Chiu et al., 2000; Fu et al., 2007) or when they have a strong motivation for social approval (Briley et al., 2000; Gelfand & Realo, 1999).

Epistemic Certainty Motivation

Epistemic certainty motivation refers to the extent to which one needs unambiguous interpretation or answers (e.g., Webster& Kriglanski, 1994). Social cognition research suggests that an individual is more likely to use accessible information when his/her epistemic certainty motivation is high versus low (Webster, 1993; Webster et al., 1993). Since culture provides people with accessible knowledge to make interpretation and decisions, people are inclined to use cultural knowledge when their epistemic certainty motivation is high (Chiu et al., 2000). Existing literature suggests that need for closure[1] (Chiu et al., 2000; Fu et al., 2007), time pressure (Chiu et al., 2000), and conflicting information (Friedman et al., 2007) may arouse epistemic certainty motivation, thus motivating people to follow culturally typical patterns.

For example, many cross-cultural studies suggest that when the agent in a social event is a group, Americans have a tendency to attribute social events to external factors whereas East-Asians have a tendency to make attribution to internal factors (Menon et al., 1999). Chiu et al. (2000) extended Menon et al.'s (1999) finding by adding time pressure into examination (study 2). They found that participants under time pressure showed

[1] Need for closure is a disposition reflecting one's epistemic need to resolve social ambiguity (Kruglanski, 1990; Webster& Kriglanski, 1994).

clear cultural pattern as Menon et al's study (1999) indicated. But when there was no time pressure, there were no differences in attribution patterns between Chinese and American participants.

Social Approval Motivation

Social approval motivation refers to the extent to which one desires agreement and consent by others (Tetlock, 1992). People with high group identity, high need for belongingness, or high social pressure are motivated to follow shared norms (e.g., Jetten et al., 2002).

Accountability is a critical mechanism to strengthen social norms (Tetlock, 1992). When one is held accountable to one's cultural groups, one is motivated to follow culturally typical patterns for gaining social approval (Briley et al., 2000; Gelfand & Realo, 1999).

For example, a recent study in marketing research suggests that accountability may activate culturally typical shopping decisions (Briley et al., 2000). Previous research found that Asian consumers were more likely to make compromise shopping decisions than American consumers (Myers & Simonson, 1992). Briley and colleagues (2000) found some nuance, arguing that such a cultural difference is larger if consumers from these cultures were asked to give justifications to audiences from their own culture before making decisions. From different samples, they reported that Asian participants were more likely to make compromise decisions than American participants, but *only* when participants were asked to give justification to people from their own cultures. Such a finding indicates that when one is expecting to give justifications for one's choice to audiences from one's own culture, one tends to follow culturally typical patterns in

making decisions. Since giving justification is a type of accountability, this evidence suggests accountability can strengthen cultural norms.

Summary

The dynamic constructivist view of culture proposes that a knowledge construct is likely to be used when it is available, accessible, and activated. According to this view, most previous findings about cross-cultural differences may come from the variations of the level of chronic accessibility on cultural constructs (Chiu et al., 2000; Morris & Fu, 2001; Morris & Gelfand, 2004). More importantly, the dynamic constructivist view explores when cultural knowledge would be activated. The activation of cultural knowledge depends on the applicability of knowledge to contexts (e.g., ingroup vs. outgroup), or the motivation to follow culturally typical patterns, including epistemic certainty motivation (e.g., under time pressure) and social approval motivation (e.g., accountability).

The dynamic constructivist view has received increasing attention from scholars in management (e.g., Brett et al., 2006), yet most discussions are based on the reinterpretation of previous studies (Morris & Gelfand, 2004). Rarely is there any study that explicitly tests the predictions of the dynamic constructivist view may make in management. I aim to fill in this gap by applying such a view of culture to negotiation. Specifically, I will focus on the impact of accountability and group membership on cross-cultural negotiation. In the following, I will review the existing negotiation literature about accountability and group membership.

Accountability

In many cases, negotiators represent others rather than themselves in negotiations (Pruitt & Carnevale, 1993). So investigating the relationship between constituency and representative has been a topic that continuously attracts attention in the last forty years (Pruitt & Carnevale, 1993).

Accountability and Negotiation

From a role conflict perspective, Adams's (1976) boundary role model suggests that representatives need to work with people not only within the organization but also outside the organization. As boundary spanners, representatives are subject to both internal and external influences, so that they are easily involved in role conflicts. One solution to role conflict is to separate out the role of those who communicate outwardly from a group from the role of those who communicate inwardly information provided by outside parties (Friedman & Podolny, 1992), but this may not always be feasible to accomplish. A basic question that research in this thread asks is: What is the impact of constituent pressures on negotiation?

In terms of negotiation process, it has been repeatedly found that accountability leads to contentious behavior of representatives in negotiation (Benton & Druckman, 1974; Ben-Yoav & Pruitt, 1984a; Carnevale et al., 1981; Friedman, 1994; Klimoski & Ash, 1974; Mosterd & Rutte, 2000; O'Connor, 1997; Pruitt et al., 1986). Either in distributive negotiation or in integrative negotiation, representatives in high accountability conditions are more reluctant to make concessions, take longer to make a deal, and use contentious tactics more frequently than those in low accountability

conditions. A meta-analysis of competitive negotiation behavior found that accountability affects agreement quality through its influence on the parties' motives (Druckman, 1994). That is, pressure from constituents increases concern for one's own outcomes (Carnevale et al., 1981), which, in turn, bolsters a competitive motive (Pruitt, Kimmel, Britton, Carnevale, Magenau, Peragallo, & Engram, 1978).

Researchers have also identified some moderators to the effect of accountability. Particularly, the effects of accountability on contentious behavior would be attenuated by constituents' cooperation intention (versus competition intention, Benton & Druckman, 1974), surveillance by female (rather than male) constituents(Pruitt et al., 1986), face-to-face negotiation (versus with negotiation with a visual barrier, Carnavale et al., 1981), team negotiation (versus negotiation individually, O'Connor, 1997), and expectation of cooperative future interaction (Ben-Yoav & Pruitt, 1984a).

What is the effect of accountability on negotiation outcomes? In most cases, negotiation is a mixed-motive and integrative process. According to the dual concern model of negotiation (Filley, 1975; Pruitt & Rubin, 1986), only when there is both high concern for self interests and high concern for other's interests will there be creative and integrative outcomes in negotiation. Therefore, accountability, which makes concern about own interests salient for Western negotiators, results in contentious negotiation outcomes, such as the difference of individual gains, but not joint gains (O'Connor, 1997; Pruitt et al., 1986), unless it is also coupled with factors that enhance high concern for the other.

In summary, previous research indicates that accountability usually leads to contentious behavior in negotiation, such as reluctance to make concessions and the use of competitive tactics. It may also result in competitive negotiation outcomes, such as differences of individual gains. Generally speaking, existing literature consistently reports accountability as a situational factor that promotes contentious behaviors and competitive outcomes in negotiation.

Previous research on accountability and negotiation, however, were mainly conducted in Western (individualistic) cultures, where negotiators generally have a win-lose, or competitive frame in negotiation (Gelfand et al., 2001). From the perspective of the dynamic constructivist view of culture (Morris & Gelfand, 2004), a win-lose, or competitive frame is the highly accessible knowledge to people from these cultures. Given that accountability motivates people to adopt socially acceptable behaviors (Tetlock, 1992), it is not hard to understand why so many studies conducted in Western cultures have documented that accountability intensifies competition in negotiation. However, does accountability universally lead to competition or self-interested orientation in negotiation? It seems important to examine the effect of accountability in different cultures.

Accountability and Culture

Tetlock (1992) commented that: "although one can make a powerful case for the universality of accountability (Semin & Manstead, 1983), the specific norms and values to which people are held accountable vary dramatically from one culture or time to another." (p. 337).

Culture provides people with social norms and rules in social interaction (Markus & Kitayama, 1991). When people are aware that they need to justify their decisions or behaviors to others, they tend to choose the way that is socially acceptable in their cultures. In other words, accountability activates cultural knowledge that is accessible in particular contexts. Some empirical evidence has suggested that accountability can activate cultural norms in negotiation.

In one study conducted by Pruit and colleagues (1986), they found that when there was no clear information about constituents' preferences, negotiators were less contentious when they were surveilled by female constituents than by male constituents. The potential explanation is that negotiators inferred constituents' preferences based on common beliefs about gender (cultural knowledge). As a result, if constituents were male, negotiators tended to make competitive tendency attribution and thus acted contentiously. In contrast, if constituents were female, negotiators tended to make cooperative attribution and thus acted cooperatively.

In another study, Gelfand and Realo (1999) proposed that accountability would have different impacts on negotiation in different cultures because cooperation is normative in collectivistic societies whereas competition is normative in individualistic societies. Specifically, accountability would increase cooperation between collectivistic negotiators, but intensify competition between individualistic negotiators. Using two different samples from North America and Estonia, Gelfand and Realo (1999) provided evidence supporting the above prediction: under high accountability conditions, collectivistic negotiation dyads were more likely to cooperate, were more willing to make concessions, and achieved higher joint gains in integrative negotiation than those under

low accountability conditions; in contrast, under high accountability conditions, individualistic negotiation dyads were less likely to cooperate, were less willing to make concessions, and achieved lower joint gains in integrative negotiation than those under low accountability conditions. Based on these findings, Gelfand and Realo (1999) argued that accountability, as a social norm enforcement mechanism (Tetlock, 1992), activated the chronically accessible cultural knowledge in negotiation, so that collectivists are more likely to cooperate while individualists are more likely to compete (Gelfand & Realo, 1999; Morris & Gelfand, 2004).

In summary, the specific norms or values that accountability reinforces vary across cultures. People are likely to show culturally typical behavioral patterns when they are held accountable (Briley et al., 2000; Gelfand & Realo, 1999). Therefore, accountability can be viewed as an activator of cultural norms.

Another important situational factor in negotiation is group membership. I will review relevant literature about group membership in the next section.

Group Membership

Categorizing people into different groups is a ubiquitous social phenomenon (e.g., Tajfel & Turner, 1986; Turner, 1987). A person sharing with common attributes (demographics, activities, preferences, or institutions), goals, fate, or external threat is usually regarded as an ingroup member; whereas a person who involves dissimilar attributes, or the lack of common goals or common fate is usually regarded as an outgroup member (Campbell, 1958; Tajfel & Turner, 1986; Triandis, 1989). People

generally show favoritism to ingroup members, but negative attitudes toward outgroup members (see a review by Messick & Mackie, 1989). In addition, people tend to believe that ingroup members are more honest, trustworthy, and cooperative than outgroup members (Brewer, 1979). Such intergroup discrimination has important implications to negotiation.

Group Membership and Negotiation

Group membership may influence negotiators' *social motivation*, which is defined as negotiator's preferences for outcome distributions between him- or herself and opponent (De Dreu et al., 1995). When negotiating with ingroup members, negotiators shift "towards the perception of self as an interchangeable exemplar of some social category and away from the perception of self as a unique person" (Turner, 1987: 50-51). In other words, negotiators downplay personal identity and show more concerns to ingroup members. In contrast, when negotiating with outgroup members, negotiators adopt more self-centered orientations. Existing studies in negotiation literature provide evidence that group membership influence negotiators' cognition and behavior, as well as negotiation outcomes.

First, negotiators had more positive expectations when negotiating with ingroup members than with outgroup members. For example, in one study conducted by Thompson (1993, study 1), she randomly assigned participants into either one of the two groups (alpha or beta), and then asked participants to negotiate with an ingroup or an outgroup member. She found that negotiators had more favorite evaluations and higher expectation of outcomes toward ingroup members than outgroup members before

negotiation. In another study, Harinck and Ellemers (2006) asked students to negotiate with another student from the same major (ingroup) or from another major (outgroup). They found that negotiators had higher level of anticipated trust toward ingroup members than outgroup members. Moreover, Kramer and Brewer (1984), who conducted three social dilemma experiments, reported that individuals were more willing to cooperate with ingroup members than with outgroup members.

Second, group membership also influences negotiation processes. Moore and colleagues (1999) conducted an online negotiation experiment. They randomly assigned participants to negotiate with outgroup members (students from another university) or with ingroup members (students from the same university). They found that ingroup dyads revealed more preferences for negotiable issues, asked more information-seeking questions, and made fewer procedural statements than outgroup dyads.

Finally, negotiation outcomes were also affected by group membership. In Moore et al.'s (1999) study, ingroup dyads were found more likely to reach agreements than outgroup dyads. In another study conducted by Kramer and colleagues (Kramer et al., 1993), researchers highlighted negotiators' shared social identity by asking MBA student (negotiators) to reflect their shared attributes with other MBA students in the program, while in the other condition researchers decreased negotiators' shared identity by asking MBA students to reflect their own uniqueness from other MBA students. In the shared social identity condition, negotiators achieved more equal individual gains than those in the less shared social identity condition. So group membership may influence the equality of individual gains.

However, existing studies did not provide any convincing evidence that in negotiations with integrative potentials group membership may influence joint gain (Harinck & Ellemers, 2006; Moore et al., 1999; Thompson, 1993). Thompson (1993) used Tajfel's (1970) minimum intergroup paradigm to manipulate the group membership of negotiators. She randomly assigned students into group Alpha or group Beta, and then asked half participants to negotiate with a member from the same group (ingroup condition) while half participants to negotiate with a member from another group (outgroup condition). Although she found that competitive relations existed between two groups, there was no difference in joint gains between the ingroup and outgroup conditions (Study 1 and Study 2). Thompson suggested that different negotiation processes may achieve similar joint gains. For example, a highly integrative agreement may be achieved when two competitive negotiators relentlessly explore every alternative and unwilling to concede, or when two cooperative negotiators highly value the other party's interests and honestly exchange information. But Thompson did not provide any empirical evidence about negotiation processes. Another study conducted by Moore et al (1999) did not report any difference on joint gains between ingroup and outgroup condition either. Harinck and Ellemers (2006), who also investigated ingroup-outgroup differences, made a further step by taking information sharing behavior into consideration. They argued that shared membership may set up the stage of negotiation, but what negotiators actually do (such as exchange useful information) during negotiation may be also very important. In two experiments, Harinck and Ellemers (2006) manipulated both group membership and information sharing behavior. However, although they found

some effects of group membership and information sharing on negotiator's initial trust and negotiation behavior, they did not find any effect on joint gains (Study 2).

Why has existing literature found nosignificant relationship between group membership and joint gains? There may be two plausible explanations. One is that the impact of group membership on the whole negotiation task may dilute or disappear once negotiators start face-to-face interaction. The classic intergroup contact hypothesis (Allport, 1954; Williams, 1947) proposes that under certain circumstances contacts between members of different groups can reduce negative intergroup attitudes. Actually, Thompson (1991) found that negotiators in the outgroup condition had more positive evaluations after negotiation than before negotiation (Study 1 and 2). The other is that all existing studies have been conducted in Western cultures, where shared identity or membership is less salient than other cultures (Markus & Kitayama, 1991).

In summary, group membership exerts influences on negotiation processes and some impacts on negotiation outcomes. Specifically, when negotiating with ingroups, negotiators have more positive expectations before negotiation, share more information during negotiation, and achieve more balanced individual gains after negotiation than when negotiating with outgroups.

Existing negotiation research in this theme has been mostly conducted in Western (individualistic) cultures, in which the boundary between ingroup and outgroup is arguably fuzzy (Markus & Kitayama, 1991; Triandis, 1989). Many cross-cultural studies have suggested that group membership may have stronger effects for collectivists than individualists (see a recent review by Brewer & Chen, 2007). It is thus necessary to discuss group membership and culture.

Group Membership and Culture

The notion of group membership is related to the psychological boundaries between self and others (Markus & Kitayama, 1991; Triandis, 1989, 1995). East Asians (collectivists), who have interdependent self construals, draw a clear line between ingroup and outgroup members; while Westerners (individualists), who have independent self construals, distinguish autonomous self from other individuals, regardless of ingroup members or outgroup members (Chen et al., 1998; Markus & Kitayama, 1991). Therefore, collectivists pay more attention to the distinction between ingroup and outgroup members than individualists (Triandis, 1972). Usually, collectivists tend to collaborate with ingroup members, but to compete with outgroup members. In contrast, individualists pay more attention to the distinction between autonomous self and others. Compared with collectivists, individualists tend to treat other individuals, no matter who are ingroup members or outgroup members, in a relatively universal way.

Yamagishi (2003) proposed an institutional view of culture to further explain the cultural differences between collectivists and individualists in interacting with in/out-group members. He suggested that collectivists are not always more likely to be cooperative or to sacrifice own interests for group interests than individualists. According to him, collectivists place group interest above individual interests not because of their intrinsic tendencies, but because of formal or informal group sanctioning. Such an intuitional view of culture contends that when working with ingroup members, collectivists cooperate with each other because of group sanctioning. But when working with strangers, collectivists would show egoistic intention because there is lack of

external monitoring. In contrast, individualists, who are generally self-centered, are relatively less influenced by whom they are interacting with (Yamagishi, 2003).

Recently, some scholars have explained cross-cultural differences in intergroup discrimination by identifying two types of collectivism: *relational collectivism* and *group collectivism* (Brewer & Chen, 2007; Brewer & Roccas, 2001). They argue that collectivism-orientation is a target-dependent concept, so it is very important to define who the collective is. So-called collectivists (East Asians) in literature are actually relational collectivists, whose ingroup members refer to people within their relational networks. Therefore, collectivists view group primarily as relationship-based concept (Brewer & Chen, 2007; Yuki, Maddux, Brewer, & Takemura, 2005). In contrast, so-called individualists (Westerners) are more likely to be group collectivists, whose ingorup members are defined by categorical memberships (Brewer & Chen, 2007). Therefore, individalists emphasize the categorical distinction between ingroup and outgroup. As a consequence, relational collectivists collaborate with those whom they have relationship with (ingroup members), and they pay much attention to the maintenance of relationship with ingroup members in social interactions; whereas group collectivists collaborate with those whom they share the same category, but such collaboration is not necessarily relationship-focused (Brewer & Chen, 2007).

Empirical evidence consistently shows that group membership has more salient effects on collectivists than on individualists. In the conflict management literature, Leung and Bond (1984) found that Chinese allocators were inclined to give in their personal gains to assist ingroup members when distributing rewards. However,

Americans failed to form such an ingroup–outgroup distinction. In addition, Leung (1988) discovered that compared with American subjects, Chinese subjects were less contentious in disputes with ingroup members but more contentious in disputes with outgroup members. In another conflict scenario study conducted by Derlega and colleagues (2002), students from an individualistic culture (Americans) were unlikely to accept conflict situations, and would choose to threaten the other party, no matter with whom they are interacting. By contrast, compared with students from individualistic cultures, students from collectivistic cultures were more willing to accept conflict situations when the other party was an ingroup member, but they were more likely to threaten the other party when the other party was from another country.

In one social dilemma experiment, Chen and Li (2005) compared Chinese and Australian decision makers in ingroup and outgroup conditions. They manipulated group membership by asking people to imagine where they were (in a foreign territory vs. in one's own country) and with whom they interacted (a compatriot vs. a foreigner). When one is in a foreign territory, a compatriots is likely to be regarded as an ingroup member, but a foreigner is likely to be regarded as an outgroup member. As predicted, Chen and Li (2005) found that in a foreign territory Chinese participants were more cooperative when the other party was a fellow Chinese rather than a foreigner. In contrast, Australian participants showed no differences in these two corresponding conditions.

In summary, group membership is an important concept in discussing the cultural differences in conflict management. Particularly, East Asians (collectivists) feel more obligated to accommodate the needs of, and keep good relationship with ingroup

members than Westerners (individualists). Empirical studies provide consistent findings in conflict resolution scenarios and in mixed-motive games to support this argument. Nevertheless, little is known about how the interaction between culture and group membership affects negotiation.

CHAPTER III

THEORETICAL FRAMEWORK AND HYPOTHESES

Having reviewed the relevant literature about cross-cultural negotiation, the dynamic constructivist view of culture, and studies on group membership and accountability, I now present my hypotheses in this chapter.

In my dissertation, I focus on Chinese and American negotiators in both intracultural and intercultural negotiations. There are both theoretical and practical reasons to choose negotiators from these two cultures. Theoretically, it has been extensively documented that Chinese and American cultures differ from each other in values, norms, and beliefs (see reviews by Choi et al., 1999 and Wang, 1993; Earley, 1993; Hofstede, 1980; Triandis, 1995). In particular, the existing conflict management literature suggests that Chinese and North Americans follow different norms, use distinct frames, and prefer dissimilar tactics in conflict resolution (Leung & Bond, 1984; Morris et al., 1998; Tinsley & Pillutla, 1998; Tse & Walls, 1994). If the trait/entity view of culture is correct, then Chinese and American negotiators will always display significant differences in negotiation, just as existing literature indicates. But if these cross-cultural differences are contingent upon social contexts, a dynamic constructivist view of culture will be supported. Strategically choosing Chinese and American negotiators therefore allows me to robustly test the dynamic constructivist approach in the negotiation research.

Practically, the frequency and the importance of business interactions between China and the United States have dramatically increased in the last twenty five years (U.S. Census Bureau, 2007). The two countries are currently each other's top trade partners,

and the United States is the top foreign direct investor in China (U.S.-China Business Council, 2007). There arenumerous business negotiations going on everyday between people from these two countries. Therefore, understanding intra-cultural negotiation differences and inter-cultural dynamics between these two cultures has become very importantto practitioners.

Following the theoretical lens provided by the dynamic constructivist approach, I first identify potential cultural constructs to which Chinese and American negotiators may have different levels of chronic accessibility. Then, I discuss how accountability and group membership respectively moderate the impact of culture on negotiation. Finally, a three way interaction between culture, accountability, and group membership is explored. Figure 3.1 provides an overview of the hypothesized model.

Chronically Accessible Constructs in Two Cultures

Chronic accessibility refers to the likelihood that a knowledge construct is cognitively accessible in the long term (Chiu & Hong, 2006; Morris & Gelfand, 2004). The more frequently cultural knowledge is activated, the higher the level of chronic accessibility (Hong & Mallorie, 2004). Chronically accessible constructs provide people with cognitive shortcuts for sense-making. Many cross-cultural differences reported by previous studies can be explained by variations in the level of chronic accessibility of particular knowledge constructs (Chiu et al., 2000; Hong & Mallorie, 2004).

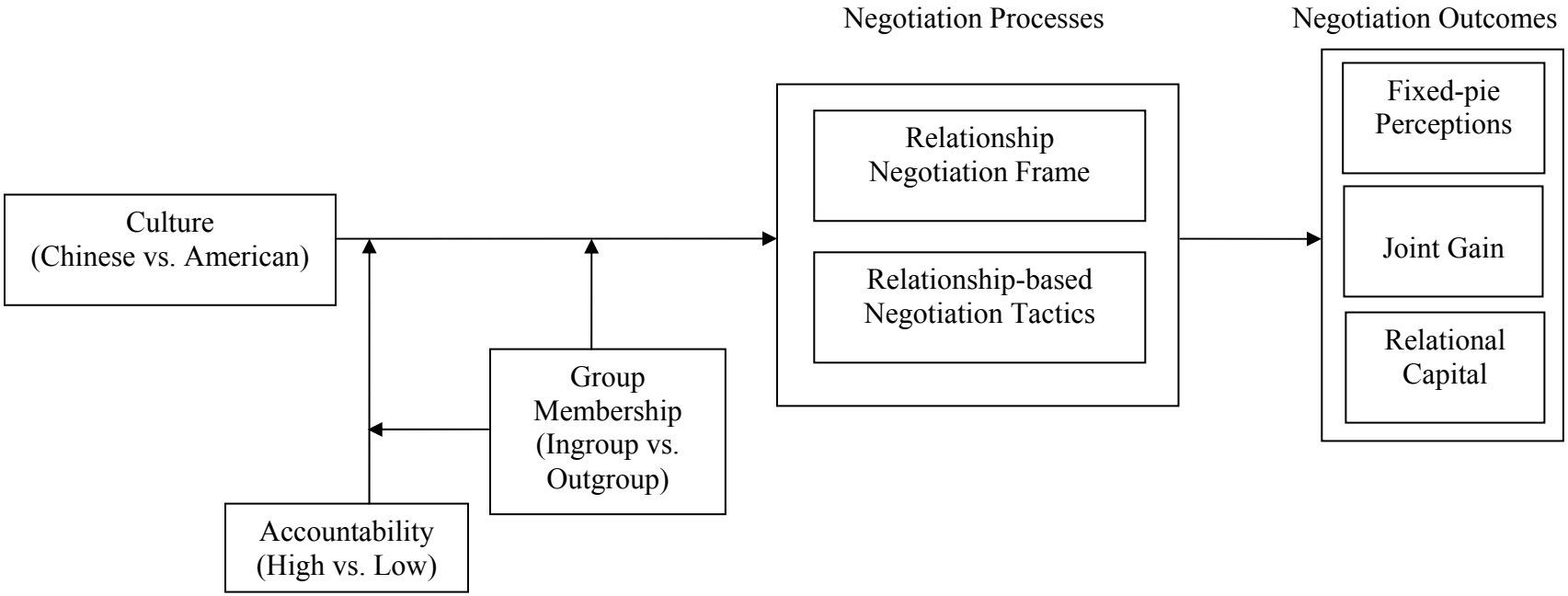


FIGURE 3.1
Hypothesized Model

In the conflict resolution domain, previous research indicates that Americans generally use a self-centered approach whereas East Asians usually prefer a relationship-oriented approach (see my review in Chapter II). Such cultural differences mirror different conceptions of self, as well as distinct representations of others in social life (Markus & Kitayama, 1991; Triandis, 1989). Applying this idea to negotiation, I propose that Chinese and American negotiators may differ from each other on two related but different constructs in the negotiation process: negotiation frame and negotiation tactics. In addition, variations in these two constructs in turn affect negotiation outcomes, such as fixed-pie perceptions (an indicator of cognitive outcome), joint gain (an indicator of economic outcome), and relational capital (an indicator of social psychological outcome).

Relationship Negotiation Frame

Negotiation frames are the lens through which negotiators define negotiation situations (Pinkley, 1990; Pinkley & Northcraft, 1994). *A relationship negotiation frame* emphasizes negotiation as the opportunity to develop or strengthen relationship through cooperation (Gelfand et al., 2006; Pinkley, 1990; Pinkley & Northcraft, 1994). It is opposite to *a task negotiation frame*, which concentrates on the material part of negotiation, such as property settlement and money (Pinkley, 1990; Pinkley & Northcraft, 1994).

Chinese negotiators may be more likely to have a relationship negotiation frame than American negotiators. Cross-cultural research indicates that Chinese people are socialized to define themselves as interdependent individuals whereas Americans tend to define themselves as independent individuals (e.g., Markus & Kitayama, 1991). As a

result, while the Chinese focus on the relational facets in social interactions, Americans emphasize the individuating aspects in social interactions (Gelfand et al., 2000; Ting-Toomey et al., 1991). For example, Gelfand and colleagues (2000) found that when collecting information on a person with whom one would interact in the future (a new neighbor, a new colleague et al.), Chinese participants believed that relational information (e.g., with whom the person has a close relationship) was more useful, whereas Americans participants believed that personal information (e.g., personal achievement) was more useful.

In addition, the difference between Chinese and Americans in terms of the relationship- versus task-orientation can be even stronger in work settings. Some scholars suggest that the American culture has a Protestant Relational Ideology (PRI), "a deep-seated belief that affective and relational concerns are considered inappropriate in work settings and, therefore, are to be given less attention than in social, non-work settings" (Sanchez-Burks, 2002, 2005; Sanchez-Burks et al., 2003). In contrast to people from Latin-America or East Asia, who pay equal attention to socioemotional and task aspects in work settings, Americans emphasize only task or economic aspects during work (Sanchez-Burks et al., 2003; Sanchez-Burks, 2005). Consonant with this idea, in business negotiations between the Chinese and Americans, some observers reported that Chinese negotiators are concerned about guanxi (relationship or connection) whereas American negotiators focus on tasks (Graham & Lam, 2003; Lam, 2000; Pye, 1986).

Moreover, it has been found that Americans and East Asians apply different frames or metaphors to social conflicts. Particularly, East Asians regard negotiation as the chance for both parties to make mutual compromise, and tend to mutually blame

parties who are involved in social conflicts. In contrast, Americans view negotiation as a win-lose situation, and tend to blame one side rather than both sides involved in social conflicts (Gelfand & Christakopoulou, 1999; Gelfand et al., 2001).

Based on these evidences, I propose that a relationship negotiation frame is more accessible to Chinese negotiators than to American negotiators. Hence, I hypothesize that:

Hypothesis 1a: Chinese negotiators are more likely to have a relationship negotiation frame than American negotiators.

Relationship-based Negotiation Tactics

Cultural knowledge is important in understanding not only cognition, but also behavior (Chiu & Hong, 2006). People from different cultures may differ in tactics preferences in negotiation. Specifically, Chinese negotiators may be more likely to use relationship-based tactics during negotiation than American negotiators. *Relationship-based tactics* are defined as negotiation tactics that emphasize connection and relationship building. These tactics include personal appeal (asking the target to carry out a request as a personal favor), relational appeal (emphasizing common attributes), socializing (talking about a subject irrelevant to the request but of interest to the target before making the request) (Fu et al., 2004), "expressions of agreement, empathy with another's position, and enthusiasm about the interaction" (Gelfand et al., 2006: 439). By contrast, *interest-based tactics* focus on positions or interests, and include tactics such as threats, warnings, and misrepresenting one's own positions.

Research has shown that the Chinese place more emphasis on harmony, social conformity and social tradition than Americans do; in contrast, Americans place more emphasis on self enhancement or self direction than the Chinese do (Liu et al., 2007; Morris et al., 1998). Consequently, in the Chinese culture, tactics that focus on relationship building and interpersonal relatedness are regarded as influential and effective; whereas in American culture, tactics that promote individual benefits and uniqueness are viewed as powerful. For example, when rating the effectiveness of advertisement, Americans viewed an advertising message that highlighted personal uniqueness more appealing than one that emphasized interpersonal relatedness, whereas the Chinese showed a reverse judgment (Aaker & Schmitt, 2001). Similarly, in conflict resolution, while the Chinese believe that an avoiding style is appropriate, Americans believe that a competing or self-interested style is appropriate (Friedman et al., 2006; Morris et al., 1998; Tinsley & Pillutla, 1998). Moreover, negotiators from collectivistic cultures (e.g., Greek) were found to be less likely to use tactics such as claiming value for self, threats, warnings, comparisons, and putdowns than were those from individualistic cultures (e.g., American) (Gelfand & Christakopoulou, 1999). Therefore, it is proper to infer that Chinese negotiators are more likely to use relationship-based tactics than American negotiators.

Hypothesis 1b: Chinese negotiators are more likely to use relationship-based tactics than American negotiators.

In summary, according to existing literature, I have identified two knowledge constructs that may reflect chronic accessibility differences between Chinese and

American negotiators. Generally, Chinese negotiators are more likely to take a relationship-oriented approach, whereas American negotiators are more likely to take a self-centered approach. Specifically, Chinese negotiators may have a higher level of chronic accessibility to the relationship negotiation frame and to relationship-based tactics.

However, like most previous studies, the aforementioned predictions focus on the main effects of culture. From a dynamic constructivist view of culture, it is hard to predict whether these chronically accessible constructs would be activated in negotiation without considering situational factors (Morris & Fu, 2001; Morris & Gelfand, 2004). Particularly, we do not know whether negotiators are motivated to use those constructs or whether those constructs are applicable to particular negotiation contexts. In the following section, I will examine how accountability and group membership (ingroup vs. outgroup) interact with culture in affecting negotiation.

Culture and Accountability

Accountability requires negotiators to justify the negotiation processes and outcomes to constituents, who have the power to allocate rewards to negotiators (Carnavale et al., 1981). In order to gain social approval from constituents, negotiators are motivated to achieve what constituents would like to get out from negotiation (Pruitt & Carnevale, 1993). When there is a clear understanding about constituent preferences, representatives usually behave accordingly in negotiation (Benton & Druckman, 1974; Ben-Yoav and Pruitt, 1984a; Carnavale et al., 1981). However, if there is no clear information about constituent preferences, negotiators will encounter an ambiguous

condition with high accountability pressure. What should negotiators do in such a condition?

Culture provides accessible knowledge for people to make sense of surrounding environments. Cultural knowledge is collective knowledge *shared* within cultural groups (Chiu & Hong, 2006). More importantly, from the dynamic constructivist view of culture, cultural knowledge is activated when people have a strong need to overcome ambiguity (e.g., Chiu et al., 2000) or when they are required to report to cultural group members (e.g., Briley et al., 2000; Gelfand & Realo, 1999). The shared meanings that culture offers are sources of epistemic certainty and social approval. Applying this argument to negotiation, some scholars propose that in lack of knowledge of constituents' preferences, negotiators would follow culturally typical patterns when under accountability pressure (Gelfand & Realo, 1999; Morris & Gelfand, 2004). There is evidence that supports this prediction.

In the American culture, negotiations are genearlly regarded as competitive games (Gelfand & McCusker, 2002). Thus, negotiation is framed as competitive or interest-oriented. Without knowing constituents' preferences, American negotiators were apt to assume that their constituents are anxious to win (Gruder, 1971). Probably due to this shared conception of negotiation as competition in Western cultures, many studies have reported the accountability-contention link in these cultures (e.g., Carnevale et al., 1981). In other words, accountability would intensify the self-centered orientation in negotiation for American negotiators.

However, in other cultures, accountability may strengthen different orientations in negotiation because different cultural groups may adopt distinct social norms in social

interactions. For example, when constituents' preferences were not clear, negotiators surveilled by female constituents were less contentious during negotiation than those watched by male constituents (Pruitt et al., 1986). This finding probably results from the commonly held belief that females prefer relationship-orientation in social interactions more than males. Another recent study conducted by Gelfand and Realo (1999) provided further evidence that the influence of accountability on negotiation depends on culture. Using two samples of American and Estonian students, Gelfand and Realo (1999) found that when constituents' preferences were unknown, collectivistic negotiators were more likely to concede, cooperate, and achieve more joint gains in high accountability conditions than in low accountability conditions; by contrast, individualistic negotiators were more likely to compete and achieve less joint gains in high accountability conditions than in low accountability conditions. These examples suggest that accountability may intensify the culturally typical patterns in negotiation.

By the same token, the cultural difference between the relationship-oriented negotiation approach of the Chinese and the self-centered approach of Americans may be exacerbated in high accountability conditions. Specifically, when Chinese negotiators are required to report and justify negotiation processes and outcomes, they may interpret constituents' preferences as relationship-oriented, and become more relationship-oriented in negotiation. In contrast, in the same condition, American negotiators tend to interpret constituents' preferences as interest-focused, so that they may become more interest-focused during negotiations.

Hypothesis 2a: Accountability moderates the impact of culture on negotiation frame, such that: Chinese-American differences in relationship negotiation frame will be larger in high accountability conditions than in low accountability conditions.

Hypothesis 2b: Accountability moderates the impact of culture on the use of relationship-based tactics during negotiation, such that: Chinese-American differences in using relationship-based tactics will be larger in high accountability conditions than in low accountability conditions.

Culture and Group Membership

According to the applicability principle of knowledge activation (Higgins, 1996; Hong et al., 2003; Wong & Hong, 2005), culturally typical tendencies may be activated, or dampened, by the group membership of the other party in social interaction (i.e. whether the other party is an ingroup or outgroup member).

Ingroup members are usually connected with common traits, common goals, common fate, or the presence of an external threat; whereas outgroup members are those with whom one has no connection, or are those with whom one does not share common goals or common fate (Campbell, 1958; Tajfel & Turner, 1986; Triandis, 1989). Research indicates that compared with individualists, collectivists feel more obligated to the needs of ingroup members and ingroup harmony, and so they tend to be cooperative with ingroup members (Markus & Kitayama, 1991; Triandis, 1972, 1989; Yamagishi, 2003). In contrast, individualists construe themselves as unique and autonomous individuals that are distinct from others, no matter whether those others are ingroup or outgroup members (Markus & Kitayama, 1991). They tend to focus on self enhancement

and self interest, while feel less sense of duty toward ingroup members. Although they do make distinctions between ingroup and outgroup members (Messick & Mackie, 1989), the boundary between ingroups and outgroups is much fuzzier for individualists than for collectivists (Markus & Kitayama, 1991). In other words, "the ingroup-outgroup distinction determines social behavior more strongly in collectivist than in individualist cultures" (Triandis, 1989: 517).

In addition, empirical evidence suggests that compared with Westerners, the Chinese are more likely to corporate with with ingroup members; but when dealing with outgroup members, the Chinese did not differ from the Westerners (Chen & Li, 2005; Wong & Hong, 2005). For example, in a rewards allocation experiment, Leung and Bond (1984) found that Chinese subjects followed equality rules when their own performance was high and the recipient was a friend, whereas Americans subjects followed equity rules in the same situation. That is, the Chinese were more likely than Americans to sacrifice their own interests for those of ingroup members. But when the recipient was a stranger, the Chinese were more inclined to follow equity rules than were Americans.

In mixed-motive games, both Chen and Li (2005) and Wong and Hong (2005) found that when partners were ingroup members, the Chinese (or biculturals primed by the Chinese cues) were more likely than Westerners (or biculturals primed by the American cues) to take cooperative strategies. When interacting with outgroup members, participants from either Chinese or Western cultures (or biculturals primed in the cultural cues) exhibited similarly low levels of cooperation.

The theoretical discussion and empirical evidence listed above suggest that Chinese negotiators may follow distinct social rules in interacting with ingroups as opposed to outgroups, whereas American negotiators may follow relatively similar social rules in interacting with others, no matter who they are (ingroups or outgroups). Particularly, when the other party is an ingroup, Chinese negotiators may feel more obligated than American negotiators to meet the demands of that ingroup member. However, when the other party is an outgroup member, Chinese negotiators and American negotiators tend to be similarly less relationship-oriented. Accordingly, I hypothesize that:

Hypothesis 3a: Group membership moderates the impact of culture on negotiation frame, such that: Chinese-American differences in relationship negotiation frame will be larger when the other party in the negotiation is an ingroup member rather than an outgroup member.

Hypothesis 3b: Group membership moderates the impact of culture on the use of relationship-based tactics during negotiation, such that: Chinese-American differences in using relationship-based tactics will be larger when the other party in the negotiation is an ingroup member rather than an outgroup member.

The above discussion about group membership reveals that the Chinese follow very different social norms in interacting with ingroups rather than outgroups. In predicting the effects of accountability on negotiation (Hypotheses 2a and 2b), however, the distinction between ingroups and outgroups was not taken into consideration. Since accountability and group membership are two important social contextual factors in

which negotiators are embedded (Gelfand & Cai, 2004; Wall & Blum, 1991, see Figure 1.1), it is thus important to examine them together.

Culture, Accountability, and Group Membership

The dynamic constructivist view contends that if cultural knowledge is not applicable to a particular context, then that cultural knowledge would not be used (Chiu & Hong, 2006; Wong & Hong, 2005). As discussed before, when the other party is an outgroup member, both the Chinese and Westerners tend to be competitive in mixed-motive games (Chen & Li, 2005), to be self-interested in rewards allocation (Leung & Bond, 1984), and to act contentiously in conflict resolutions (Derlega et al., 2002; Leung, 1988). A social norm-based interpretation of these findings is that the Chinese are not supposed to employ a relational or cooperative approach in dealing with outgroup members. In fact, the Chinese are even expected to compete with outgroup members (Hwang, 1987; Yang, 1993). Applying this logic to negotiation, I argue that for Chinese negotiators, just as for American negotiators, the relationship-oriented negotiation approach is not applicable when the other party is from an outgroup. In other words, negotiators, no matter whether they are from Chinese or American culture, are expected to take a self-centered approach when negotiating with outgroups (Hypothesis 3a and3b).

With this in mind, it is easy to imagine that accountability would bolster self orientation and competition for both Chinese and American negotiators when negotiating with outgroup members. That is to say, when negotiating with outgroup members under high accountability conditions, Chinese and American negotiators would have similar negotiation frame and use similar negotiation tactics. Thus, there would be not much

cultural differences under high accountability conditions when the other party is an outgroup member.

The dynamic would be different when negotiators interact with an ingroup member under high accountability conditions. As argued above, in the Chinese culture when the other party is an ingroup member, the social norms strongly encourage cooperation (Chen & Li, 2005; Wong & Hong, 2005), needs accommodation (Leung & Bond, 1984), and harmony in social interactions (Leung, 1988). In American culture, although people generally treat ingroups better than outgroups (e.g., Kramer & Brewer, 1984), such a distinction is weak (e.g., Thompson, 1991), especially in business settings (Sanchez-Burks, 2005). It is therefore reasonable to infer that taking a relational approach when negotiating with ingroup members is a stronger social norm in the Chinese culture than in the American culture. Since accountability can reinforce social norms, Chinese negotiators, when negotiating with ingroup members, may be more likely than American negotiators to take a relationship-orientated approach.

Previous research suggests that collectivists are more likely than individualists to view negotiation as the opportunity to strengthen relationships (Gelfand et al., 2006), especially with ingroups. In contrast, individualists are more likely than collectivists to view negotiations as win-lose situations (Gelfand & McCusker, 2002). As a consequence, the Chinese are more likely to interpret constituents' preferences as relationship oriented, whereas Americans are more likely to view constituents' preferences as competition oriented (Gruder, 1971). For this reason, American negotiators under high accountability conditions are less likely than Chinese negotiators to take a relationship-oriented

approach because they may view the other party as a threat, even when the other party is from ingroup.

For example, researchers show that although in general Americans show more benevolent attitudes toward ingroups than outgroups (e.g., Tajfel & Turner, 1986), such ingroup favoritism is contingent upon whether the group membership could enhance one's self-image (Chen et al., 1998). When ingroups perform poorly, Americans show less ingroup favoritism than when ingroups perform well (Chen et al., 1998; Crocker & Luhtanen, 1990; Seta & Seta, 1992, 1996). In other words, Americans tend to psychologically keep at a distance from a group membership when such a group membership threatens their own self-image. By contrast, the Chinese are less motivated by the desire for personal self-enhancement; they tend to maintain ingroup favoritism regardless of the performance of ingroup members (Chen et al., 1998).

The above discussion suggests that when negotiating with ingroup members under high accountability conditions, Chinese negotiators are motivated to take a relationship-orientated approach, whereas American negotiators may be motivated to take a self-centered approach. Thus, the differences between Chinese and American negotiators on negotiation frame and negotiation tactics would be exacerbated when the other party is an ingroup member and when negotiators are under high accountable conditions.

Taking these together, I hypothesize that:

Hypothesis 4a: Both group membership and accountability moderate the impact of culture on relationship negotiation frame, such that: the predicted differential impact of accountability by Chinese and Americans on relationship negotiation frame will

exist when the other party in the negotiation is an ingroup member, but not when the other party is an outgroup member.

Hypothesis 4b: Both group membership and accountability moderate the impact of culture on relationship-based tactics, such that: the predicted differential impact of accountability by Chinese and Americans on using relationship-based tactics will exist when the other party in the negotiation is an ingroup member, but not when the other party is an outgroup member.

I have proposed that two important facets of negotiation processes, relationship negotiation frame and relationship-based tactics, are influenced by culture, accountability, group membership of the other party, and their interactions. Specifically, the Chinese-American difference in taking a relationship approach would be intensified when they negotiate with an ingroup member under high accountability conditions. Related to this, the next critical question is how a relationship-oriented negotiation processes may in turn influence negotiation outcomes, including cognitive, economic, and social psychological outcomes.

Relationship Approach and Negotiation Outcomes

Cognitive Outcome: Fixed-pie Perceptions

The most important feature of integrative negotiation is that negotiators' interests are not completely opposite to each other because they usually have different priorities such that they can create joint gains by making trade-offs. However, people often fail to realize trade-off opportunities in integrative negotiations (Thompson & Hastie, 1990). One classic example was given by Follett (1940): two sisters quarreled over an orange,

and finally they decided to cut the orange into half —one sister drank the juice and threw the peel away, and the other used the peel and threw the juice away.

The belief that the other party's interest is directly opposite to one's own is called *fixed-pie perceptions* (Thompson & Hastie, 1990). In one empirical study, Thompson and Hastie (1990) found that most negotiators held such perceptions at the beginning of negotiation but they could adjust such biased perceptions after they exchanged information about each other's priorities during negotiation.

On first thought, negotiators who take a relationship approach would exchange information more honestly, such that it is easier for them than for those who take a self-centered approach to reduce the fixed-pie perceptions. However, existing literature implies that the opposite may be true— negotiators who take a relationship approach may be less likely than those who take a self-centered approach to reduce fixed-pie perceptions. Three plausible theoretical explanations could account for such an argument.

First, according to the dual-concern model (Pruitt & Rubin, 1986), negotiation strategies can be categorized into four types based on two dimensions: negotiators' concern about self interests and their concern about the other party's interests. The four strategies are problem-solving (when both dimensions are high), forcing (when self-concern is high but concern for the other party is low), accommodating (when self-concern is low, but concern for the other party is high), and avoiding (when both dimensions are low). In particular, negotiators with a relationship-orientation are very likely to take the accommodating strategy in negotiation. Rather than appearing selfish and focusing on their interests, they tend to put high value on the other party's interests (Bolton & Ockenfels, 2000; Gelfand et al., 2006). For example, one study conducted by

Morgan and Sawyer (1967) reported that non-friends usually required mutual benefits when allocating awards, whereas one side of friends was willing to take less awards and give the other party high awards. While accommodating strategy may avoid the hassle and tense in negotiation, negotiators may also be unable to exchange useful information to make trade-offs, thus failing to adjust fixed-pie perceptions (Fry et al., 1983).

Second, consonant with the predictions of the dual concern model, negotiators with relationship-orientation are less aggressive in providing opening offers, and are less likely to make aggressive counteroffers (Barry & Friedman, 1998; Liu, Friedman, & Chi, 2005). They tend to accommodate the other party's needs too quickly to fully exchange integrative information.

Third, negotiators who take a relationship approach may care too much about building or maintaining a good relationship with the other party, so that they are distracted from the problem-solving in negotiation (Fry et al., 1983). Given the time limit in negotiation, the more time is devoted to relationship building, the less time is devoted to problem-solving. So negotiators with a relationship focus may be ineffective in reducing fixed-pie bias.

In summary, I posit that there is a positive connection between the relationship approach in negotiation and fixed-pie perceptions. Given the research focus of this dissertation, I further extend this discussion to investigate cross-cultural differences on fixed-pie perceptions. I have proposed in last section that (1) there would be not much cultural difference between Chinese and American negotiators in taking a relationship-oriented approach when the other party is an outgroup member, and (2) the differences between Chinese and American negotiators on taking a relationship-oriented approach

would be exacerbated when the other party is an ingroup member and when negotiators are under high accountable conditions. Combining those predictions and the discussions about the relationship approach and fixed-pie perceptions, I propose:

Hypothesis 5a: There is no difference in fixed-pie perceptions between Chinese and American negotiators when they negotiate with an outgroup member, no matter whether the accountability is high or low.

Hypothesis 5b: There is no difference in fixed-pie perceptions between Chinese and American negotiators when they negotiate with an ingroup member under low accountability conditions. But in high accountability/ingroup conditions, the fixed-pie perceptions of Chinese negotiators will be greater than those of American negotiators.

Economic Outcome: Joint Gain

When negotiators can accurately perceive the integrative potential between each party, they are very likely to make trade-offs to capitalize such potential. Under such conditions, each party can create values without jeopardizing the other party's interests. On the contrary, when negotiators believe their own interests are opposite to the other party's (fixed-pie perceptions), it is hard for them to create value by making trade-offs. Several empirical studies have provided evidence supporting the negative relationship between fixed-pie perceptions and joint gain in negotiation (De Dreu et al., 2000; Thompson & Hastie, 1990). Several other empirical studies indirectly suggest that relationship-orientation may hinder the creation of joint gains. In an integrative negotiation study, Fry et al. (1983) compared 74 dating couples and 32 mixed-sex

stranger dyads in the United States, finding that dating couples made lower joint gain than did stranger dyads. The researchers attributed the lower joint gain of the dating couples to their concern about protecting the relationship. This finding is also consistent with a study reported by Tenbrunsel and colleagues (1999), who found that negotiators with strong social ties made suboptimal arrangements in negotiation.

Based on the logic in Hypotheses 5a and 5b and existing evidence, I propose:

Hypothesis 6a: There is no difference in joint gain by Chinese and American negotiators when they negotiate with an outgroup member, no matter whether the accountability is high or low.

Hypothesis 6b: There is no difference in joint gain by Chinese and American negotiators when they negotiate with an ingroup member under low accountability conditions. But in high accountability/ingroup conditions, Chinese will achieve lower joint gain than do American negotiators.

Social Psychological Outcome: Relational Capital

Negotiation outcomes include not only cognitive judgments and economic payoffs, but also social psychological outcomes, such as evaluation of economic outcome, of the negotiation process, of self as a negotiator, and of the relationship with the other party (Curhan, Elfenbein, & Xu, 2006; McGinn, 2006). Negotiation is usually not a one-shot game, but a social interaction setting up a stage for long-term relationship. Due to the importance of relationship in negotiation, some scholars even argue that the building and/or the maintenance of a relationship, but not economic gains, is the key purpose of business negotiations (e.g., Salacuse, 1998). In this dissertation, I focus on relational

capital, which is defined as negotiators' "mutual liking, knowledge, trust, and commitment to continuing the relationship" (Gelfand et al., 2006: p437).

As discussed above, when negotiators take a relationship-oriented approach to negotiation, they tend to pay attention to relationship development with the other party, take the other party's needs into consideration, and use relationship-based tactics during interactions. That is, in relationship-oriented processes, negotiators place positive value on each other's benefits (Bolton & Ockenfels, 2000; Rabin, 1993), thus developing a reciprocity norm between two parties. As a consequence, negotiators who are relationship-oriented are likely to build up more relational capital after negotiation. Again, since the relationship orientation is contingent upon social context, I propose that:

Hypothesis 7a: After negotiating with an outgroup member, Chinese negotiators have similar relational capital as American negotiators, no matter whether the accountability is high or low.

Hypothesis 7b: There is no difference on relational capital between Chinese and American negotiators when they negotiate with an ingroup member under low accountability conditions. But in high accountability/ingroup conditions, Chinese will have more relational capital than American negotiators.

CHAPTER IV

METHODOLOGY

Different research methods have been employed in negotiation research, with their own strengths and shortcomings respectively. Specifically, ethnographic research can be used to probe the rich details of social interactions but is less potent in identifying causal relationships. On the other hand, laboratory experiment is better at simulating cognitive processes and pinpointing causality but at the cost of losing sight of social contexts (Tetlock, 1992). Some researchers have struck a middle ground that balances these two approaches by incorporating social settings into laboratory studies (Pepitone, 1976; Tetlock, 1992). I took such a promising approach in this dissertation.

Two sets of experiments were conducted to test the hypotheses presented in Chapter 3. Study 1 was an intracultural comparative study. Chinese and American negotiators were compared under four different social conditions, with varying degrees of of accountability (high or low) and different group membership of the other party (ingroup or outgroup). It was a 2 (Culture: Chinese or American) X 2 (Accountability: Low or high) X 2 (Group membership: Ingroup or outgroup) factorial design. Study 2 compared intracultural negotiations with intercultural negotiations, with variations in accountability (high vs. low). It was a 3 (Condition: Chinese-Chinese, Chinese-American, or American-American) X 2 (Accountability: Low or high) factorial design.

Study 1—Intracultural Negotiation

The purpose of study 1 is to compare Chinese and American intracultural negotiations in different social situations. It is an intracultural comparative study because in all of these conditions, participants negotiated with a person from the same culture.

Design and participants

The design was a 2 X 2 X 2 factorial, with culture (Chinese vs. American), accountability (high vs. low), and the other party's group membership (ingroup vs. outgroup) as between-dyads factors. Dependent variables include relationship negotiation frame, relationship-based negotiation tactics, fixed-pie perceptions, joint gain, and relational capital.

I invited 242 undergraduate students (124 from China, and 118 from the U.S.) to participate this study. Students in China were from Sun Yat-Sen University in Guangzhou, Guangdong; while the American students were from Vanderbilt University in Nashville, Tennessee. Participants were recruited through posts at online bulletin board system, flyers on campus, or notices at psychological pool. Each participant was paid $5 dollars for participation.

Negotiation Task

An integrative negotiation task used in a previous study (Gelfand & Realo, 1999) was modified to serve the purpose of this study (see details in manipulations). The negotiation was about a brochure printing contract. In order to meet a client's urgent demand for advertising brochures, two managers, one from the Client Services Division

and the other from the Production Division, need to reach agreements on how to print those brochures. The negotiation involves four issues: (a)the quality of paper used in printing advertising brochures; (b) how many copies of brochures would be printed; (c) how many pages with color in each brochure would be printed; and (d) when the bill needs to be paid.

Each participant received a separate payoff schedule (see Appendix A). For each of the four issues, there are five alternatives that negotiators could choose, and each alternative represents certain values for negotiators (in terms of points). As shown, among the four issues, two (paper quality and the number of color pages) were distributive issues (i.e., one party's gain is the other party's loss), on which buyers and sellers had perfectly opposite interests. Integrative potential was present for the other two issues (i.e., the number of copies and the billing date). For the buyers, the most profitable issue was the number of copies and the least profitable issue was the billing date; whereas for the sellers, the most profitable issue was the billing date and the least profitable issue was the number of copies. If negotiators could trade the least profitable issue for the most profitable issue, they can both create higher values than just taking the middle points on the two issues.

Failure to reach an agreement would result in zero points for each negotiation party. In addition, in order to motivate negotiators, participants were told that the points they earned from negotiation would be translated into real money— earned points divided by1000.

Manipulations

Manipulation of Group Membership

One of the most popular methods to manipulate group membership is the minimal group paradigm (Tajfel, 1970), in which researchers randomly and arbitrarily assign participants into different groups with clear but fake boundaries (e.g., Kramer & Brewer, 1984; Thompson, 1993). Although such a method is convenient and effective in many cases, past cross-cultural research suggests that people from collectivistic culture (such as the Chinese culture) define ingroup/outgroup more on a relational or similarity base rather than in terms of mere categorical memberships (Brewer & Chen, 2007; Chen et al., 1998; Earley, 1993). Therefore, some scholars suggest using a *modified* version of minimal group paradigm in cross-cultural research (cf. Chen et al., 1998; Wright et al., 1997), which combines multiple ways to make group boundaries salient. Study 1 followed this suggestion.

Several procedures were used together to induce a sense of ingroup/outgroup boundary. First, rather than being randomly assigned into fake categories, participants were led to believe that they were assigned into different groups based on their social networks, personalities and hobbies (Chen et al., 1998; see details in procedures described below). Second, to make the boundary of groups clear, participants were seated with their group fellows but away from participants in the other group, and the two groups used stationery with distinct colors (red vs. blue). Third, before negotiations, participants finished a brainstorming task with fellow group members, which was expected to reinforce the boundary between groups (Wright et al., 1997). Finally, the distinction between ingroup and outgroup was highlighted in the negotiation

arrangements (Thompson, 1991). Participants in the ingroup conditions negotiated with a person from their own group. By contrast, participants in the outgroup conditions negotiated with a person from the other group.

Manipulation of Accountability

Following previous studies (Carnevale et al., 1981; Gelfand & Realo, 1999), I used two procedures to manipulate accountability. First, in the high accountability conditions, participants wrote a report to their division managers after the negotiation to justify their negotiation processes and outcomes. A reporting form was included in their negotiation packages. Participants in the low accountability conditions did not do so. Second, participants in the high accountability conditions were told that their "managers" would evaluate reports, and allocate rewards based on those reports and negotiation results. By contrast, participants in the low accountability conditions were told that their managers would not evaluate the performance, the negotiation processes and outcomes were confidential, and their gains from the negotiation are independent of managers' judgments.

Procedure

Participants were invited to the lab in groups of eight people each. The experimental procedures are depicted in Figure 4.1 and the logistical arrangements are described in Figure 4.2.

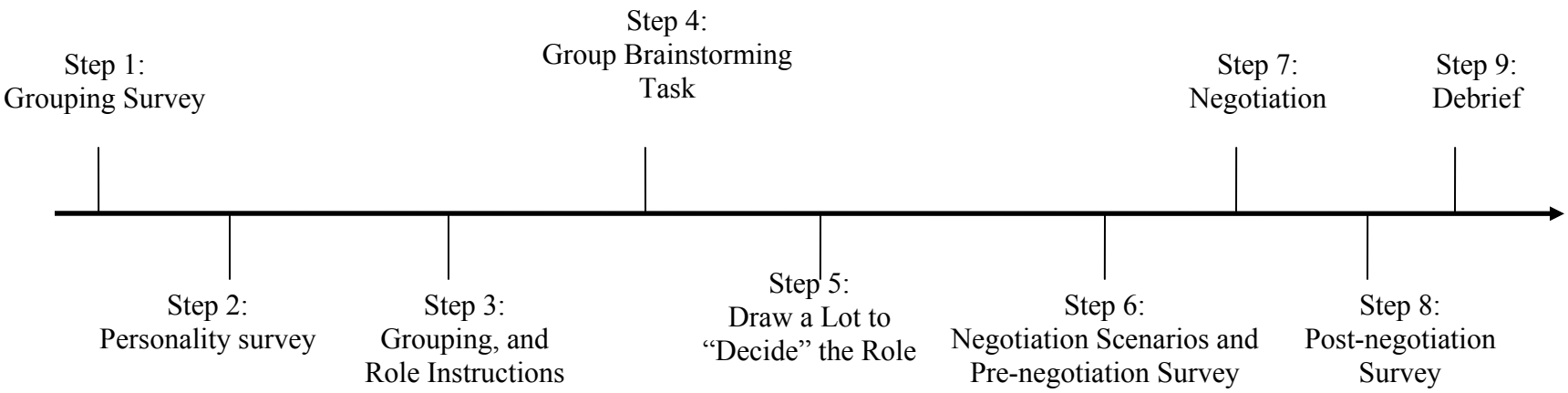


FIGURE 4.1
Procedures in Study 1

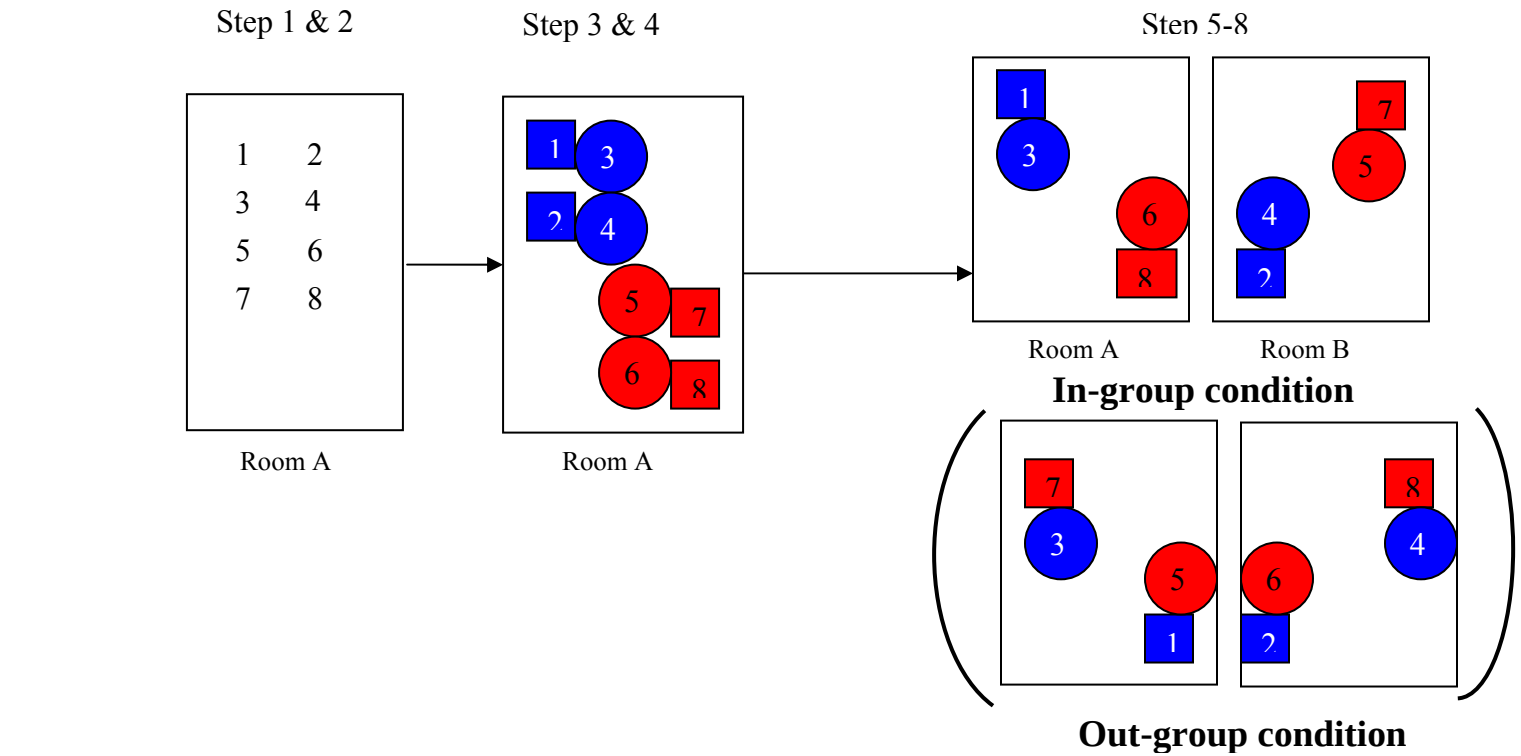


FIGURE 4.2
Logistical Arrangements in Study 1

Logistic Arrangement:
Step 1 & 2: 8 participants were seated in Room A, filling out a grouping survey and a personality survey .
Step 3 & 4: Grouping was done. Each color (blue or red) represents a company (Blue Sky or Red Star), each shape (square or circle) represents a division (customer services or production), and a number refers to a person. For example, the role of Person 1 is: an employee working for the Customer Services Division in Blue Sky Advertising.
Step 5-8: Negotiation pairs are formed. In the in-group condition, all 8 participants negotiate with an employee working for another division but in the same company. For example, Person 1 negotiates with Person 3, an employee working for the Production Division at Blue Sky Advertising. In the out-group condition, all 8 participants negotiate with an employee working for another division in another company. For example, Person 1 negotiates with Person 5, an employee working for the Production Division at Red Star Advertising.

FIGURE 4.2 (Continue)

Step 1. Upon arrival at the laboratory, participants were asked to fill in a short grouping survey. There are two sections in this survey: in the first section, each participant was asked to report his (or her) own major and hobbies, and the majors and hobbies of his (or her) three best friends on campus; in the second section there were twelve attitude items, which were taken from a short need-for-closure survey (Neuberg, Judice, & West, 1997, see Appendix B for specific items).

Step 2. When waiting period for grouping decisions, participants filled out another survey, which contained several personality scales, including allocentrism-idiocentrism (Triandis, 1994), self monitoring (Snyder & Gangestad, 1986), and social orientation (Van Lange, Otten, De Bruin, & Joireman, 1997).

Step 3. The experimenter announced the grouping decision, which was claimed to be based on participants' similarities in personalities, social networks, and hobbies information collected in Step 1. Participants were actually randomly divided into two groups, each having 4 members. To further highlight the group boundary, participants were asked to sit with fellow group members, but far away from members of the other group (cf. Thompson, 1993). Then they spent a couple of minutes introducing themselves to their fellow group members. At the same time, the experimenter gave every participant a company tag, a pen with color (either red or blue), and role instructions.

Each participant was informed by the role instruction that s/he was working with three group members in an advertising company. Two of them worked in the service division and two of them in the production division. Participants also learned that the other four participants sitting far away (the other group) were employees working for another advertising company. Participants were told that the two companies were

different from each other in terms of management philosophy, HR policies, and employee orientations, and the two companies never interacted with each other before.

Step 4. After reading the role instructions, participants then spent 10 minutes with fellow group members on a brainstorming task, which was about how to categorize twelve common fruits (Choi & Thompson, 2004). Each group was asked to create as many categorization criteria as possible. The purpose of this task was claimed to compare the creativity of the two groups, while its real purpose was to further stress the boundary between the two groups (c.f., Wright et al., 1997).

Step 5. After the brainstorming task, participants learned from further instructions that there would be a negotiation task, and that the two members working for the same division in the same company needed to draw a lottery to decide which role they would play: a negotiation representative or a manager. The lot itself did not directly tell participants their roles. There was only a number on the lot: either number "1" or number "2." If participants drew lot number "1," they were told to stay at the original room, and if it was "2," they were sent to another room. After all participants finished drawing the lot, group members were separated, and sent to different rooms, with their pens and company tags.

Step 6. Participants then were paired with their negotiation partners in different rooms, but they were not allowed to talk to each other until the negotiation started. The experimenter gave each participant a folder (red or blue), which contained a negotiation scenario and a pre-negotiation survey. Every participant was told that s/he was the negotiation representative while the other member in the same division was her/his manager (c.f., Gelfand & Realo, 1999). Participants in the ingroup conditions were paired

with a member from another division of the same advertising company. The scenario said that a client contacted the service division of the company for printing more brochures, so the service division needed to negotiate with the production division about how to print out those brochures. In contrast, participants in the outgroup conditions were paired with a member from another advertising company. The scenario told them that a client of one advertising company requested more brochures. But due to the full capacity of production, that company needed to negotiate with another company about how to print out those brochures.

In addition, participants in the high accountability conditions were told that they needed to write a report to their managers after negotiation, and their managers would reward them based on the report; whereas participants in the low accountability conditions were told that the negotiation process and outcome were confidential, and had nothing to do with the actual rewards they could get.

Step7. After reading the negotiation scenario, participants filled out a pre-negotiation survey, which included items of manipulation checks, negotiator's relationship frame, and fixed-pie perceptions before negotiation, expectations of negotiation atmosphere, and expectations of the other party. Then pairs negotiated with a time limit of 30 minutes. The whole negotiation process was audio-taped.

Step 8. After negotiation, participants filled out a post-negotiation survey, which contained items of relationship-based tactics, fixed-pie perceptions after negotiation, relational capital, evaluation of negotiation atmosphere, evaluation of the other party, and Schwartz's (1992) cultural value scale.

Step 9. Lastly, participants were debriefed. Each participant was rewarded the same amount of money ($5 U.S. dollars) after debriefing.

Measures

Relationship Negotiation Frame. Participants' relationship negotiation frame was measured by a 5-item scale in the pre-negotiation survey. The scale was created based on previous literature on negotiation frame (Pinkley, 1990; Pinkley & Northcraft, 1994) and on relational self in negotiation (Gelfand et al., 2006). The items include: "It is important for me to develop good relationship with the other party;" "I do not care much about relation development with the other party (reverse);" "I hope to develop good relationship with the other party via negotiation;" "I do not think that relationship should be a focus during negotiation (reverse);" and "I am willing to adjust my behavior to foster good relationship with the other party during negotiation." As some researchers suggest that Chinese respondents tend to exhibit the central tendency bias (e.g., Hui, Lee, & Rousseau, 2004), we used a 6-point scale focusing respondent attention away from the scale's mid-point (i.e., "neither agree nor disagree"). As a result, the survey items were on six-point response format ranging from 1, "strongly disagree," to 6, "strongly agree."

I conducted factor analysis for both the Chinese sample and the American sample to check the reliability of this new scale. For each sample, I firstly randomly selected half of the cases to conduct exploratory factor analysis (the extracting method was principle components, and the rotation method was varimax). The results showed that the five items loaded on a single scale for both the Chinese random sub-sample (the proportion of variance explained by the extracted factor was 48.75%) and the American

random sub-sample (the proportion of variance explained by the extracted factor was 46.75%). Then the other half of the cases in each sample was submitted to confirmatory factor analysis with a single-factor model. The results showed satisfactory fit index for both the Chinese random sub-sasmple (χ^2=9.48, df=5, CFI=.98, NNFI=.96, SRMR=.03) and the American random sub-sample (χ^2=10.06, df=5, CFI=.93, NNFI=.90, SRMR=.05). In addition, all loadings of each item on the factor were significant and above .50 for both sub-samples. Therefore, the mean of the five items was calculated as the measure of relationship frame. The Cronbach's Alpha for the overall sample was .80. The scale also had satisfactory reliability statistics for both Chinese (Cronbach's Alpha=.83) and American sub-samples (Cronbach's Alpha=.72).

Fixed-pie Perceptions. Participants reported their fixed-pie perceptions twice in the study, once before negotiation (in the pre-negotiation survey) and once immediately after negotiation (in the post-negotiation survey).

Fixed-pie perceptions were assessed in the way suggested by past research (e.g., De Dreu et al., 2000; Thompson & Hastie, 1990). Participants were presented with a profit schedule without the points and they filled in the points they thought that the other party would get for each of the contract levels specified. Participants could use their own profit schedules to make inferences.

The fixed-pie perceptions were measured as the sum of deviance (absolute differences) between estimates of the other party's real payoff points and negotiators' estimate points on two integrative issues (copy issue and billing date issue in the current study). For example, if a buyer had a perfect fixed-pie perception, and assumed that the seller had the exact opposite interest on the copy issue (see Appendix A), then the fixed-

pie perception is [(4000-0) + (3000-1000) + (2000-2000) + (1000-3000) + (0-4000)]=0. In contrast, if a buyer does not have a fixed-pie perception, and accurately infers seller's preference on the copy issue, then the fixed-pie perception is the absolute value of [(4000-0) + (3000-300) + (2000-600) + (1000-900) + (0-1200)]=7000. There are two integrative issues, so the range of fixed-pie perceptions varies from 0 to 14000 points, with 0 referring to the perfect fixed-pie perceptions and 14000 referring to perfect integrative perceptions. In other words, the smaller the number is, the more one has fixed-pie perceptions.

Relationship-based Tactics. Past research suggests that there are two ways to measure negotiation tactics: coding verbal transcripts (e.g., Adair et al., 2001; Pruitt & Lewis, 1975), or using self- or peer-reported questionnaires (e.g., Beersma & De Dreu, 2002; De Dreu et al., 2001). For this dissertation, I asked all participants to self-report relationship-based tactics in the post-negotiation survey.

Since none of the three existing negotiation tactics scales (Rahim Organizational Conflict Inventory—II, Rahim, 1983; Rahim & Magner, 1995; the Dutch Test for conflict handling, De Dreu et al., 2001; and a negotiation norm scale from Tinsley and Pillutla's (1998) study) explicitly emphasize relationship-based tactics, I created a scale to measure relationship-based tactics. Based on Gelfand et al.'s (2006) conception and existing relationship-based influence tactics scale (Fu et al., 2004), I create a relationship-based tactics scale, which includes the following items: "during negotiation, I tried to find the similarity between us, such as in hobbits and experience;" "I talked about irrelevant topics before negotiation to establish good relationship with the other party;" "I asked the other party to accept my offer as a personal favor;" "I persuaded the other party by

emphasizing my group interest;" "I tried to find similarity between us to make my request easier;" and " I tried to persuade the other party by emphasizing our long-term relationship."

For the overall sample, the Cronbach's Alpha was .63. The scale also had satisfactory reliability statistics for both Chinese (Cronbach's Alpha=.62) and American sample (Cronbach's Alpha=.71).

Joint Gain. The joint gain was calculated as the sum of individual gains within each dyad.

Relational Capital. A four-item scale proposed by Curhan and colleagues (2006) was used to measure negotiators' relational capital after negotiation (see Appendix C for specific items). The Cronbach's Alpha for the overall sample was .89, and both Chinese (Cronbach's Alpha=.85) and American sub-sample (Cronbach's Alpha=.90) showed good reliability statistics as well.

Cultural Value Measures. Although I do not specify the connection between cultural values and negotiation in this dissertation, it is beneficial to include cultural value measures in this study because it enables me to check whether participants in my samples appropriately represent their cultural categories (Brett et al., 1997). The allocentrism-idiocentrism scale (Triandis, 1994) has 16 items, mapping out the extent to which individuals focus on the interdependence with others. This scale achieved satisfactory reliability for both the Chinese sample (Cronbach's alpha=.77) and the American sample (Cronbach's alpha=.76).

Schwartz's cultural value survey includes 57 items on 9-point scales (range from -1 to 7). Previous studies suggest that it has ten sub-dimensions. The dimensions of

power, conformity, security, stimulation, and benevolence showed satisfactory reliability for both the Chinese and the American sub-samples (details below).

Data Analysis and Results

Final Sample and Characteristics

Four students who did not finish negotiation within given time limits and eight students who did not report on key dependent variables were excluded from further analysis in this study. The final sample size was 230 (120 from China, and 110 from the U.S.), and the response rate was 100%. Table 4.1 shows the number of participants in each condition. Among the 230 participants, 60% were females (54.2% of the Chinese sample, and 66.4% of the American sample); Chinese participants (mean age=22.72 years, s.d.=.88) were slightly elder than American participants (mean age=21.21 years, s.d.=1.48, $t(229)=9.24$, $p<.01$). Since age was not significantly correlated with any other variables within either sub-sample, it was excluded from the subsequent analyses to avoid the confounding effect with culture. Table 4.2 shows correlation coefficients for key variables in Study 1.

TABLE 4.1
Number of Participants in Each Condition (Study 1)

	Accountability	
Culture	Low	High
	Outgroup	
American	n=28	n=24
Chinese	n=30	n=30
	Ingroup	
American	n=26	n=32
Chinese	n=32	n=28

TABLE 4.2
Correlation Coefficients between Variables (Study 1)

Variables [3]	1	2	3	4	5	6	7	8	9
1. Chinese		-0.03	-0.03	0.07	0.03	0.36**	-0.12*	-0.12*	-0.36**
2. Ingroup	-0.04		0.03	0.24**	-0.08	0.23**	0.05	0.04	0.19*
3. Accountability	-0.04	0.02		0.07	0.01	-0.06	-0.06	0.01	0.06
4. Relationship Frame	0.17*	0.35**	0.11		0.02	0.12	-0.01	-0.09	0.15*
5. Fixed-pie Perceptions BN	0.06	-0.10	0.01	-0.06		-0.13	0.24**	0.08	0.01
6. Relationship Tactics	0.46**	0.31**	-0.05	0.27**	-0.07		-0.03	-0.07	0.02
7. Fixed-pie Perceptions PN	-0.15†	0.07	-0.05	-0.04	0.24**	0.01		0.33**	0.18**
8. Economic Gains	-0.18*	0.06	0.01	-0.04	0.13	-0.17*	0.57**		0.22**
9. Relational Capital	-0.43**	0.23**	0.08	0.25**	0.03	-0.13†	0.23**	0.23**	

† p<.10 * p<.05 **p<.01 one-tailed

1. Correlation coefficients presented in the lower diagonal are based on dyadic-level data (N=115), while those presented in the upper diagonal are based on individual-level data (N=230)
2. "Chinese" refers to the variable of "Culture", with Chinese coded as "1", and American coded as "0". "Fixed-pie perceptions BN" refers to fixed-pie perceptions before negotiation, whereas 'Fixed-pie perceptions PN" refers to Fixed-pie perceptions post negotiation. Economic gains at the dyadic level are the joint gains, and economic gains at the individual level are individual gains.

In order to make sure that participants in this study were representative of their own cultures, I compared several cultural values between the Chinese and American sub-sample. As Table 4.3 shows, the Chinese sample displayed higher level of allocentrism (Mean=6.26) than the American sample (Mean=6.06); the Chinese sample placed more value on power (Mean=3.99), conformity (Mean=4.94), and security (Mean=5.03) than the American sample did (power Mean=3.38, conformity Mean=4.50, and security Mean=4.50), whereas the American sample emphasized stimulation (Mean=4.41) and benevolence (Mean=5.54) more than the Chinese sample did (stimulation Mean=4.06, benevolence Mean=5.09). All of these t-tests were significant at the .05 level, and all of the cultural differences were consistent with findings from past research (Schwartz, 1992; Triandis, 1994). Therefore, it is reasonable to believe that the sampled Chinese and American students were representative of their own cultural groups.

Treatment of Data

Since all dependent variables (i.e., relationship negotiation frame, relationship-based tactics, fixed-pie perceptions, and relational capital) except for joint gain were reported by individuals, it is important to check the interdependence of these variables before further data analysis (Kashy & Kenney, 2000), because (1) negotiation is a social interaction process that data from two individuals within a dyad may be correlated, and (2) standard statistical methods, such as ANOVA and linear multiple regressions, usually assume independence among observations.

TABLE 4.3
Comparison of Individual-Level Cultural Values (Study 1)

	American (N =110)		Chinese (N = 120)		t value of mean difference	p value of mean difference
	Mean	Cronbach's α	Mean	Cronbach's α		
Allocentrism	6.06	.76	6.26	.77	-2.43	<.05
Power	3.38	.82	3.99	.70	-3.53	<.01
Conformity	4.50	.67	4.94	.61	-3.77	<.01
Security	4.67	.66	5.03	.77	-3.39	<.01
Stimulation	4.41	.74	4.06	.76	1.95	.05
Benevolence	5.54	.74	5.09	.82	4.40	<.01

Following Kenny and colleagues' advice (Kenny, Kashy, & Cook, 2006), I checked the intra-class correlations (ICC(1))[2] for these variables. Except for two pre-negotiation variables (relationship negotiation frame [ICC(1)=.02, F(114, 115)=1.04, p>.40) and fixed-pie perceptions before negotiation [ICC(1)=.12, F(114, 115)=1.27, p>.10)), all post-negotiation variables (relationship-based tactics (ICC(1)=.33, F(114, 115)=1.99, p<.001), fixed-pie perceptions after negotiation (ICC(1)=.29, F(114, 115)=1.83, p=.01), and relational capital (ICC(1)=.36, F(114, 115)=2.12, p<.001) were non-independent at the dyadic level. So in the following, relationship negotiation frame and fixed-pie perceptions before negotiation were analyzed at the individual level, whereas relationship-based tactics, fixed-pie perception after negotiation, and relational capital were aggregated and analyzed at the dyadic level.

Manipulation Checks

To make sure that the manipulation of accountability and group membership were sucessful, participants answered several manipulation check questions in the pre-negotiation survey. All those questions were on 6-point scales from 1=strongly disagree to 6=strongly agree.

The accountability manipulation check questions were: (1) After negotiation, my manager will formally evaluate me based on the agreements I reach; (2) My manager will scrutinize the negotiation process after negotiation; (3) I need to justify the negotiation process and outcomes to my manager; and (4) I feel that my manager is more powerful than me. These items formed a reliable scale (for the Chinese sample, Cronbach's Alpha=.82; for the American sample, Cronbach's Alpha=.84). The average score of these

[2] Here the intra-class correlations=[(Between-dyad variance - Within-dyad variance)/(Between-dyad variance + Within-dyad variance)]. It indicates the proportion of variance due to dyadic membership.

items for each sub-sample was submitted to a two-way ANOVA (accountability X group membership). For the Chinese sample, results showed a very strong main effect of accountability, $F(1, 116)=36.30$, $p<.001$, $\eta^2 =.24$. Participants in the high accountability conditions (Mean=5.17) were significantly more inclined to believe they were held accountable than those in the low accountability conditions (Mean=4.01). For the American sample, results showed a very strong main effect of accountability as well, $F(1, 106)=87.70$, $p<.001$, $\eta^2 =.45$. Participants in the high accountability conditions (Mean=5.02) were significantly more inclined to believe they were held accountable than those in the low accountability conditions (Mean=3.35). For both Chinese and American samples, neither group membership nor the interaction between group membership and accountability had any significant effects on the score. Figure 4.3 shows the results of manipulation check for accountability.

The group membership manipulation check questions were: (1) the one I will negotiate with is an ingroup member; (2) the one I will negotiate with is an outgroup member (reversed). The internal reliability of these two items were very high (for the Chinese sample, Cronbach's Alpha=.91; for the American sample, Cronbach's Alpha=.94). The average score of these two items for each sub-sample was submitted to a two-way ANOVA (accountability X group membership).

For the Chinese sample, results showed a very strong main effect of group membership, $F(1, 116)=91.59$, $p<.001$, $\eta^2 =.44$. Participants in the ingroup conditions (Mean=4.74) were significantly more inclined than those in the outgroup conditions to consider the other party as an ingroup member (Mean=2.61).

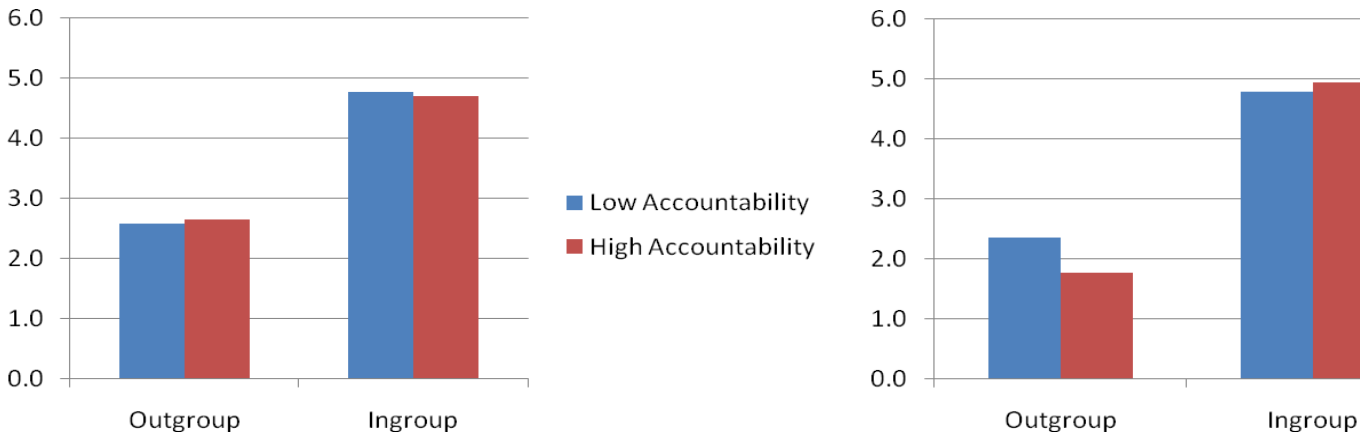
Chinese Sample **American Sample**

FIGURE 4.3
Manipulation Check of Accountability (Study 1)

For the American sample, results showed a very strong main effect of group membership as well, $F(1, 106)=112.70$, $p<.001$, $\eta^2 =.52$. Participants in the ingroup conditions (Mean=4.87) were significantly more inclined than those in the outgroup conditions to consider the other party as an ingroup (Mean=2.09). For both Chinese and American samples, neither accountability nor the interaction between group membership and accountability had any significant effects on the score. Figure 4.4 shows the results of manipulation check for group membership.

Relationship Negotiation Frame

A 2 X 2 X 2 ANOVA was conducted, with culture (Chinese vs. American), accountability (low vs. high), and group membership (ingroup vs. outgroup) as three between-subject factors and relationship negotiation frame as the dependent variable. Table 4.4 shows the results. Hypothesis 1a predicts that Chinese negotiators are more likely than American negotiators to have a relationship negotiation frame. There was a marginal main effect of culture ($F(1, 222)=1.74$, $p=.09$, $\eta^2 =.01$). A simple comparison confirmed that compared with American negotiators (Mean=4.57, s.d.=.72), Chinese negotiators had a slightly higher level of relationship frame (Mean=4.69, s.d.=.92). Therefore, Hypothesis 1a was marginally supported. Hypothesis 2a predicts that Chinese-American differences in having a relationship negotiation frame will be larger in high accountability conditions than in low accountability conditions, which suggests an interaction effect between culture and accountability. The ANOVA results provided support to such a prediction—there was a significant interaction effect between culture and accountability ($F(1, 222)=3.14$, $p<.05$, $\eta^2 =.01$) on relationship negotiation frame. Figure 4.5.1 depicts such a finding.



Chinese Sample **American Sample**

FIGURE 4.4
Manipulation Check of Group Membership (Study 1)

TABLE 4.4
ANOVA Results for the Effects of Culture, Accountability, and Group Membership on Relationship Frame (Study 1)

Predictors [1]	**Relationship Frame**		
Main Effects	F	df	η^2
Chinese	1.74†	1,222	.008
Ingroup	14.40**	1,222	.061
Accountability	.85	1,222	.004
Two-Way Interactions			
Chinese X Accountability	3.14*	1,222	.014
Chinese X Ingroup	2.75*	1,222	.012
Ingroup X Accountability	.80	1, 222	.004
Three-Way Interaction			
Chinese X Ingroup X Accountability	2.75*	1,222	.012
R^2			.11
n			230

† p<.10 * p<.05 **p<.01 one-tailed

Note: 1. For the variable of "Chinese", Chinese=1, American=0; for the variable of "Ingroup", Ingroup condition=1, Outgroup condition=0; for the variable of "Accountability", High Accountability=1, Low Accountability=0.

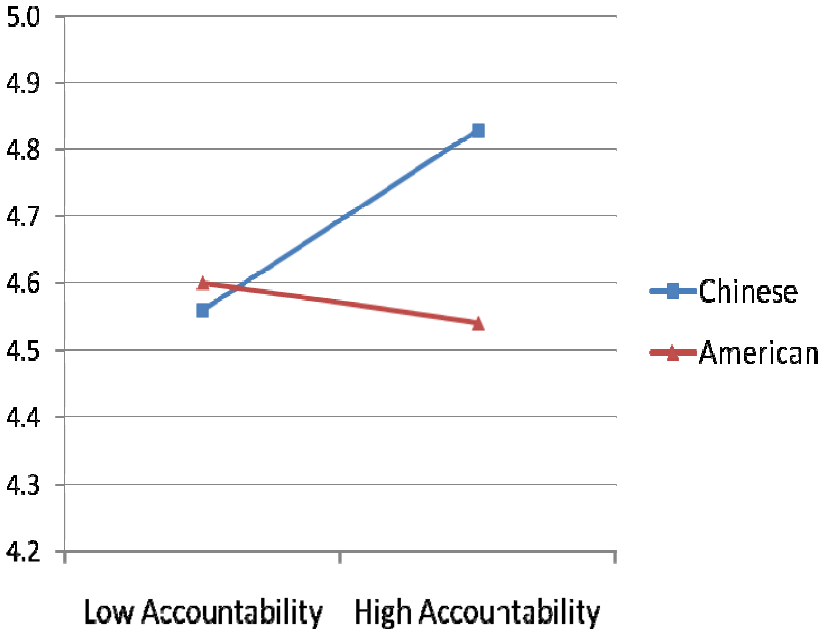


FIGURE 4.5.1
Culture X Accountability on Relationship Frame

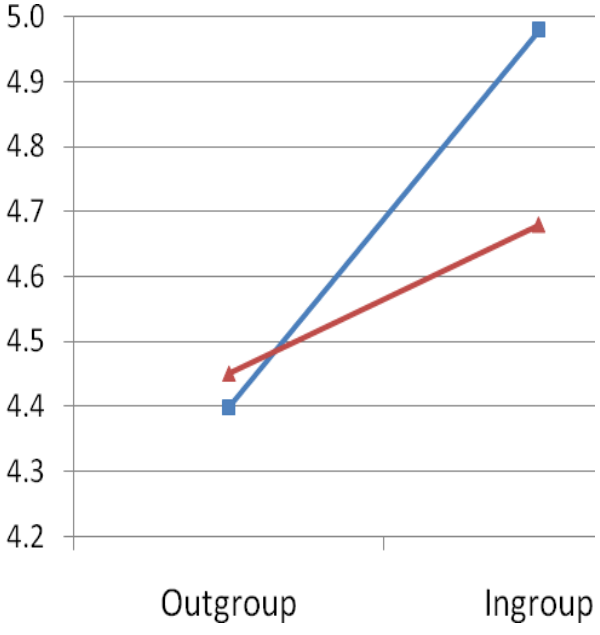


FIGURE 4.5.2
Culture X Group Membership on Relationship Frame

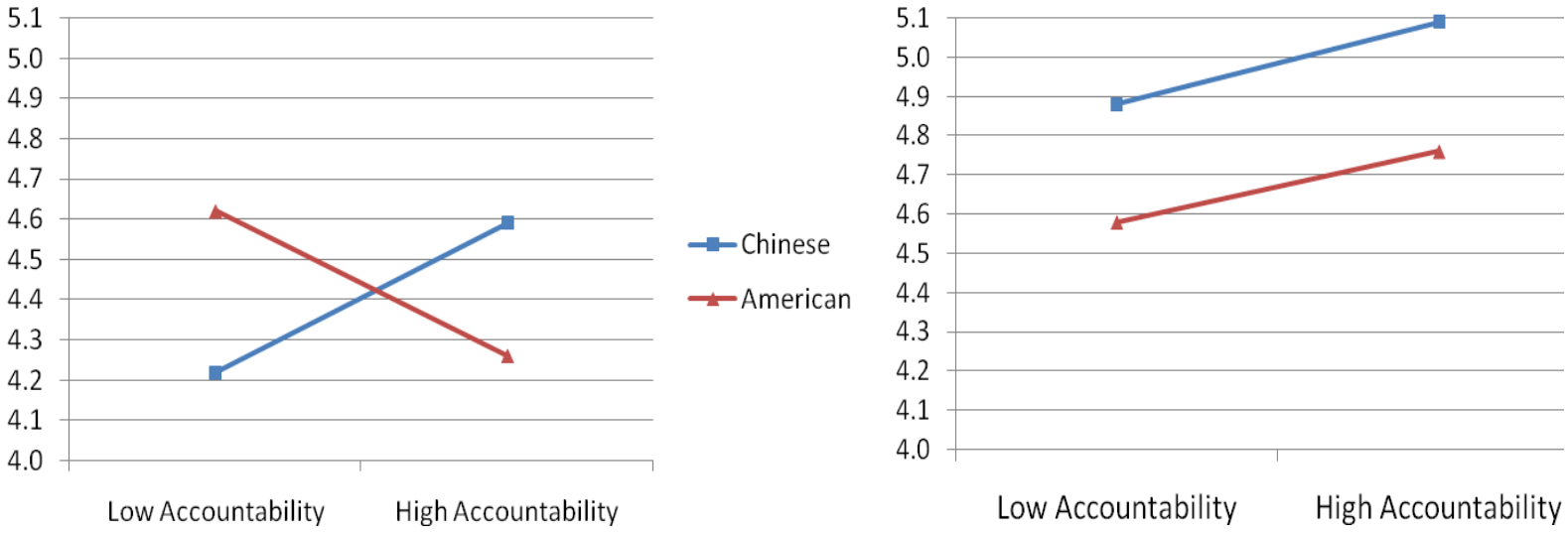
FIGURE 4.5
Two-way Interactions on Relationship Frame (Study 1)

Two further split-sample t-tests demostrated that in high accountability conditions Chinese negotiators (mean=4.83, s.d.=.96) had a higher level of relationship negotiation frame than American negotiators did (mean=4.54, s.d.=.86) , $t(112)=1.66$, $p<.05$, whereas in low accountability conditions there was no difference between Chinese (mean=4.56, s.d.=.88) and American negotiators (mean=4.60, s.d.=.55) in terms of having a relationship negotiation frame ($t(114)=.27$, $p>.70$). Therefore, Hypothesis 2a was supported. Hypothesis 3a predicts that Chinese-American differences in having a relationship negotiation frame will be larger when the other party in the negotiation is an ingroup member rather than an outgroup member, which suggests an interaction effect between culture and group membership. The ANOVA results provided support to such a prediction—there was a significant interaction effect between culture and group membership ($F(1, 222)=2.75$, $p<.05$, $\eta^2 =.01$) on relationship negotiation frame. Figure 4.5.2 depicts such a finding. Two further split-sample t-tests indicated that Chinese negotiators (mean=4.98, s.d.=.69) had a higher level of relationship negotiation frame than American negotiators did (mean=4.68, s.d.=.75) when negotiating with an ingroup member ($t(116)=2.26$, $p<.05$), whereas there was no difference between Chinese (mean=4.40, s.d.=1.04) and American negotiators (mean=4.45, s.d.=.68) in terms of having a relationship negotiation frame when the other party was an outgroup member ($t(110)=.30$, $p>.70$). Therefore, Hypothesis 3a was supported.

Hypothesis 4a posits that both group membership and accountability moderate the impact of culture on negotiation frame, such that the predicted differential impact of accountability by Chinese and Americans on relationship negotiation frame exists only when the other party is an ingroup member, as opposed to an outgroup member. The

ANOVA results, again, provided supporting evidence to such a prediction—there was a significant three-way interaction effect between culture, accountability and group membership ($F(1, 222)=2.75$, $p<.05$) on relationship negotiation frame. Figure 4.6 illustrates the interaction.

To clearly demonstrate this finding, I conducted four split-sample t-tests. In the low accountability/outgroup condition, American negotiators (mean=4.62, s.d.=.42) had a higher level of relationship frame than Chinese negotiators did (mean=4.22, s.d.=.89, $t(56)=2.22$, $p<.05$); whereas in the high accountability/outgroup condition, there was no difference between Chinese (mean=4.59, s.d.=1.16) and American negotiators (mean=4.26, s.d.=.86, $t(52)=1.16$, $p>.10$). By contrast, when negotiating with an ingroup member under low accountability condition, Chinese negotiators (mean=4.88, s.d.=.75) had a marginally higher relationship frame than did American negotiators (mean=4.58, s.d.=.68, $t(56)=1.61$, $p=.06$); and when negotiating with an ingroup member under high accountability condition, such a difference became statistically more significant (Chinese negotiators, mean=5.09, s.d.=.60; and American negotiators,mean=4.76, s.d.=.81, $t(58)=1.76$, $p<.05$). Therefore, Hypothesis 4a was generally supported.



Outgroup **Ingroup**

FIGURE 4.6
Three-way Interaction Effect on Relationship Frame (Study 1)

The three-way interaction effect can be understood in an alternative way. When the other party is an outgroup member, American negotiators had less of a relationship negotiation frame under high accountability conditions (mean=4.26) than under low accountability conditions (mean=4.62, s.d.=.42, $t(50)=1.97$, $p<.05$). This finding is consistent with previous research finding that accountability intensifies competition among American negotiators (e.g., Pruitt et al., 1978). In contrast, when the other party is an outgroup member, Chinese negotiators had more relationship frame under high accountability conditions (mean=4.59, s.d.=1.16) than under low accountability conditions (mean=4.22, s.d.=.89, $t(58)=1.38$, $p<.10$). Such a finding is consistent with the study reported by Gelfand and Realo (1999), who found that accountability made collectivists more cooperative. When the other party is an ingroup member, however, accountability did not have significant effect on relationship frame either for American or for Chinese negotiators.

Relationship-based Tactics

Relationship-based tactics were analyzed at the dyadic level in a 2X2X2 ANOVA (results are shown in the first column of Table 4.5). As Hypothesis 1b predicted, Chinese negotiation dyads (Mean=3.49, s.d.=.60) generally used more relationship-based tactics during negotiation than American dyads did (Mean=2.83, s.d.=.68), $F(1, 106)=34.70$, $p<.01$, $\eta^2 =.25$. In addition, there was a marginal interaction effect between culture and group membership on relationship-based tactics, $F(1, 106)=1.87$, $p=.09$, $\eta^2 =.02$. A simple comparison revealed that given low accountability, the mean difference in using relationship-based tactics was .52 between Chinese dyads (Mean=3.45, s.d.=.71) and American dyads (Mean=2.93, s.d.=.52), $t(55)=3.12$, $p<.01$; whereas under high

accountability conditions, the mean difference increased to .78 between Chinese dyads (Mean=3.52, s.d.=.47) and American dyads (Mean=2.74, s.d.=.80), $t(55)=4.50$, $p<.01$. Therefore, Hypothesis 2b was marginally supported. But there were no other significant interactional effects, so Hypothesis 3b and 4b were not supported by the data.

Fixed-pie Perceptions

The fixed-pie perceptions before negotiationwere reported in the pre-negotiation survey. Recall that the higher the number is for this measure, the less fixed-pie perceptions one has (0 means perfectly fixed-pie perceptions, whereas 14000 means perfectly no bias). Consistent with findings from past research (Thompson & Hastie, 1990; De Dreu et al., 2000), the results suggested that negotiators in this study generally had relatively high fixed-pie bias before negotiation (mean=2385.98) and the variance was large (s.d.=3471.24). But none of the predictors or their interactions had any significant effects on this variable.

Now let us shift the focus to the fixed-pie perceptions after negotiation. Hypothesis 5a and 5b predicted that Chinese negotiation dyads would have more fixed-pie perceptions after negotiation than would American dyads only under the ingroup and high accountability condition, but not in other conditions. To test the existence of such a three-way interaction effect, I analyzed the dyadic means of fixed-pie perceptions after negotiation using a 2X2X2 ANOVA (results shown in the second column at Table 4.5). As expected, there was a significant three-way interaction effect between culture, group membership, and accountability, $F(1, 106)=2.87$, $p<.05$, $\eta^2=.03$. To further illustrate this finding, several simple comparisons were conducted. Table 4.6 shows the means and standard deviations of the fixed-pie perceptions after negotiation in each condition.

TABLE 4.5
ANOVA Results for the Effects of Culture, Accountability, and Group Membership on Relationship-based Tactics, Fixed-pie Perceptions, and Joint Gain (Study 1)

Predictors	Relationship-based Tactics		Fixed-pie Perceptions After Negotiation		Joint Gain	
	F (1,106)	η^2	F (1,106)	η^2	F (1,106)	η^2
Main Effects						
Chinese	34.70**	0.247	2.60†	0.024	4.12*	0.037
Ingroup	17.40**	0.141	0.34	0.003	0.23	0.002
Accountability	0.44	0.004	0.32	0.003	0.03	0.000
Two-Way Interactions						
Chinese X Ingroup	0.39	0.004	0.13	0.001	0.00	0.000
Chinese X Accountability	1.87†	0.017	3.08*	0.028	2.69*	0.025
Ingroup X Accountability	0.40	0.004	1.19	0.011	3.20*	0.029
Three-Way Interaction						
Chinese X Ingroup X Accountability	0.54	0.005	2.87*	0.026	2.47†	0.023
R^2	0.34		0.09		0.11	
n	114		114		114	

† p<.10 * p<.05 **p<.01 one-tailed

Note: 1. For the variable of "Chinese", Chinese=1, American=0; for the variable of "Ingroup", Ingroup condition=1, Outgroup condition=0; for the variable of "Accountability", High Accountability=1, Low Accountability=0.

TABLE 4.6
Fixed-pie Perceptions after Negotiation
as a Function of Culture, Accountability, and Group Membership (Study 1)

	Accountability			
Culture	Low		High	
	Outgroup			
American	7500.00	(4708.15)	8004.17	(5087.66)
Chinese	5853.33	(4397.58)	6256.67	(3973.93)
	Ingroup			
American	7173.08	(5506.99)	8718.75	(4560.59)
Chinese	9062.50	(4534.00)	4664.29	(3874.05)

Note: Numbers in the parenthesis are standard deviations.

As Hypothesis 5a predicted, when negotiating with an outgroup member under low accountability conditions, Chinese dyads (Mean=5853.33, s.d.=4397.58) and American dyads (Mean=7500.00, s.d.= 4708.15) did not differ from each other on fixed-pie perceptions, $t(26)=.96$, $p>.30$; and when negotiating with an outgroup member under high accountability conditions, Chinese dyads (Mean=6256.67, s.d.= 3973.93) and American dyads (Mean=8004.17, s.d.= 5087.66) did not differ either, $t(25)=1.00$, $p>.30$. Hypothesis 5a was supported.

As Hypothesis 5b predicted, when negotiating with an ingroup member under low accountability conditions, Chinese dyads (Mean=5853.33, s.d.=4397.58) and American dyads (Mean=7500.00, s.d.= 4708.15) had similar fixed-pie perceptions, $t(27)=1.01$, $p>.30$. In contrast, when negotiating with an ingroup member under high accountability conditions, Chinese dyads (Mean=6256.67, s.d.= 3973.93) had more fixed-pie perceptions than American dyads did (Mean=8004.17, s.d.= 5087.66), $t(28)=2.60$, $p<.05$. So hypothesis 5b was supported. Figure 4.7 shows these findings.

Joint Gain

Hypothesis 6a and 6b predicted that Chinese negotiation dyads would achieve less joint gain than would American dyads only under the ingruop and high accountability condition, but not in other conditions. Again, such a prediction suggests a three-way interaction effect, which was tested by analyzing the joint gain using a 2X2X2 ANOVA (results are shown in the third column at Table 4.5).

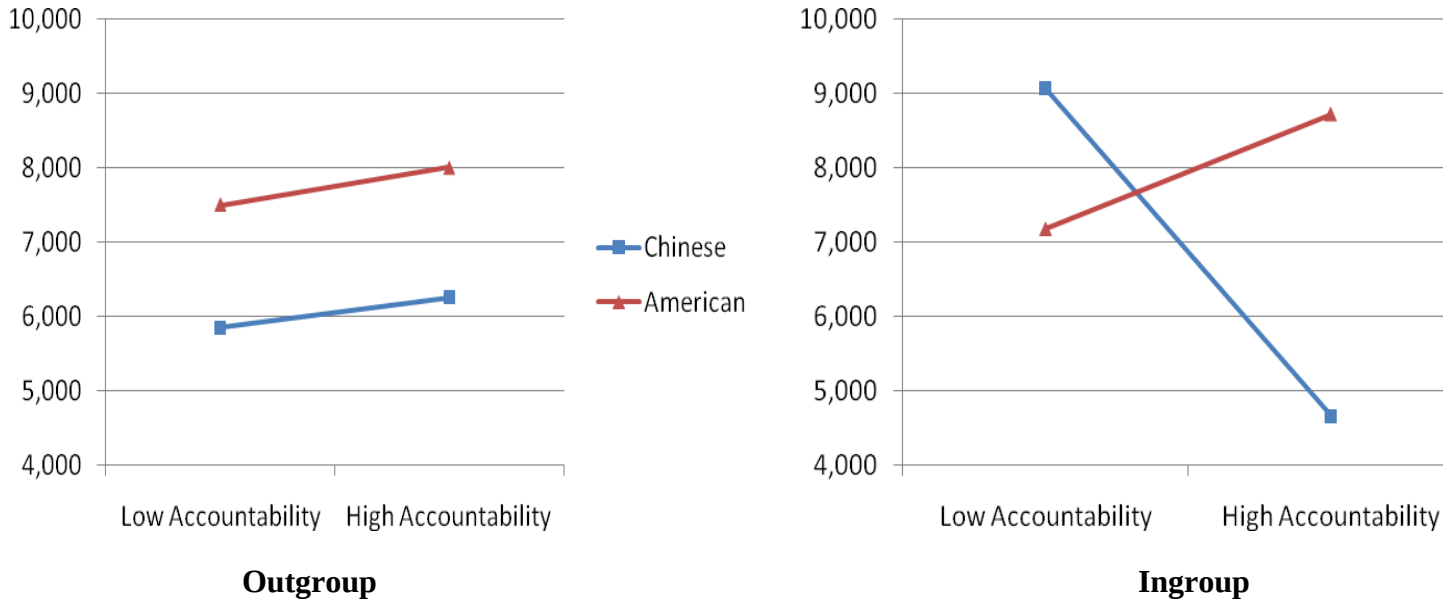


FIGURE 4.7
Three-way Interaction Effect on Fixed-pie Perceptions After Negotiation (Study 1)

As expected, there was a marginally significant three-way interaction effect between culture, group membership, and accountability, $F(1, 106)=2.47$, $p<.10$, $\eta^2 =.02$. To further locate the source of this interaction, several simple comparisons were conducted. Table 4.7 shows the mean and standard deviation of joint gain in each condition.

As Hypothesis 6a predicted, in the low accountability/outgroup condition, there was no difference between Chinese dyads (mean=10626.67, s.d.=1020.13) and American negotiators (mean=10984.62, s.d.=1038.31), $t(26)=.92$, $p>.35$; in the high accountability/outgroup condition, there was no difference between Chinese dyads (mean=10966.67, s.d.=860.79, n=15) and American dyads either (mean=11350.00, s.d.=1000.45) either, $t(25)=1.07$, $p>.30$. Hypothesis 6a was supported.As Hypothesis 6b predicted, when negotiating with an ingroup member under low accountability condition, Chinese dyads (mean=11325.00, s.d.=916.88) did not differ from American dyads (mean=11107.69, s.d.=1063.38) on joint gain, $t(27)=.59$, $p>.50$; in contrast, when negotiating with an ingroup member under high accountability, Chinese negotiators significantly made less joint gain (mean=10450.00, s.d.=831.82) than American negotiators (mean=11393.75, s.d.=955.31), $t(28)=2.87$, $p<.01$). Figure 4.8 shows such findings. Therefore, hypothesis 6b was supported.

TABLE 4.7
Joint Gain as a Function of Culture, Accountability, and Group Membership (Study 1)

	Accountability			
Culture	Low		High	
	Outgroup			
American	10984.62	(1038.31)	11350.00	(1000.45)
Chinese	10626.67	(1020.130)	10966.67	(860.79)
	Ingroup			
American	11107.69	(1063.38)	11393.75	(955.31)
Chinese	11325.00	(916.88)	10450.00	(831.82)

Note: Numbers in the parenthesis are standard deviations.

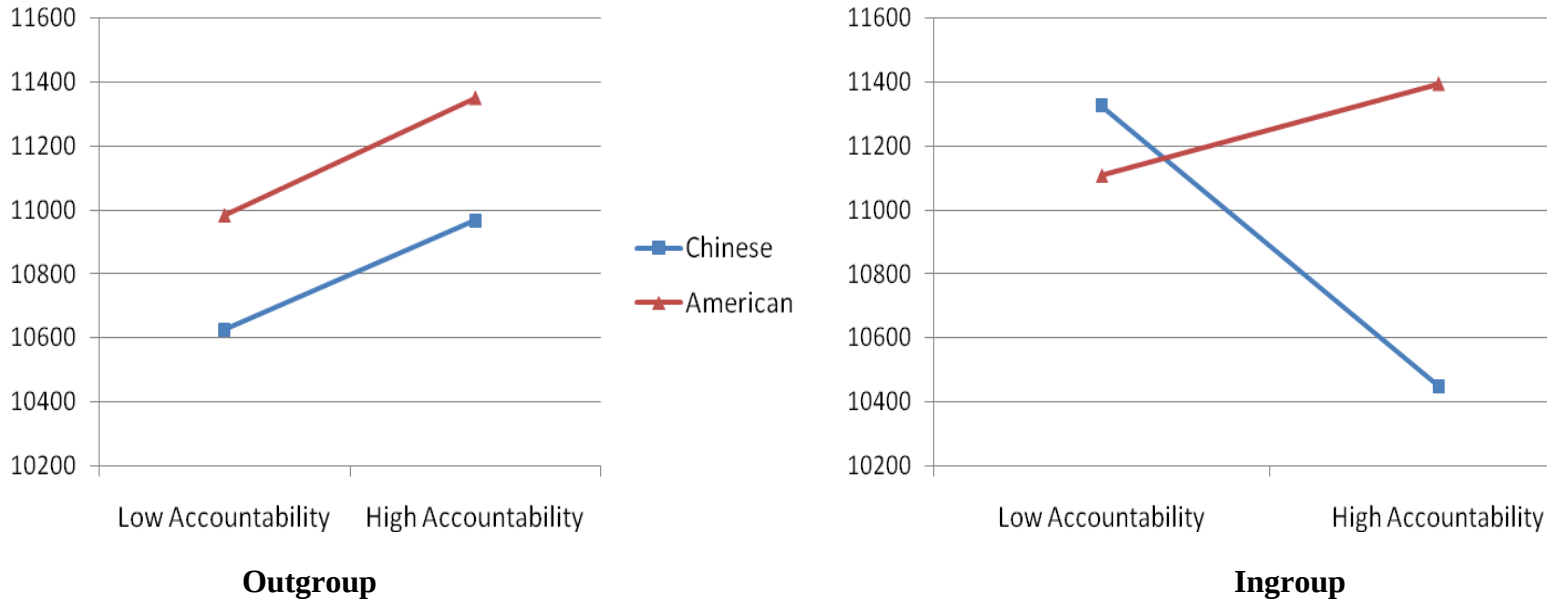


FIGURE 4.8
Three-way Interaction Effect on Joint Gain (Study 1)

Relational Capital

Hypothesis 7a and 7b predict that Chinese dyads would have more relational capital than American dyads would only when negotiating with an ingroup member under high accountability conditions. Such a prediction is based on the argument that taking a relationship approach usually results in more relational capital. Since joint gain and gain difference within dyads may influence relational capital, a three-way ANCOVA was conducted, with joint gain and gain difference as covariates. The results present in Table 4.8 showed, however, there was no significant three-way interaction effect, $F(1, 104)= 1.60$, $p>.20$. Instead, there was a significant interaction effect between culture and group membership, $F(1, 104)=7.14$, $p<.01$, $\eta^2 =.06$. Two further simple comparisons of the estimated marginal means suggested that when negotiating with outgroup members, Chinese dyads had less relational capital (Mean=4.30, s.d.=.85) than did American dyads (Mean=5.28, s.d.=.74), $t(53)=5.10$, $p<.01$; but when negotiating with ingroup members, Chinese (Mean=5.10, s.d.=.83) and American dyads(Mean=5.32, s.d.=81) did not differ on relational capital, $t(57)=1.0$, $p>.20$. Therefore, Hypothesis 7a and 7b were not supported.

Another way to interpret the finding is to compare conditions within each culture. I found that after negotiation, American dyads under outgroup conditions (Mean=5.28, s.d.=.74) achieved similar relational capital as their counterparts did under ingroup conditions (Mean=5.32, s.d.=.83), $t(52)=.35$, $p>.70$. But Chinese dyads under outgroup conditions (Mean=4.30, s.d.=.85) achieved much less relational capital than their counterparts did under ingroup conditions (Mean=5.10, s.d.=.83), $t(58)=3.41$, $p<.01$, Figure 4.9 depicts such a finding.

TABLE 4.8
ANOVA Results for the Effects of Culture, Accountability, and Group Membership on Relational Capital (Study 1)

Predictors	Relationship Frame		
Covariates	F	df	η^2
Joint gains	1.87	1, 104	.018
Gain difference	13.87**	1, 104	.117
Main Effects			
Chinese	14.05**	1,104	.119
Ingroup	14.40**	1,104	.075
Accountability	.63	1,104	.006
Two-Way Interactions			
Chinese X Ingroup	7.14**	1,104	.064
Chinese X Accountability	.68	1,104	.006
Ingroup X Accountability	1.23	1,104	.012
Three-Way Interaction			
Chinese X Ingroup X Accountability	1.60	1,104	.015
R^2			.39
n			114

† p<.10 * p<.05 **p<.01 one-tailed

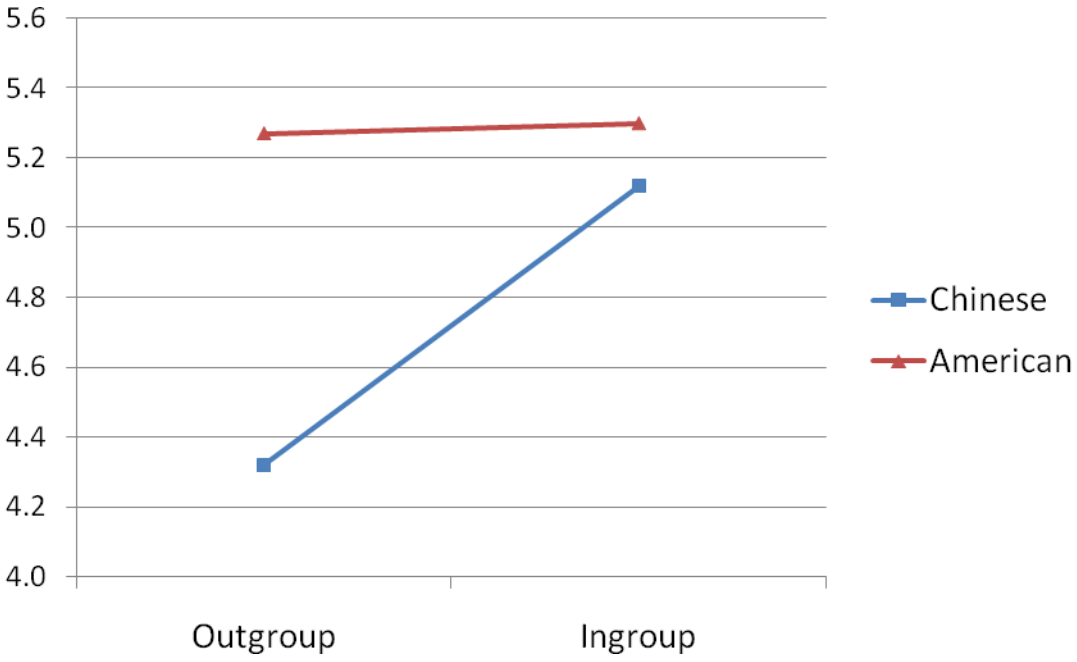


FIGURE 4.9
Relational Capital
as a Function of Culture and Group Membership (Study 1)

Recall that negotiators also reported their expectations about negotiation atmosphere and the other party before negotiation, and their evaluations of negotiation atmosphere and the other party after negotiation. It would be interesting to examine whether negotiation influenced negotiators' ratings. The expectations and evaluations of negotiation atmosphere were measured with three semantic differentials: "I expect (evaluate) the atmosphere in negotiation to be (as): very hostile (1) to very friendly (7), very competitive (1) to very cooperative (7), and very tense (1) to very relaxed (7)." The expectations and evaluations of the other party were also measure with three semantic differentials: "I expect (evaluate) the other negotiator to be (as): very immoral (1) to very moral (7), not be trusted at all (1) to be trusted very well (7), and very dishonest (1) to very honest (7)." Since these two dimensions were highly correlated (r=.63 before negotiation, and r=.56 after negotiation), I combined the two dimensions. Then an ANOVA was performed, with negotiators' ratings at time 1 (expectations before negotiation) and at time 2 (evaluations after negotiation) as repeated measures, and culture, accountability and group membership as between-subject variables. There were some interesting findings (see Table 4.9 for results).

TABLE 4.9
ANOVA Results for the Effects of Culture, Accountability, and Group Membership on Ratings of Negotiation (Study 1)

Predictors	F (1,219)	η^2
Main Effects		
Time	13.92**	0.06
Chinese	14.10**	0.06
Ingroup	7.64**	0.03
Accountability	0.08	0.00
Two-Way Interactions		
Time X Chinese	39.20**	0.15
Time X Ingroup	2.46†	0.01
Time X Accountability	1.29	0.01
Chinese X Ingroup	1.21	0.01
Chinese X Accountability	0.06	0.00
Ingroup X Accountability	0.39	0.00
Three-Way Interactions		
Time X Chinese X Ingroup	4.34*	0.02
Time X Chinese X Accountability	0.00	0.00
Time X Ingroup X Accountability	0.35	0.00
Chinese X Ingroup X Accountability	0.78	0.00
Four-Way Interaction		
Time X Chinese X Ingroup X Accountability	0.39	0

† p<.10 * p<.05 **p<.01 one-tailed

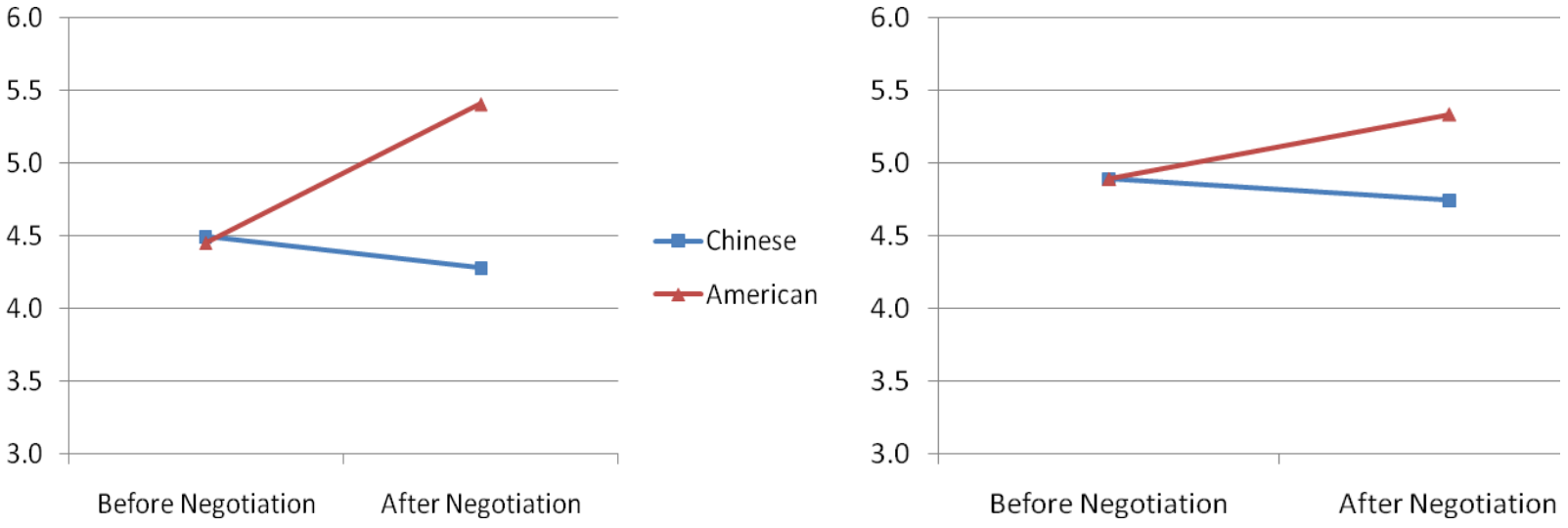
First, the main effects of time ($F(1, 219)=13.92$, $p<.01$, $\eta^2=.06$), culture ($F(1, 219)=14.10$, $p<.01$, $\eta^2=.06$), and group membership ($F(1, 219)=7.64$, $p<.01$, $\eta^2=.03$) were significant. Simple comparisons showed that negotiators generally had more positive evaluations toward ingroup members (Mean=4.97) than outgroup members (Mean=4.66). Second, there was a significant interaction effect between time and culture ($F(1, 219)=39.20$, $p<.01$, $\eta^2=.15$). A further examination showed that before negotiation, there was no difference between Chinese (Mean=4.51) and American negotiators (Mean=4.67) on expectations, $t(226)=.15$, $p>.80$; but after negotiation, American negotiators had more positive evaluations (Mean=5.38) than did Chinese negotiators (Mean=4.52). Last, there was a significant three-way interaction effect between time, culture, and group membership, $F(1, 219)=4.34$, $p<.05$, $\eta^2=.02$. To locate the source of this interaction effect, I conducted several simple comparisons. Results showed that when negotiating with an outgroup member, there was no difference in expectations of negotiation between Chinese negotiators (Mean=4.49) and American negotiators (Mean=4.46, $t(110)=.20$, $p>.80$) before negotiation, but after negotiation Chinese negotiators (Mean=4.28) had much less positive evaluations than did American negotiators (Mean=5.41, $t(110)=6.17$, $p<.001$). When negotiating with an ingroup member, before negotiation there was no difference on expectations of negotiation between Chinese negotiators (Mean=4.90) and American negotiators (Mean=4.88, $t(114)=.11$, $p>.90$), but after negotiation Chinese negotiators (Mean=4.75) had less positive evaluations than did American negotiators (Mean=5.35, $t(114)=2.97$, $p<.001$).

Interpreting the results in an alternative way, I found that before negotiation both American negotiators and Chinese negotiators had less positive expectations of outgroup

members (American Mean=4.46; Chinese Mean=4.49) than of ingroup members (American Mean=4.88; Chinese Mean=4.90) (American comparison: $t(106)=2.26$, $p<.05$; Chinese comparison: $t(118)=2.44$, $p<.01$). But after negotiation American negotiators significantly improved their ratings of the two groups to a similar level (Mean=5.41 in outgroup conditions; Mean=5.35 in ingroup conditions), such that there was no difference in ratings of ingroup members and of outgroup members after negotiation, $t(106)=.27$, $p>.70$. In contrast, Chinese negotiators still had less positive ratings of outgroup members (Mean=4.28) than of ingroup members (Mean=4.75) after negotiation, $t(118)=2.78$, $p<.01$. Compared with pre-negotiation ratings, when Chinese participants negotiated with an outgroup member, their post-negotiation ratings worsened ($t(59)=1.62$, $p<.10$); but when they negotiated with an ingroup member, their ratings did not significantly change ($t(60)=1.27$, $p>.10$). Figure 4.10 shows the results.

Relations between Dependent Variables

The analysis above focused on the impacts of culture, accountability, and group membership on dependent variables, including relationship frame, relationship-based tactics, fixed-pie perceptions, joint gain, and relational capital. I have argued that taking a relationship approach would influence both negotiation processes and outcomes, so it is reasonable to test the relationships between these dependent variables. In the following, I first report the results at the dyadic level. For variables that were reported at the individual level, I further test the relations at the individual level.



Outgroup **Ingroup**

FIGURE 4.10
Ratings of Negotiation
as a Function of Time, Culture, Accountability, and Group Membership (Study 1)

Relations at the Dyadic Level

First, having a relationship frame may influence relationship-based tactics, fixed-pie perceptions, and relational capital. In terms of relationship-based tactics, it is expected that a negotiator with a relationship frame would use more relationship-based tactics during negotiation. Indeed, I found that at the dyadic level the average score of relationship frame was significantly and positively related to the average score of relationship-based behavior during negotiation (see the lower diagonal in Table 4.2, Pearson's $r=.27$, $p<.01$).

Having a relationship frame may also influence fixed-pie perceptions. If negotiators focus too much on relationship, they may miss the opportunity to logroll and to find the priorities of the other party. As a consequence, having a relationship frame may lead to more fixed-pie perceptions. However, neither the correlation between relationship frame and fixed-pie perceptions before negotiation at the dyadic level ($r=-.06$, n.s.) nor the correlation between relationship frame and fixed-pie perceptions after negotiation at the dyadic level ($r=-.05$, n.s.) was significant.

Having a relationship frame may also impact relational capital. It is expected that having a relationship frame would contribute to more relational capital. There was, as Table 4.2 shows, a positive and significant correlation between relationship frame and relational capital ($r=.25$, $p<.01$).

Second, negotiators' relationship-based tactics may influence their cognition as well as negotiation outcomes. Since relationship-based tactics, fixed-pie perceptions after negotiation, joint gain, and relational capital can be analyzed at the dyadic level, the analysis centering on relationship-based tactics were conducted at the dyadic level. The

correlation table at the dyadic level (Table 4.2) shows that there was no significant correlation between relationship-based tactics and fixed-pie perceptions after negotiation ($r=.01$, n.s.). Interestingly, both the correlation between relationship-based tactics and joint gains ($r=-.17$, $p<.05$), and that between relationship-based tactics and relational capital ($r=-.13$, $p<.10$) were negative. These two relationships might be driven by the fact that Chinese negotiators tended to use more relationship-based tactics than did American negotiators, and that Chinese negotiators achieved less joint gain and had less relational capital than did American negotiators. Two regressions of joint gain and relational capital on relationship-based tactics respectively showed that when culture was controlled, relationship-based tactics was not significant correlated with either joint gain ($\beta=-.10$, $t=.99$, $p>.20$) or relational capital ($\beta=-.09$, $t=.93$, $p>.20$) any more.

Third, there was a significant and strong correlation between fixed-pie perceptions and joint gain ($r=.57$, $p<.001$). That is, the less fixed-pie perceptions a negotiation dyad had, the more joint gain the dyad achieved, which is consistent with findings of past research (De Drew et al., 2000; Thompson & Hastie, 1990). Given that culture, group membership, and accountability influenced both fixed-pie perceptions (Hypothesis 5) and joint gain (Hypothesis 6), it is reasonable to test whether fixed-pie perceptions mediated the relationship between the three predictors and joint gain. According to Baron and Kenny (1986), mediation requires that (1) the predictors (culture, group membership, and accountability) should be significantly related with the mediator (fixed-pie perceptions); (2) the predictors should be significantly related with the dependent variable (joint gain); (3) the mediator should be significantly related with the dependent variable; and (4) the impact of the predictors on the dependent variable should

disappear or be less after the mediator is controlled. Step 1, 2, 3 had been supported by the former analysis. To finish step 4, I regressed joint gain on the dummy variables of culture, accountability, group membership, and their interactions, both before and after fixed-pie perceptions were controlled for. Results showed that the marginal significant effect of the three-way interaction (β=-.38, t(113)=-1.57, p<.10) disappeared when fixed-pie perceptions were controlled for (β=-.17, t(113)=-.79, p>.40). Therefore, fixed-pie perceptions mediated the effects of culture, group membership, and accountability on joint gain.

Figure 4.11 summarizes all of the findings in Study 1 reported above.

The results at the dyadic level are neat, but at the expense of ignoring the variances within dyads. Since negotiation is a social dynamics and interactive process, it would be interesting to explore the within-dyad dynamics using advanced statistical tools.

Relations at the Individual Level

The analysis at the dyadic level showed that relationship frame was positively related to relationship-based tactics and relational capital. Since relationship frame, relationship-based tactics, and relational capital were all measured at the individual level, a more fine-grained question would be: did a focal negotiator's *own* relationship frame affct her own negotiation behavior or outcomes, or did her *partner's* relationship frame influence the focal negotiator's negotiation behavior or outcomes, or did both of them have impacts?

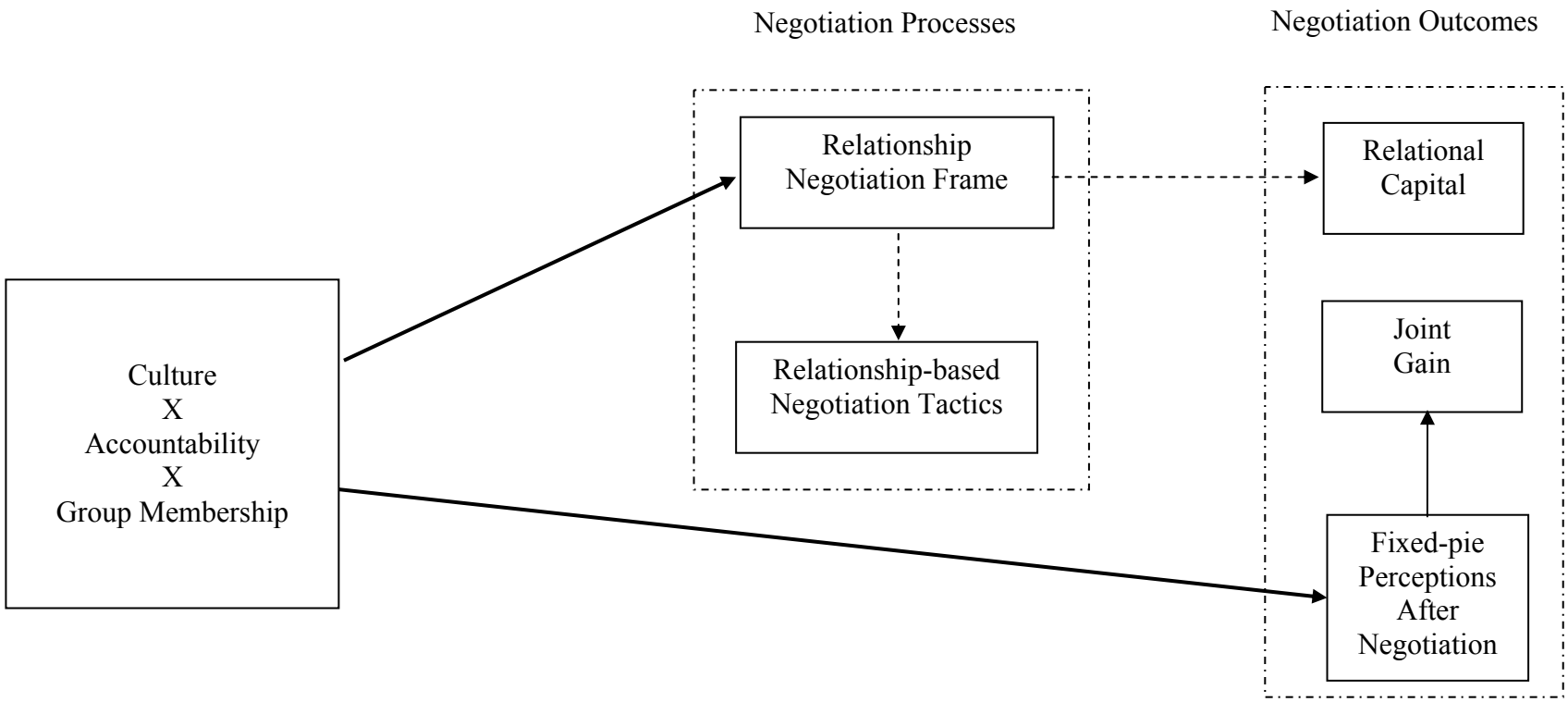


FIGURE 4.11
Summary of Findings in Study 1[1]

Note: 1. The solid lines represent the effects of the three-way interaction (culture X accountability X group membership) on dependent variables (or mediator), while the dashed lines represent the relations between dependent variables.

One statistical challenge to answer this question is that the dependent variables (relationship-based tactics and relational capital) were interdependent within dyads (see Treatment of Data). Thus, to run ordinary regressions may violate the assumption that observations are independent. Fortunately, scholars suggest that Hierarchical Linear Model (HLM) is helpful in solving this problem (e.g., Kashy & Kenney, 2000). HLM allows the existence of variance at the dyadic level, so that the individual level correlations can be accurately estimated. I constructed three Hierarchical Linear Models, with negotiators' relationship-based tactics, fixed-pie perceptions after negotiation, and relational capital at the individual level as the dependent variable respectively. For all of these models, a negotiator's own relationship frame and her negotiation partner's relationship frame were the individual-level predicting variables. Table 4.10 shows the results.

The first column shows the results for relationship-based tactics, which suggests that a negotiator's own relationship frame was marginally and positively related to her own relationship-based tactics during negotiation ($t(225)=1.52$, $p<.10$), and her partner's relationship frame was significantly and positively related to the focal negotiator's relationship-based tactics ($t(225=2.57$, $p<.01$). Therefore, the data showed that both a negotiator's own and her negotiation partner's relationship frame were positively related to one's relationship-based tactics during negotiation.

TABLE 4.10
HLM Results for the Effects of Relationship Frame
on Relationship-based tactics, Fixed-pie perceptions After Negotiation, and Relational Capital (Study 1)

		Own Relationship-Based Tactics			Fixed-pie Perceptions After negotiation			Relational Capital		
		Null	Raw Coefficient	t-value	Null	Raw Coefficient	t-value	Null	Raw Coefficient	t-value
Individual Level										
	Own Relationship Frame		0.11†	1.52		-66.32	-0.14		0.24**	2.76
	Partner's Relationship Frame		0.18*	2.57		-323.74	-0.7		0.29**	3.38
	Individual Level Variance	0.51	0.49		2.27E+07	2.29E+07		0.8	0.79	
Dyadic Level										
	Joint Gain								0.0002**	2.47
	Gain Difference								-0.0003**	-4.27
	Dyad-level Variance	0.26	0.24		1.07E+07	1.08E+07		0.47	.24	

† p<.10 * p<.05 **p<.01 one-tailed. At the individual level, n=226; at the dyadic level, n=113.

In another HLM, fixed pie perceptions after negotiationwas the dependent variable (see the second column of Table 4.10). However, neither the focal negotiator's relationship frame (t(225)=-.14, n.s.) nor the other party's relationship frame (t(225)=-.70, n.s.) had significant effects on fixed-pie perceptions. It seems that the way relationship frame influences fixed-pie perceptions is more complicated than expected. For example, some scholars argue that the distance of relationship orientations between two negotiators may influence negotiation dynamics (e.g., Gelfand et al., 2006). Future research should examine in that direction.

The third HLM was conducted with relational capital as the dependent variable (joint gain and gain difference were controlled at the dyadic level, see the results on the third column of Table 4.10). We can learn that both the focal negotiator's relationship frame (t(225)=2.76, p<.01) and the other party's relationship frame (t(225)=3.38, p<.01) had positive effects on the focal negotiator's subjective evaluation of relationship.

Content Anlysis of the Chinese Negotiation

All the negotiation simulations were audio-taped. Due to the financial and time limits, only those of the Chinese sample were transcribed and analyzed. College students in China were recruited to transcribe the 60 negotiation audio clips of the Chinese sample. Because of bad recording quality in a few cases, only 54 clips were finally transcribed. Transcripts captured the words that were spoken, but not nonverbal features, pauses, or overlaps.

To develop a coding manual for content analysis of negotiation strategies, I randomly chose four manuscripts, coded them, and compared my coding schemes with existing coding manuals (i.e., Adair et al., 2001; Moore et al., 1999; Weingart, Olekalns,

& Smith, 2004). Eight categories were identified, including distributive negotiation behavior, integrative negotiation behavior, soft tactics, hard tactics, haggling, substantiation, summarizing, reaction, questions, and procedural comments (see Table 4.11 for definitions, sub-categories, and examples).

I trained two Chinese college students to conduct content analysis on a weekly basis for about two months. I asked them to independently code the four manuscripts that I used to develop the coding manual, and then discussed with them code by code. During the discussion, I revised the manual to clarify definitions or to capture new categories. When I believed that the two coders had mastered the coding manual, I randomly chose three new manuscripts, and asked the two coders to perform the coding independently.

Coding was completed in two steps: (1) coders identified the coding units in each manuscript (i.e., unitizing); and then (2) coders categorized each coding unit into one of the coding categories (i.e., categorizing). Guetzkow's (1950) U[3], an index of the disagreement in unitizing, was .01. According to Folger, Hews, and Poole (1984), U scores below .10 indicates satisfactory agreement, so the interrater agreement on unitizing was very high. The interrater agreements on categorizing were calculated for each coding category, with Cohen's Kappa varying from .91 to .96. Disagreements about unitizing and categorizing were resolved through further discussion.

[3] $U=(O_1-O_2)/(O_1+O_2)$, where O_1 represents the number of units that the first coders reports, and O_2 represents the number of units that the second coder reports (Guetzkow, 1950: p55).

TABLE 4.11
Codes for Chinese Negotiation (Study 1)

General Category	Sub Category	Definition	Examples
Distributive Negotiation Behavior	Single-issue Offer	secure agreement on one issue	"How about choosing 180 g/m2 for the paper quality?"
	Preferences about a Single Issue	Provide issue preferences within a single issue	"I want as many copies as possible."
	Questions about a Single Issue	Ask for preferences within a single issue	"How many color pages do you want?"
Integrative Negotiation Behavior	Multi-issue Offer	secure agreement on two or more issues	"Twenty thousand copies and two color pages?"
	Priorities about Multiple Issues	Provide priorities or relative importance of issue(s)	"Among the four issues, billing date is the most important issue for us."
	Questions about Multi-issues	Ask for priorities or relative importance of issue(s)	"Given 180g/m2 paper quality, how many copies you could print for us?"
Soft Tactics	Relation-Building	Search for commonalities or similarities between two parties, such as common experience, traits, identities	"We are from the same company."
	Positive Emotion	Express positive attitudes	"I wish we could successfully corporate with each other."

	Sympathizing	Express sympathy toward the other party, or try to obtain the other party's sympathy	"I know this condition is very difficult for you."
	Compromising	Take the middle point to solve differences	"Let both of us step backward a little bit."
	Resolution Proposal	Propose negotiation strategies	"I wish you could give in on issues which are less important to you, but more important to us."
Hard Tactics	Threats	Threat to quit negotiation, or to collaborate with a third-party	"If you cannot accept this offer, I have to quit this negotiation."
	Distancing	Emphasize dissimilarities between two parties	"We are from two very different companies."
	Blaming	Directly blame the other party's suggestions, positions, or attitudes	"I doubt the honesty of your company."
Haggling	Deny other's suggestion	Directly deny the other party's offer, suggestions, or proposals	"We can never accept such an offer."
	Stay Firm	Resist to change own offer or proposals	"I cannot give in any more on this issue."
	Weaken other's positioning	Weaken the other party's offers, suggestions, or proposals	"You can make it because one and two color pages do not make any different to you."

Substantiation	Substantiation	Defend arguments, argue position on issues	"General Technology is the biggest client of our company."
Summarizing	Summarizing the other party's preferences	Summarize the other party's preferences or positions	"You mentioned that you need as many copies as possible."
Reaction	Positive Reaction	Agree	"Yes."
	Negative Reaction	Disagree	"No, of course not."
Questions			
	Questions about Bottom Line of a Single Issue	Ask for bottom line within a single issue or package	"What is your bottom line for the billing date?"
	Questions about Substantiation	Question or clarification of argument presented	"Why do you need so many copies for this exhibition?"
	Other Questions	Other questions	"Did you say you need two color pages?"
Procedural Comments	Procedural Suggestions	Comments regarding procedures to be used in negotiation	"Let's move on to the next issue."
	Time Check	Comments regarding time	"How many minutes do we have now?"

I focused on five negotiation behaviors: distributive negotiation behavior refers to information seeking, information revealing, and inquires about *single* issues; integrative negotiation behavior refers to information seeking, information revealing, and inquiries about *multiple* issues; soft tactics focus on building relations, expressing positive emotions, and sympathizing the other party's needs; hard tactics include threatening, distancing from, or blaming the other party; and haggling refers to directly denying the other party's suggestions, weakening the other party's positions, or resisting to change one's own positions. Since negotiation behaviors were highly interdependent within dyads, negotiation behavior was thus analyzed at the dyadic level (e.g., Adair et al., 2001). In addition, since the total number of tactics varied across dyads, the counts of each category were divided by the total number of tactics for each dyad (e.g., Ben-Yoav & Pruitt, 1984b). Table 4.12 shows the correlations between the percentages of each category and the key variables in this study.

As Table 4.12 illustrates, relationship frame was marginally and negatively related to distributive behavior ($r=-.18$, $p<.10$), and it was significantly and negatively related to integrative behavior ($r=-.24$, $p<.05$). In other words, if a negotiation dyad had a higher relationship frame, the dyad spent less time on either distributing or integrating economic gains. Relationship frame was significantly and positively related to soft tactics ($r=.30$, $p<.01$), and it was significantly and negatively related to hard tactics ($r=-.24$, $p<.05$). Thus, having a high level of relationship frame encouraged the use of soft tactics during negotiation, but discouraged the use of hard tactics.

TABLE 4.12
Correlation Coefficients between Negotation Behaviors and Key Variables (Chinese Sample, Study 1)

Variables[1]	1	2	3	4	5	6	7	8	9	10	11	12
1. Ingroup	—											
2. Accountability	-0.05	—										
3. Relationship Frame	0.40**	0.22*	—									
4. Relationship Tactics	0.30**	0.08	0.30**	—								
5. Fixed-pie Perceptions PN	0.12	-0.20†	0.05	-0.04	—							
6. Joint Gain	0.06	-0.12	0.00	-0.18†	0.63**	—						
7. Relational Capital	0.44**	0.12	0.55**	0.30**	0.24*	0.11	—					
8. Distributive Behavior	-0.27*	-0.01	-0.18†	-0.34**	-0.19†	-0.31**	-0.14	—				
9. Integrative Behavior	-0.24*	0.04	-0.24*	-0.29*	0.35**	0.51**	-0.03	-0.13	—			
10. Soft Tactics	-0.07	0.30**	0.25*	0.14	0.16	0.20†	0.08	-0.16	0.15	—		
11. Hard Tactics	-0.25*	-0.05	-0.24*	-0.29*	-0.07	0.20†	-0.47**	-0.15	0.10	0.20†	—	
12. Haggling	-0.26*	0.29*	-0.09	-0.12	-0.08	-0.05	-0.16	-0.21†	0.19†	0.12	0.36**	

† p<.10 * p<.05 **p<.01 one-tailed

1. All variables are at the dyadic level. "Fixed-pie perceptions PN" refers to Fixed-pie perceptions post negotiation. N=54.

Relationship-based tactics showed similar patterns as relationship frame. It was significantly and negatively related to distributive behavior ($r=-.34$, $p<.01$), integrative behavior ($r=-.29$, $p<.05$), and hard tactics ($r=-.29$, $p<.05$). Unexpectedly, the correlation between relationship-based tactics and soft tactics was not significant, although it was positive ($r=.14$, n.s.).

Scholars have proposed that fixed-pie perceptions are modified if negotiators focus on integrating interests rather than on distributing interests (Thompson and Hastie, 1990). As expected, fixed-pie perceptions (recall that the higher the number, the less fixed-pie perceptions) were negatively related to distributive behavior ($r=-.19$, $p<.10$), but positively related to integrative behavior ($r=.35$, $p<.01$). Not surprisingly, joint gain was negatively related to distributive behavior ($r=-.31$, $p<.01$), but positively related to integrative behavior ($r=.51$, $p<.01$). Table 4.12 also shows that relational capital was negatively and significantly related to hard tactics ($r=-.47$, $p<.01$).

I also conducted several variance analyses to examine how negotiation conditions (i.e., accountability and group membership) influenced negotiation behaviors. Table 4.13 shows the ANOVA results for each negotiation tactics. First, group membership influenced distributive behavior ($F(1, 50)=3.89$, $p<.05$, $\eta^2=.07$). Specifically, Chinese dyads in the outgroup conditions showed more distributive behavior (mean=.16) than those in the ingroup conditions (mean=.13, $t(52)=1.99$, $p<.05$). Second, group membership also influenced integrative behavior ($F(1, 50)=3.00$, $p<.05$, $\eta^2=.06$). Chinese dyads in the outgroup conditions showed more distributive behavior (mean=.13) than those in the ingroup conditions (mean=.10, $t(52)=1.79$, $p<.05$).

TABLE 4.13
ANOVA Results for the Effects of Accountability and Group Membership on Negotiation Tactics (Chinese Sample, Study 1)

Predictors	Distributive Behavior		Integrative Behavior	
	F (1,50)	η^2	F (1,50)	η^2
Main Effects				
Accountability	0.08	0.002	0.01	0.000
Ingroup	3.89*	0.072	3.00*	0.057
Two-Way Interaction				
Accountability X Ingroup	0.13	0.002	0.20	0.004
R^2	0.07		0.06	
N	54		54	

† p<.10 * p<.05 **p<.01 one-tailed

In addition, accountability had a significant effect on soft tactics ($F(1, 50)=5.00$, $p<.01$, $\eta^2=.09$), with those in the high accountability conditions (mean=.09) using more soft tactics than those in the low accountability conditions (mean=.06, $t(52)=2.30$, $p<.05$). Further, group membership had a significant effect on hard tactics ($F(1, 50)=3.55$, $p<.05$, $\eta^2=.07$). In particular, Chinese dyads in the ingroup conditions (mean=.09) used less hard tactics than those in the outgroup conditions (mean=.17, $t(52)=1.86$, $p<.05$). Last, both accountability and group membership significantly influenced the use of haggling for Chinese dyads (accountability, $F(1, 50)=4.17$, $p<.05$, $\eta^2=.08$; group membership, $F(1, 50)=3.02$, $p<.05$, $\eta^2=.06$). Specifically, Chinese dyads in the high accountability conditions (mean=.09) used more haggling tactics than those in the low accountability conditions (mean=.06, $t(52)=.2.22$, $p<.05$). Chinese dyads in the ingroup conditions (mean=.06) used less haggling tactics than those in the outgroup conditions (mean=.09, $t(52)=1.93$, $p<.05$).

Discussion

Study 1 showed that cultural differences in negotiation can be intensified or attenuated by both accountability and group membership in negotiation. Specifically, there are three-way interaction effects between culture, accountability, and group membership on three dependent variables: relationship frame, fixed-pie perceptions after negotiation, and joint gain.

In terms of relationship negotiation frame, my predictions were generally supported by the data. Chinese negotiators on average had a higher level of relationship frame than American negotiators (Hypothesis 1a), which seems to be concordant with the

traditional trait/entity view of culture. But such a main effect of culture was marginal (p=.09), and it was moderated by both accountability (Hypothesis 2a) and the group membership of the other party (Hypothesis 3a). Chinese negotiators had a higher level of relationship frame than American negotiators did only under high accountability conditions, and there was no cross-cultural difference under low accountability conditions. Such a finding is consistent with the dynamic constructivist view of culture, which argues that accountability motivates people to use the culturally accessible knowledge, thus intensifying cross-cultural differences (Chiu et al., 2000). Also, Chinese negotiators had a higher level of relationship frame only when the other party was an ingroup member, and there was no cross-cultural difference when the party was an outgroup member. This finding, again, lends support to the dynamic constructivist view of culture, which proposes that people will use culturally accessible knowledge only when the knowledge is applicable to the social context (Wong & Hong, 2005). Last, there was a significant three-way interaction between culture, accountability, and group membership on relationship frame (Hypothesis 4a). Further analysis showed that it was only in the high accountability/ingroup condition that Chinese negotiators had a higher level of relationship frame than did American negotiators. Interestingly, it appears that American negotiators had a higher level of relationship frame than did Chinese negotiators only in the low accountability/outgroup condition.

Findings on fixed-pie perceptions are consistent with my predictions as well. In the high accountability/ingroup condition, Chinese negotiation dyads had more fixed-pie perceptions after negotiation than American dyads (Hypothesis 5b). But there was no difference in other conditions (Hypothesis 5a & 5b).

Consonant with the findings about relationship frame and fixed-pie perceptions, results for joint gain also indicated a significant three-way interaction effect between culture, accountability, and group membership, suggestingthat Chinese negotiation dyads achieved lower joint gain than American dyads only in the high accountability/ingroup condition (Hypothesis 6b), but not in any other conditions (Hypothesis 6a & 6b).

With regard to relationship-based tactics, the strong main effect of culture indicates that Chinese negotiation dyads used these tactics more than American dyads did (Hypothesis 1b). However, accountability moderated this main effect of culture, such that cross-cultural differences were greater under high accountability condition than under low accountability conditions (Hypothesis 2b).

Two hypotheses about relational capital (Hypothesis 7a and 7b) were not supported by the data. I proposed that Chinese dyads would have more relational capital than would American dyads only in the high accountability/ingroup condition, but not in other conditions. Rather, there was no three-way interaction effect on this dependent variable. The results indicated that (1) when negotiating with an ingroup member, Chinese dyads reported similar relational capital as American dyads did, but (2) when negotiating with an outgroup member, Chinese dyads reported less relational capital than American dyads did. A follow-up analysis on the change of the ratings of negotiation showed that American negotiators significantly improved evaluations of negotiation after negotiation, no matter whether the other party was an ingroup member or an outgroup member. This finding is consistent with Thompson's (1993) results, confirming that the intergroup contact hypothesis worked for Americans (Pettigrew, 1986; Sherif et al., 1961). However, such a hypothesis did not apply to Chinese negotiators: when they negotiated

with an ingroup member, their evaluations did not change; and when they negotiated with an outgroup member, their evaluations even worsened. In addition, Chinese negotiators always had higher ratings of ingroup members than of outgroup members, no matter before or after negotiation. It seems that the boundary demarcating ingroup from outgroup members was more strict for the Chinese than for Americans.

There were some interesting correlations between dependent variables. For example, relationship frame was positively related to both relationship-based tactics, and relational capital at the dyadic level. It is not hard to imagine that a negotiator with a high level of relationship frame was likely to use relationship-based tactics during negotiation. Also, a high level of relationship frame contributed to the accumulation of relational capital after negotiation.

In addition, fixed-pie perceptions after negotiation fully mediated the impacts of culture, accountability, and group membership on joint gain. That is, the interaction of culture, accountability, and group membership influenced fixed-pie perceptions, which in turn influenced joint gain. The less fixed-pie perceptions a negotiation dyad had, the more joint gain the dyad could achieve.

Furthermore, both a negotiator's own and her negotiation partner's relationship frame were positively related to the negotiator's relationship-based tactics. Last, both a negotiator's own and her negotiation partner's relationship frame were positively related to the negotiator's relational capital.

In summary, Study 1 provides important evidence supporting the dynamic constructivist view of culture. However, it is only an intra-cultural comparative study. It is both practically and theoretically important to extend it to an intercultural study.

Study 2—Intercultural vs. Intracultural Negotiation

The purpose of Study 2 is to extend Study 1, an intracultural comparative study, to an intercultural study. Unlike Study 1, in which group membership was manipulated by using a modified minimal intergroup method, Study 2 set up intergroup boundaries by priming one's culture identity, a naturally-occurring social category. Previous research suggest that in intercultural interactions, salient cultural identity make people view those from other cultures as outgroup members (Alder & Graham, 1989; Brannen & Salk, 2000; Earley & Mosakowski, 2000). It is reasonable to believe that people would be more likely to regard a person sharing the same cultural background, rather than a person with a different cultural background, as an ingroup member.

Design and participants

The design was a 3 X 2 factorial, with condition (Chinese-Chinese, American-American, and Chinese-American) and accountability (high vs. low) as between-dyad factors. Dependent variables include relationship negotiation frame, relationship-based negotiation tactics, fixed-pie perceptions, joint gain, and relational capital. I invited 168 graduate students to participate in Study 2. Fifty-eight were Chinese graduate students from Sun Yat-Sen University, and 110 were graduate students from Vanderbilt University (31 were Chinese, and 79 were Americans). The response rate was 100%.

Negotiation Task

The negotiation task was adapted from Study 1. In the scenario, an electronics company and an advertising company needed to sign a brochure-printing contract, which

included four issues: paper quality, number of copies, number of pages with color, and billing date. As in Study 1, in this negotiation task two issues (i.e., paper quality and number of color pages) were distributive issues whereas another two (i.e., number of copies and billing date) were integrative issues.

Manipulations

Manipulation of Accountability

Study 2 used the same method as Study 1 to manipulate accountability. That is, participants in the high accountability conditions were required to write a report to their "managers" after negotiation, and they were told that their managers had the power to allocate rewards. By contrast, participants in the low accountability did not to write a report, and they were told that the negotiation process and outcome were confidential.

Manipulation of Group Membership

Unlike Study 1, which employed a modified minimal group paradigm to manipulate group membership, Study 2 manipulated group membership by highlighting one's cultural background. Two procedures were combined in this study to serve this purpose. First of all, before reading negotiation materials, participants accomplished two cultural identity priming tasks. The first task was to read an essay that discussed the dietary differences between the Chinese and Americans (see Appendix D). In this essay, the word "Chinese" appeared for 13 times, and the word "American" appeared for 13 times. Chinese participants were asked to circle the word "Chinese" in the essay, whereas American participants were asked to circle the word "American" in the essay. Such a priming technique presumably made participants' cultural identity salient (cf.

Brewer & Gardner, 1996; Gardner, Gabriel, & Lee, 1999). To further strengthen one's cultural identity, each participant wrote a short essay about a recent personal experience that made the participant proud of his/her own culture.

Furthermore, the distinction between ingroup and outgroup was highlighted in the negotiation scenarios. In the ingroup negotiation conditions (intracultural negotiation), negotiation scenarios said that negotiators met their negotiation partners in a foreign territory. For example, negotiators in the Chinese-Chinese condition were told that they met each other in the United States; while negotiators in the American-American condition were told that they met each other in China. Previous research suggests that two strangers from the same country may regard each other as ingroup members when they meet in a foreign country (Chen & Li, 2005). Therefore, such information would presumably increase participants' feeling of ingroupness. In the outgroup condition (intercultural negotiation), by contrast, half of the dyads were told that they met each other in the United States, and the other half of the dyads were told that they met each other in China.

Procedure

Participants were invited to the lab in groups of four people. In the intracultural conditions (Chinese-Chinese and American-American), 4 participants were from the same culture; while in the intercultural condition (Chinese-American), 2 participants were from the Chinese culture and the other 2 were from the American culture. Figure 4.12 and Figure 4.13 show the experimental procedures and the logistical arrangements in Study 2 respectively.

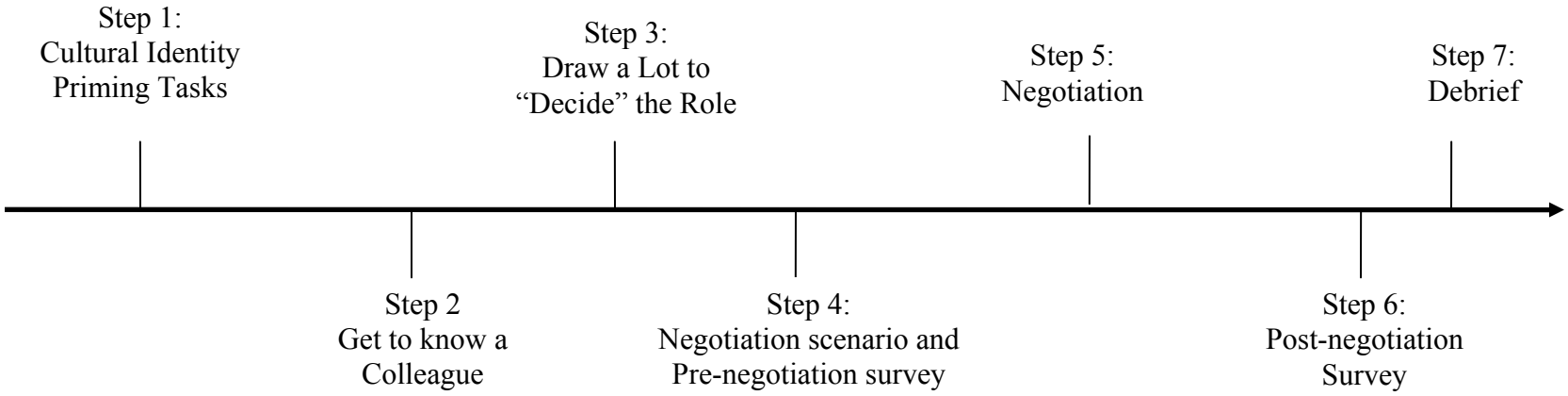
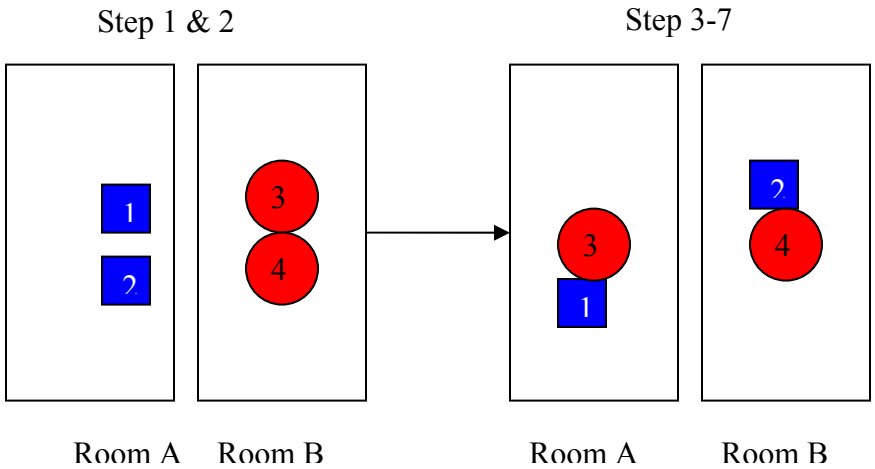


FIGURE 4.12
Procedures in Study 2



Logistic Arrangement:
Step 1 & 2: 4 participants are seated in two different rooms, with 2 persons assigned working in one company and the other 2 working in the other company.
Step 3-7: Participants were separated from their colleagues, and then paired with their negotiation partners, who were from the other company.

FIGURE 4.13
Logistical Arrangements in Study 2

Step 1. Upon arrival at the laboratory, four participants first worked on two cultural identity priming tasks (i.e., read the dietary difference essay and wrote a culture reflection essay).

Step 2. Participants were assigned into two teams with two persons in each team. Each team was sent to two separated rooms, and the two team members on each team spent 5 minutes getting to know each other. (Notice that in the intercultural negotiations, the two persons in each team were from the same culture.)

Step 3. Further instructions told each two-person team that there would be a negotiation task, and that each member needed to participate in a drawing to decide the further role in the following negotiation task (as a negotiation representative or as a manager). The experimenter then organized participants to draw the lot. The drawing itself did not directly tell participants the role, but only a number: either number "1" or number "2". If participants drew lot number "1," they were told to stay at the original room, and if it was "2," they were sent to another room. Then group members were separated, and sent to different rooms, with their pens and company tags.

Step 4. Everyone then was given a negotiation package, containing a negotiation scenario and a pre-negotiation survey. The instructions told every participant that s/he was assigned as the representative while the other member in the team was assigned as the manager. In fact, everyone was assigned as a negotiation representative.

In the intracultural negotiation condition, the scenario specified that the negotiation took place in a foreign country where two companies from the same country met and negotiated. For example, participants in the Chinese intracultural negotiation condition (Chinese-Chinese) were informed that they represented a Chinese company,

and the negotiation was in the United States. In contrast, in the intercultural negotiation condition (Chinese-American), the location of negotiation was randomly specified as either in China or in the United States.

Participants in the high accountability conditions were told that they need to write a report to their managers after negotiation, and their managers would allocate the points they got from negotiation based on the report; whereas participants in the low accountability conditions were told that they would negotiation on their own, and the negotiation process and outcome would be confidential.

After reading the scenario, participants filled out a pre-negotiation survey, which included measures of manipulation check, relationship frame, fixed-pie perceptions before negotiation, expectations of negotiation atmosphere, and expectations of the other party.

Step 5. Negotiation started immediately after participants finished the pre-negotiation survey. Each pair was given 30 minutes to negotiate.

Step 6. After finishing negotiation, participants filled out a post-negotiation survey, which included measures of relationship-based tactics, fixed-pie perceptions after negotiation, relational capital, evaluation of negotiation atmosphere, evaluation of the other party, allocentrism (Triandis, 1994), and Schwartz's (1992) cultural value scales.

Step 7. Lastly, they were debriefed, and everyone received monetary rewards ($5 for participants in China, $20-$25 for participants in the U.S.).

Measures

All dependent variables and cultural value scales (i.e., relationship negotiation frame, relationship-based tactics, fixed-pie perceptions, joint gain and relational capital) were measured in the same way as in Study 1. In terms of reliability, both relationship negotiation frame and relational capital worked well for each sub-sample (see Table 4.14 for details), but the scale of relationship-based tactics did not achieve satisfactory reliability for the Chinese subsample in the intercultural negotiation condition (Cronbach's alpha=.34).

Data Analysis and Results

Final Sample and Characteristics

Three pairs who did not finish negotiation within the time limit were excluded from further analyses. Therefore, the final sample size in Study 2 was 162. Table 4.15 shows the number of participants in each condition. Among the 162 participants, 56.2% were females (63.1% of the Chinese sample, while 48.7% of the American sample); Chinese participants (mean age=25.15 years, s.d.=2.04) were slightly younger than American participants (mean age=27.77 years, s.d.=4.60, $t(158)=4.63$, $p<.01$).

In order to make sure that participants in this study were representative of their own cultures, I compared several cultural values between the Chinese and American sub-sample (see Table 4.16 for comparison results). Similar to findings in Study 1, the Chinese sample had higher level of allocentrism, and placed more value on power, conformity, and security, but placed less value on benevolence than the American sample did.

TABLE 4.14
Reliability of Measures in Study 2 (Cronbach's Alpha)

	Chinese in Ch-Ch	Chinese in Ch-Am	American in Ch-Am	American in Am-Am
Relationship Negotiation Frame	0.74	0.76	0.77	0.84
Relationship-based Tactics	0.65	0.34	0.67	0.63
Relational Capital	0.83	0.90	0.88	0.93

TABLE 4.15
Number of Participants in Each Condition in Study 2

	Condition		
	Chinese-Chinese	**Chinese-American**	**American-American**
Low Accountability	n=30	n=28	n=24
High Accountability	n=24	n=32	n=24

TABLE 4.16
Comparison of Individual-Level Cultural Values in Study 2

	American (N = 78)		Chinese (N = 83)		t value of mean difference	p value of mean difference
	Mean	Cronbach's α	Mean	Cronbach's α		
Allocentrism	6.05	.74	6.36	.79	-2.15	<.05
Power	3.38	.75	3.99	.51	-3.86	<.01
Conformity	4.37	.65	4.96	.60	-3.56	<.01
Security	4.76	.76	5.10	.58	-2.50	<.01
Stimulation	4.26	.53	4.28	.58	.10	n.s.
Benevolence	5.40	.76	5.17	.69	1.76	<.10

All of these t-tests were significant at the .05 level, and all of the directions were consistent with the findings of past research (Schwartz, 1992; Triandis, 1994). One exception was stimulation, for which neither the Chinese nor the American sample showed satisfied reliability. In short, it is reasonable to believe that the Chinese sample and the American sample were representative of their own cultural groups.

Treatment of Data

As in Study 1, I checked the interdependence of the key dependent variables before further data analysis. The intra-class correlations (ICC(1)) suggested that relationship negotiation frame (ICC(1)=.10, F(80, 80)=.82, p>.80), fixed-pie perceptions before negotiation (ICC(1)=.03, F(80, 71)=.96, p>.60), and relationship-based tactics (ICC(1)=.07, F(80, 80)=1.149, p>.20) were independent at the dyadic level, whereas fixed-pie perceptions after negotiation (ICC(1)=.34, F(80, 79)=2.04, p<.01), and relational capital (ICC(1)=.32, F(80, 81=1.96, p<.01) were non-independent at the dyadic level. So in the following, relationship negotiation frame, fixed-pie perceptions before negotiation, and relationship-based tactics were analyzed at the individual level, whereas fixed-pie perception after negotiation and relational capital were aggregated and analyzed at the dyadic level.

Manipulation Checks

To make sure that the manipulations of cultural identity and accountability were sucessful, I asked several manipulation check questions in the pre-negotiation survey.

Four manipulation check questions of accountability were the same as those used in Study 1. A 4 (Condition 1[4]: Chinese in the Chinese-Chinese negotiation, Chinese in the Chinese-American negotiation, Americans in the Chinese-American negotiation, and Americans in the American-American negotiation) X 2 (high and low accountability) ANOVA on this rating suggested a strong main effect of accountability, $F(1, 153)=141.65$, $p<.001$, $\eta^2=.48$ (see Figure 4.14 for the results). As expected, participants in the high accountability conditions (Mean=5.01) felt more accountable than those in the low accountability conditions did (Mean=2.92). Figure 4.14 shows the results of manipulation check of accountability.

Manipulation check of group membership included one item: I will negotiate with an ingroup member. Participants answered this question in the pre-negotiation survey on 6-point scales with 1=strongly disagree, and 6=strongly agree. Rating on this question was submitted to a 4X2 (Condition 1 X Accountability) ANOVA. The results showed that condition had a significant effect on this item, $F(1, 152)=38.91$, $p<.001$, $\eta^2=.43$(Figure 4.15 showed the results). Chinese participants in the intra-cultural negotiations felt the other party more as an ingroup member (Mean=3.43) than did those in the inter-cultural negotiations (Mean=2.38, $t(81)=3.53$, $p<.01$). In the similar manner, American participants in the intra-cultural negotiations felt the other party more as an ingroup member (Mean=5.35) than did those in the intercultural negotiations (Mean=4.59, $t(75)=2.63$, $p<.01$).

[4] "Condition 1" and "Condition" are different. "Condition 1", which refers to conditions at the individual level, has 4 levels (Chinese in the Chinese-Chinese negotiation, Chinese in the Chinese-American negotiation, Americans in the Chinese-American negotiation, and Americans in the American-American negotiation; by contrast, "Condition", which refers to conditions at the dyadic level, has 3 levels (Chinese-Chinese intracultural negotiation, Chinese-American intercultural negotiation, and American-American intracultural negotiation.

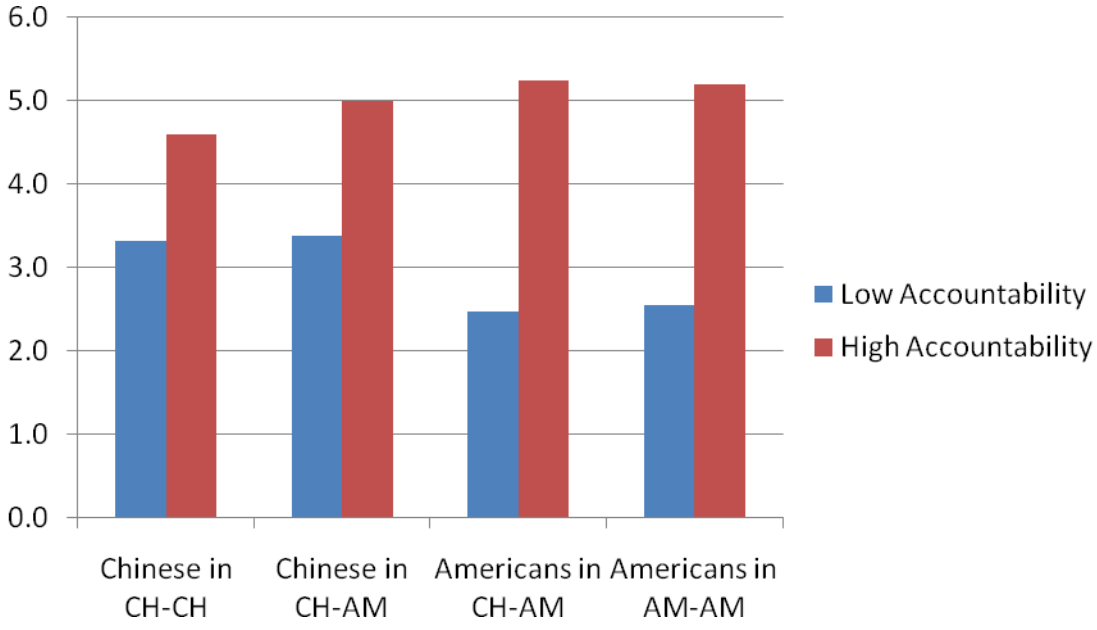


FIGURE 4.14
Manipulation Check of Accountability (Study 2)

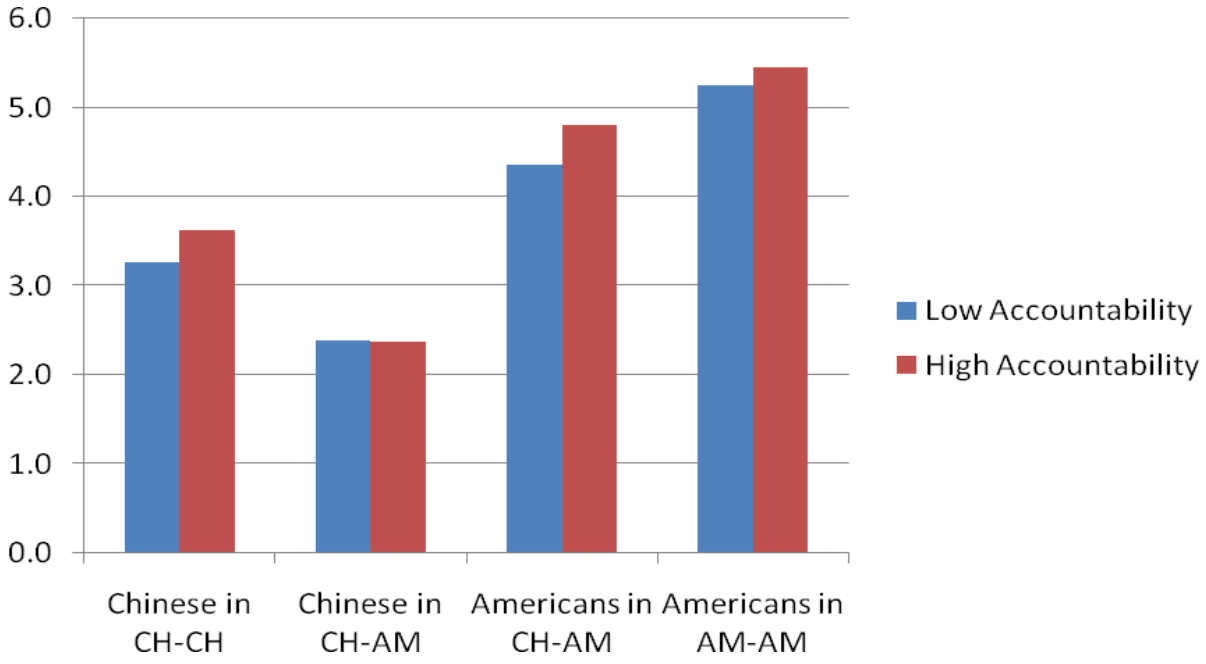


FIGURE 4.15
Manipulation Check of Group Membership (Study 2)

However, Chinese participants in the intra-cultural negotiations regarded the other party less as an ingroup member (Mean=3.43) than did American participants in the intra-cultural negotiations (Mean=5.35, $t(100)=9.35$, $p<.01$). In addition, Chinese participants in the inter-cultural negotiations regarded the other party less as an ingroup member (Mean=2.38) than did American participants in the inter-cultural negotiations (Mean=4.59, $t(56)=5.28$, $p<.01$). Generally speaking, the manipulation of group membership did not work very well with the Chinese participants in the Chinese-Chinese condition and with the American participants in the Chinese-American condition.

Relationship Negotiation Frame

Hypothesis 1a predicts that in general Chinese negotiators would have a higher level of relationship negotiation frame than would American negotiators. Further, Hypothesis 2a and Hypothesis 3a respectively suggest that accountability and negotiating with an ingroup member would intensify such a cross-cultural difference. Moreover, Hypothesis 4a predicts a three-way interaction effect between cultural, accountability, and group membership on relationship negotiation frame.

A 2 (culture: Chinese vs. American) X 2 (Intra- vs. Inter-cultural negotiation: equivalent to ingroup vs. outgroup negotiation) X 2 (Low vs. high accountability) ANOVA was conducted at the individual level (see Table 4.17 for results). There was a strong main effect of culture on relationship negotiation frame ($F(1, 153)=26.55$, $p<.01$, $\eta^2=.15$). Specifically, Chinese negotiators had a higher level of relationship frame (Mean=5.19) than American negotiators (Mean=4.62). Therefore, Hypothesis 1a was supported.

TABLE 4.17
ANOVA Results for the Effects of Culture, Accountability, and Group Membership on Relationship Negotiation Frame (Study 2)

Predictors	Relationship Negotiation Frame	
	F (1,153)	η^2
Main Effects		
Chinese	26.55**	0.148
Ingroup	1.99†	0.013
Accountability	3.64*	0.023
Two-Way Interactions		
Chinese X Ingroup	0.01	0.004
Chinese X Accountability	1.75†	0.011
Ingroup X Accountability	0.31	0.002
Three-Way Interaction		
Chinese X Ingroup X Accountability	0.24	0.002
R^2	0.20	
n	161	

† p<.10 * p<.05 **p<.01 one-tailed

The only significant interaction effect, however, was the marginal interaction effect between culture and accountability ($F(1, 153)=1.75$, $p<.10$, $\eta^2=.01$, see Figure 4.16). To pinpoint such a finding, I conducted two simple comparisons. When the accountability was low, Chinese negotiators (Mean=5.16) had a higher level of relationship frame than American negotiators (Mean=4.45), $t(79)=4.63$, $p<.01$. When the accountability was high, although Chinese negotiators (Mean=5.21) still had higher level of relationship frame than American negotiators (Mean=4.80, $t(78)=2.91$, $p<.01$), compared with the low accountability conditions such a cross-cultural difference decreased.

Exploring this finding from another angle, I conducted another two simple comparisons, finding that accountability did not significantly change Chinese negotiator's relationship frame ($t(81)=.61$, $p>.50$), but it significantly increased American negotiator's relationship frame ($t(76)=2.37$, $p<.05$). The results actually indicated a reversed finding from Hypothesis 2a. Therefore, Hypothesis 2a, 3a, and 4a were not supported. One explanation to these findings is that the manipulation of group membership did not work well with the Chinese participants in the Chinese-Chinese condition and with the American participants in the Chinese-American condition. In particular, American participants in the intra-cultural negotiations regarded the other party more as an ingroup member than did Chinese participants in the intra-cultural negotiations, and American participants in the intercultural negotiations also viewed the other party more as an ingroup member than did Chinese participants in the intercultural negotiations. As a consequence, accountability may intensify the use of relationship-based tactics only for the American participants, but not for the Chinese participants.

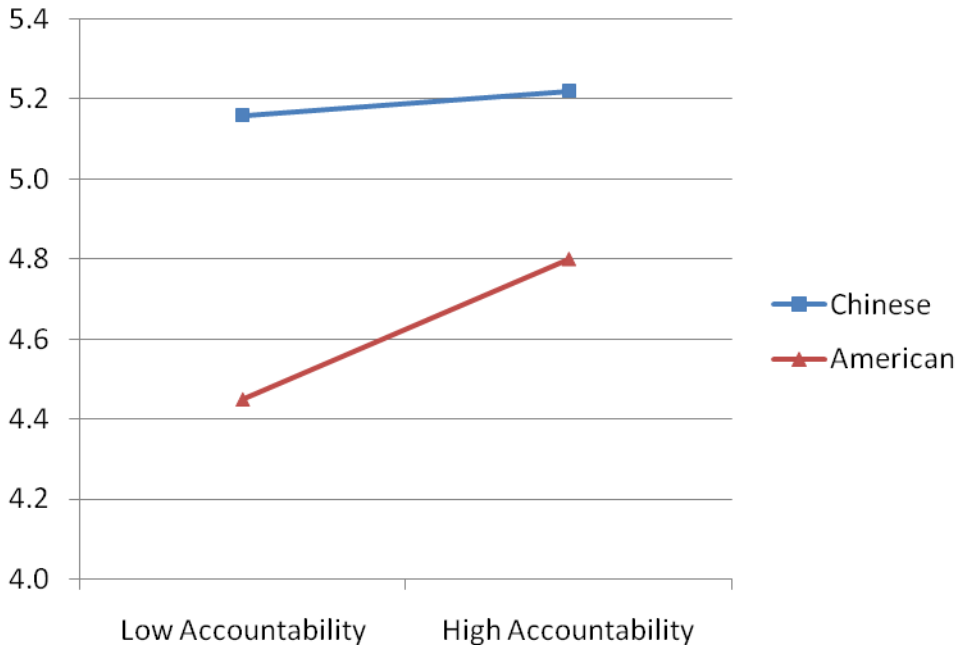


FIGURE 4.16
Culture X Accountability→ Relationship Frame (Study 2)

Since group identification may influence whether a person follows group norms (e.g., Jetten et al., 2002), I infer that: Chinese participants with high Chinese cultural identification regarded another Chinese more as an ingroup member, and thus were more likely to have a relationship frame than those with low Chinese cultural identification. In the pre-negotiation survey, I asked participants to evaluate "I strongly identify with Chinese culture" on a 6-point scale. I used this item as an index of Chinese cultural identification, and investigated whether Chinese cultural identification interacted with acccountabilily influencing relationship frame in the Chinese-Chinese condition. I split the Chinese sample in the Chinese-Chinese condition based on the mean of Chinese cultural identification, and then conducted a two-way ANOVA (Chinese cultural identification and accountability) on relationship frame. As expected, the results showed that: (1) for the Chinese with high Chinese cultural identification, participants in the high accountability conditions had a higher level of relationship frame (Mean=5.33) than did those in the low accountability conditions (Mean=5.02, $t(36)=1.60$, $p<.10$); and (2) for the Chinese with low Chinese cultural identification, participants in the high accountability conditions had a lower level of relationship frame (Mean=4.71) than did those in the low accountability conditions (Mean=5.21, $t(14)=1.63$, $p<.10$). Figure 4.17 illustrates the results.

Relationship-based Tactics

Given that relationship-based tactics did not achieve satisfactory reliability for the Chinese sub-sample in the intercultural (outgroup) condition (Cronbach's alpha=.37), the participants in the intercultural negotiations were excluded from further analysis for this variable.

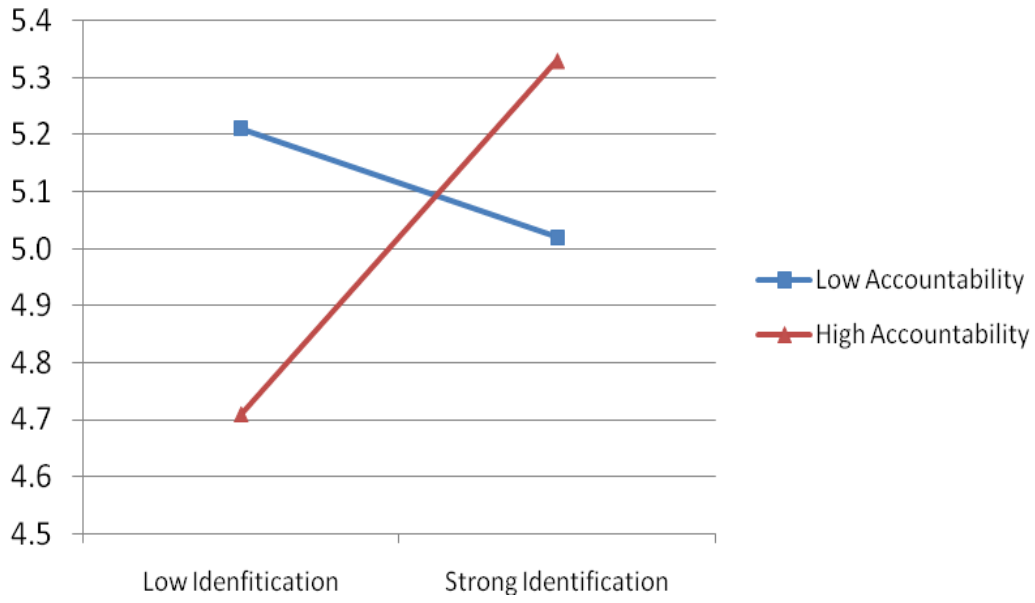


Figure 4.17
The Impact of Chinese Cultural Identification and Accountability on Relationship Frame in the Chinese-Chinese Condition

The individual score of relationship-based tactics was submitted to a 2X2 (Culture X Accountability) ANOVA for the intracultural negotiation sample (Chinese-Chinese and American-American). There was a very strong main effect of culture ($F(1, 87)=60.16$, $p<.001$, $\eta^2=.41$), with Chinese negotiators (Mean=3.89) using more relationship-based tactics than American negotiators (Mean=2.54). Therefore, Hypothesis 1b was supported.

There was also a marginal interaction effect between culture and accountability ($F(1, 87)=1.64$, $p=.10$, $\eta^2=.02$). As Figure 4.18 shows, under low accountability conditions Chinese negotiator (Mean=3.67) used more relationship-based tactics than American negotiators did (Mean=2.53, $t(47)=4.90$, $p<.01$), and under high accountability conditions, the Chinese-American difference was even larger (Chinese Mean=4.15, American Mean=2.56, $t(40)=5.96$, $p<.01$). Interpreting this finding in an alternative way, I found that Chinese negotiators used more relationship-based tactics under high accountability conditions than under low accountability conditions ($t(51)=2.24$, $p<.05$), whereas accountability did not influence American negotiators in using relationship-based tactics ($t(36)=.09$, $p>.90$). Therefore, Hypothesis 2b was marginally supported. However, Hypothesis 3b and 4b were not supported.

Fixed-pie Perceptions

Study 2 measured fixed-pie perceptions twice: once before negotiation and the other after negotiation. As in Study 1, in Study 2 none of the predictors or their interactions had any significant effects on the fixed-pie perceptions before negotiation.

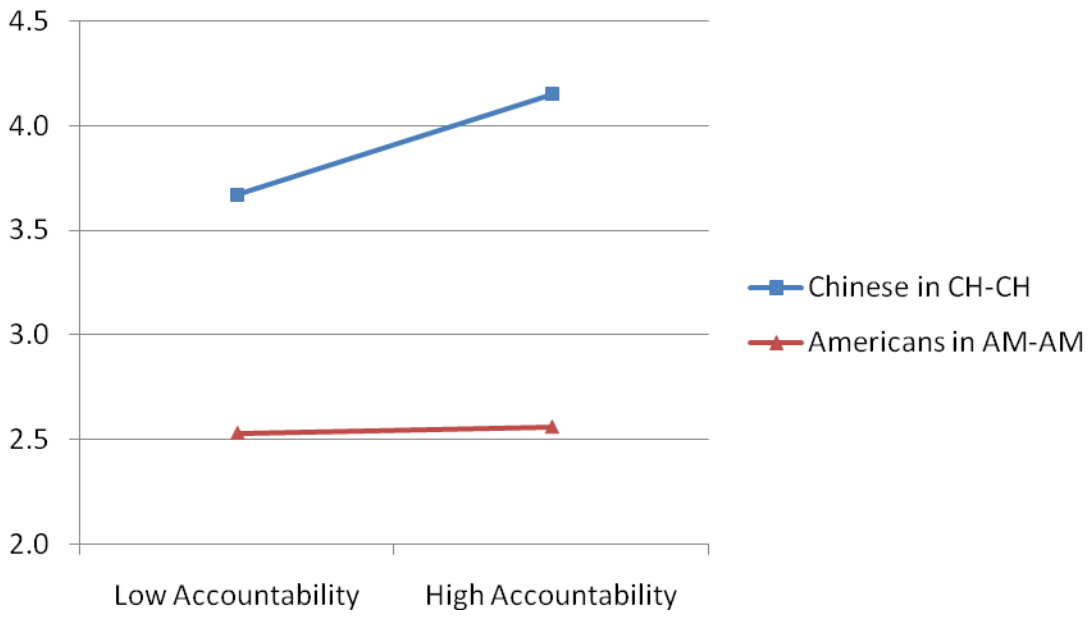


FIGURE 4.18
Condition X Accountability→Relationship-based Tactics (Study 2)

In terms of the fixed-pie perceptions after negotiation, Hypothesis 5a implies that there would be no difference on fixed-pie perceptions between Chinese and American negotiators in intercultural negotiations (Chinese-American condition), no matter whether the accountability is high or low. To test this hypothesis, a 2X2 (Culture X Accountability) ANOVA was conducted with the intercultural negotiation sample at the individual level[5]. The results indicated a marginal main effect of culture ($F(1, 54)=1.79$, $p=.09$, $\eta^2=.03$), but the interaction effect was not significant ($F(1, 54)=1.39$, $p>.10$). A further investigation suggested that after intercultural negotiation Chinese negotiators had more fixed-pie perceptions (Mean=5664.18) than did American negotiators (Mean=7730.95). Therefore, Hypothesis 5a was not supported.

Hypothesis 5b predicts that Chinese negotiators would have more fixed-pie perceptions than American negotiators in the high accountability/intracultural conditions, but not in the low accountability/intracultural conditions. To test this hypothesis, a 2X2 (Culture X Accountability) ANOVA was conducted at the dyadic level with the intracultural negotiation sample (see results at the first column of Table 4.18). There was a strong main effect of culture ($F(1, 47)=16.87$, $p<.01$, $\eta^2=.260$). A simple comparison showed that Chinese dyads (Mean=5435.19) had more fixed-pie perceptions after negotiation than did American dyads (Mean=11291.67). In addition, there was a marginal interaction effect between culture and accountability ($F(1, 47)=2.56$, $p<.10$, $\eta^2=.05$). Simple comparisons showed that under low accountability conditions, Chinese

[5] Since the fixed-pie perceptions within dyads were interdependent (intra-class correlation coefficient=.15, $p<.10$), a more strict way to analyze the data is to test a hierarchical linear model (HLM) with culture as the level-1 predictor, accountability as the level-2 predictor, and individual fixed-pie perception as the dependent variable. The HLM results showed a similar finding as ANOVA: Culture had a marginal effect on individual fixed pie perceptions ($t=1.33$, $p<.10$), and there was no significant effect of accountability ($t=.30$, $p>.70$). Such a HLM model, however, does not permit to test the interaction between culture and accountability because the number of subjects per group was only 2 (Kashy & Kenney, 2000).

dyads had more fixed-pie bias (Mean=5043.33) than American dyads did (Mean=11708.33, $t(25)=4.51$, $p<.001$, whereas under high accountability conditions the difference between Chinese and American dyads was marginal (Chinese Mean=7656.25, American Mean=10583.33, $t(22)=1.59$, $p=.06$). To interpret the two-way interaction differently, I found that Chinese dyads had less fixed-pie perceptions after intracultural negotiation under high accountability conditions than under low accountability conditions ($t(25)=1.50$, $p<.10$); while for American dyads, there was no effect of accountability on fixed-pie perceptions after negotiation. Figure 4.19 shows the results. These findings were opposite to the predictions of Hypothesis 5b.

Another way to explore the data is to compare dyads in the 3X2 (Condition X Accountability) cells, which can tell us how intracultural and intercultural negotiations differ when accountability varies. The 3X2 ANOVA showed that the only significant effect was the main effect of condition ($F(2, 75)=9.63$, $p<.01$, $\eta^2=.20$; see the results on the first column of Table 4.19). American intracultural negotiation dyads (Mean=11145.83) had less fixed-pie perceptions than both Chinese intracultural negotiation dyads (Mean=6349.79) and Chinese-American intercultural negotiation dyads (Mean=6641.74), while there was no difference on fixed-pie perceptions between Chinese intracultural negotiation dyads (Mean=6349.79) and Chinese-American intercultural negotiation dyads.

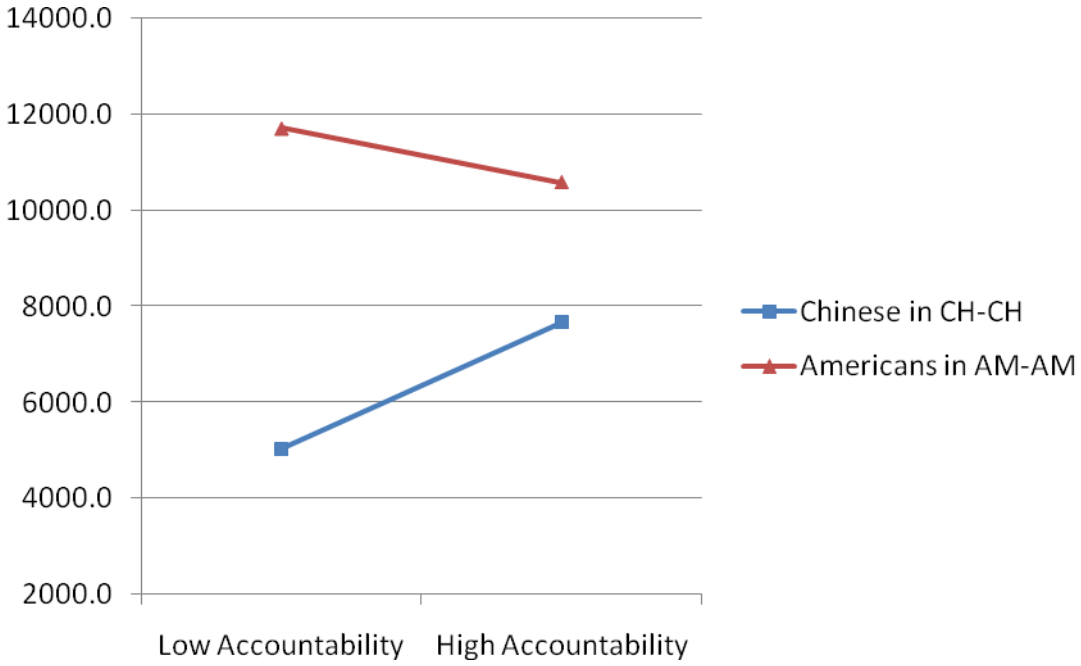


FIGURE 4.19
Intracultural Sample: Culture X Accountability→ Fixed-pie Perceptions after Negotiation (Study 2)

TABLE 4.18
Intracultural Negotiations: ANOVA Results for the Effects of Culture and Accountability on Fixed-pie Perceptions after Negotiation, Joint Gain, and Relational Capital (Study 2)

Predictors	Fixed-pie Perceptions After Negotiation		Joint Gain		Relational Capital	
	F (1,47)	η^2	F (1,47)	η^2	F (1,47)	η^2
Covariates						
Joint Gains	--		--		4.51**	0.091
Gain Difference	--		--		7.6**	0.144
Main Effects						
Chinese	16.87**	0.264	29.90**	0.389	1.60	0.034
Accountability	0.41	0.009	1.79†	0.037	0.01	0.000
Two-Way Interactions						
Chinese X Accountability	2.56†	0.052	0.58	0.012	0.06	0.001
R^2	0.31		0.42		0.35	
N	51		51		51	

† p<.10 * p<.05 **p<.01 one-tailed

TABLE 4.19
ANOVA Results for the Effects of Condition and Accountability on Fixed-pie Perceptions after Negotiation, Joint Gain and Relational Capital (Study 2)

Predictors	Fixed-pie Perceptions After Negotiation		Joint Gain		Relational Capital	
		η^2	F (1,47)	η^2	F (1,47)	η^2
Covariates						
Joint Gains	--		--		4.49*	0.058
Gain Difference	--		--		12.36**	0.145
Main Effects						
Condition	9.63**	0.200	12.16**	0.245	1.42	0.037
Accountability	0.18	0.002	1.39	0.018	0.01	0.000
Two-Way Interactions						
Condition X Accountability	1.32	0.034	0.37	0.010	0.02	0.000
R^2	0.23		0.27		0.28	
N	81		81		81	

† p<.10 * p<.05 **p<.01 one-tailed

Joint Gain

Hypothesis 6b[6] predicts that there are be no difference on joint gain between Chinese and American dyads in the low accountability/intracultural conditions, but Chinese dyads would achieve lower joint gain than American dyads in the high accountability/intracultural conditions. To test this hypothesis, a 2X2 (Culture X Accountability) ANOVA was conducted with the intracultural negotiation sample at the dyadic level (see results at the second column of Table 4.18). There was a strong main effect of culture ($F(1, 47)=29.90$, $p<.01$, $\eta^2=.39$). A simple comparison showed that Chinese dyads (Mean=10848.15) achieved lower joint gain than did American dyads (Mean=12054.17). However, there was no significant interaction effect between culture and accountability on joint gain ($F(1, 47)=.58$, $p>.40$). In other words, no matter whether the accountability was high or low, Chinese dyads made less joint gain than American dyads in intracultural negotiations. Therefore, Hypothesis 6b was only partially supported.

Did intercultural and intracultulral negotiations yield different joint gain? A follow-up 3X2 (Condition X Accountability) ANOVA informed that only "condition" had a strong main effect on joint gain ($F(2, 75)=12.16$, $p<.01$, $\eta^2=.25$; see the second column in Table 4.19). Specifically, Chinese intra-cultural negotiation dyads (Mean=10848.45) significantly made less joint gain than both intercultural negotiation dyads (mean=11480.00) and American intracultural negotiation dyads (mean=12054.17). In addition, intercultural negotiation dyads significantly made more joint gain than

[6] Hypothesis 6a proposed that there is no difference on joint gains between Chinese and American negotiators in the outgroup conditions, no matter whether the accountability is high or low. This hypothesis cannot be tested with the intercultural negotiation (Chinese-American) sample in Study 2 because joint gain is an outcome at the dyadic level.

Chinese intracultural negotiation dyads but significantly less joint gain than American intracultural negotiation dyads. In other words, among the three conditions, Chinese intracultural negotiation dyads made least joint gain, Chinese-American intercultural negotiation dyads made moderate joint gains, and American intracultural negotiation dyads made the most joint gain. Figure 4.20 illustrates such a finding.

Relational Capital

Hypothesis 7a proposed that after intercultural negotiations, Chinese negotiators would have similar relational capital as American negotiators, no matter whether the accountability is high or low. To test this hypothesis, a 2X2 (Culture X Accountability) ANOVA was conducted with the intercultural negotiation sample at the individual level. None of the predictors or the interaction had any significant effects (culture, $F(1, 26)=.47$, $p>.50$; accountability, $F(1, 26)=.05$, $p>.80$; interaction, $F(1, 26)=0.01$, $p>.90$). In other words, Chinese and American negotiators had the same level of relational capital after intercultural negotiation. Therefore, Hypothesis 7a was supported.

Hypothesis 7b predicted that there would be no difference on relational capital between Chinese and American dyads in the low accountability/intracultural conditions; but Chinese dyads would have more relational capital than American dyads in the high accountability/intracultural conditions. To test this hypothesis, a 2X2 (Culture X Accountability) ANOVA was conducted at the dyadic level with the intracultural negotiation sample. In addition, since joint gain and gain difference within dyad may influence relational capital, these two variables were added as covariates. The third column of Table 4.18 shows the results.

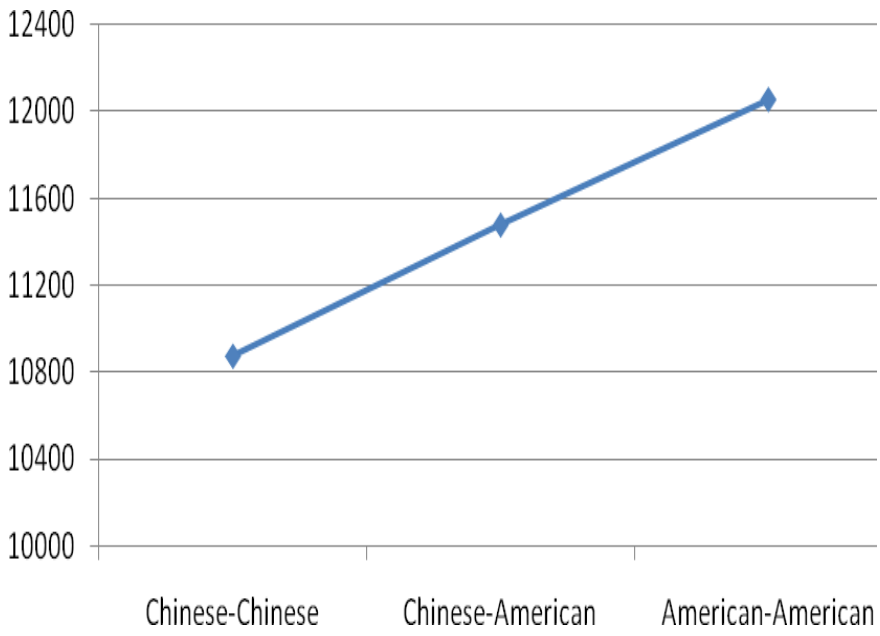


FIGURE 4.20
Condition → Joint Gain (Study 2)

Neither the main effects (Culture, $F(1, 47)=1.60$, $p>.10$; Accountability, $F(1, 47)=.01$, $p>.90$) nor the interaction effect ($F(1, 47)=.06$, $p>.90$) was significant. In other words, no matter whether in high or low accountability conditions, there was no difference on relational capital between Chinese and American dyads in intracultural negotiations. Therefore, Hypothesis 7b was only partially supported.

A follow-up 3X2 (Condition X Accountability) ANCOVA was conducted with joint gain and gain difference as covariates. None of the predictors had significant effect on relational capital (see the third column in Table 4.19).

As in Study 1, participants in Study 2 also reported their expectations about negotiation atmosphere and about the other party before negotiation, as well as their evaluations of negotiation atmosphere and of the other party after negotiation. The atmosphere dimension and the other party dimension, as I found in Study 1, were highly correlated ($r=.50$ before negotiation, and $r=.68$ after negotiation). Therefore, I combined the two dimensions. Then an ANOVA was performed, with negotiators' ratings at time 1 (expectations before negotiation) and at time 2 (evaluations after negotiation) as repeated measures, and culture, accountability, and group membership as between-subject variables. Table 4.20 shows the results.

First, the main effects of time ($F(1, 153)=21.72$, $p<.01$, $\eta^2=.12$) and culture ($F(1, 153)=14.10$, $p<.05$, $\eta^2=.02$) were significant. Second, there was a very strong interaction between time and culture ($F(1, 153)=7.00$, $p<.01$, $\eta^2=.04$). A further examination showed that before negotiation, there was no difference between Chinese (Mean=4.52) and American negotiators (Mean=4.59) on expectations before negotiation, $t(57)=.38$, $p>.70$.

TABLE 4.20
ANOVA Results for the Effects of Time, Culture, Accountability, and Group Membership on Ratings of Negotiation (n=161) (Study 2)

Predictors	F (1,153)	η^2
Main Effects		
Time	21.72**	0.12
Chinese	2.90*	0.02
Ingroup	0.46	0.00
Accountability	0.49	0.00
Two-Way Interactions		
Time * Chinese	7.00**	0.04
Time * Ingroup	0.00	0.00
Time * Accountability	0.07	0.00
Chinese * Ingroup	1.54	0.01
Chinese * Accountability	0.05	0.00
Ingroup * Accountability	0.14	0.00
Three-Way Interactions		
Time * Chinese * Ingroup	9.32**	0.06
Time * Chinese * Accountability	0.03	0.00
Time * Ingroup * Accountability	0.00	0.00
Chinese * Ingroup * Accountability	0.46	0.00
Four-Way Interaction		
Time * Chinese * Ingroup * Accountability	1.07	0.02
R^2		0.30

† p<.10 * p<.05 **p<.01 one-tailed

But after negotiation, American negotiators had more positive evaluations (Mean=5.28) than did Chinese negotiators (Mean=4.74). Last, there was a three-way interaction between time, culture, and group membership, $F(1, 153)=9.32$, $p<.01$, $\eta^2=.06$. To locate the source of this interaction, I conducted several simple comparisons. Results showed that before *intercultural* negotiations, there was no difference between Chinese (Mean=4.52) and American negotiators (Mean=4.59) on expectations, $t(57)=.38$, $p>.70$ In addition, after *intercultural* negotiation, there was no difference between Chinese negotiators (Mean=4.97) and American negotiators (Mean=4.97) either. By contrast, before *intracultural* negotiation, there was no difference on expectations of negotiation between Chinese negotiators (Mean=4.73) and American negotiators (Mean=4.55, $t(100)=1.10$, $p>.20$), but after *intracultural* negotiation Chinese negotiators (Mean=4.62) had less positive evaluations than American negotiators (Mean=5.48, $t(100)=4.71$, $p<.001$). Interpreting the results alternatively, I found that although American negotiators had similar expectations before intracultural negotiation (Mean=4.55) as before intercultural negotiation (Mean=4.59, ($t(76)=.23$, $p>.80$), but they had more positive ratings after intracultural negotiation (Mean=5.48) than after intercultural negotiation (Mean=4.97, $t(76)=1.96$, $p<.05$). Like American negotiators, Chinese negotiators had similar expectations before intracultural negotiation (Mean= 4.73) as before intercultural negotiation (Mean=4.52, $t(76)=1.23$, $p>.10$). However, Chinese negotiators had less positive evaluations after intracultural negotiation (Mean=4.62) than after intercultural negotiation (Mean=4.97, $t(76)=1.69$, $p<.05$). Compared with pre-negotiation ratings, Chinese negotiators' post-negotiation ratings significantly improved ($t(28)=2.39$, $p<.01$) when Chinese participants were in intercultural negotiation conditions; but when they

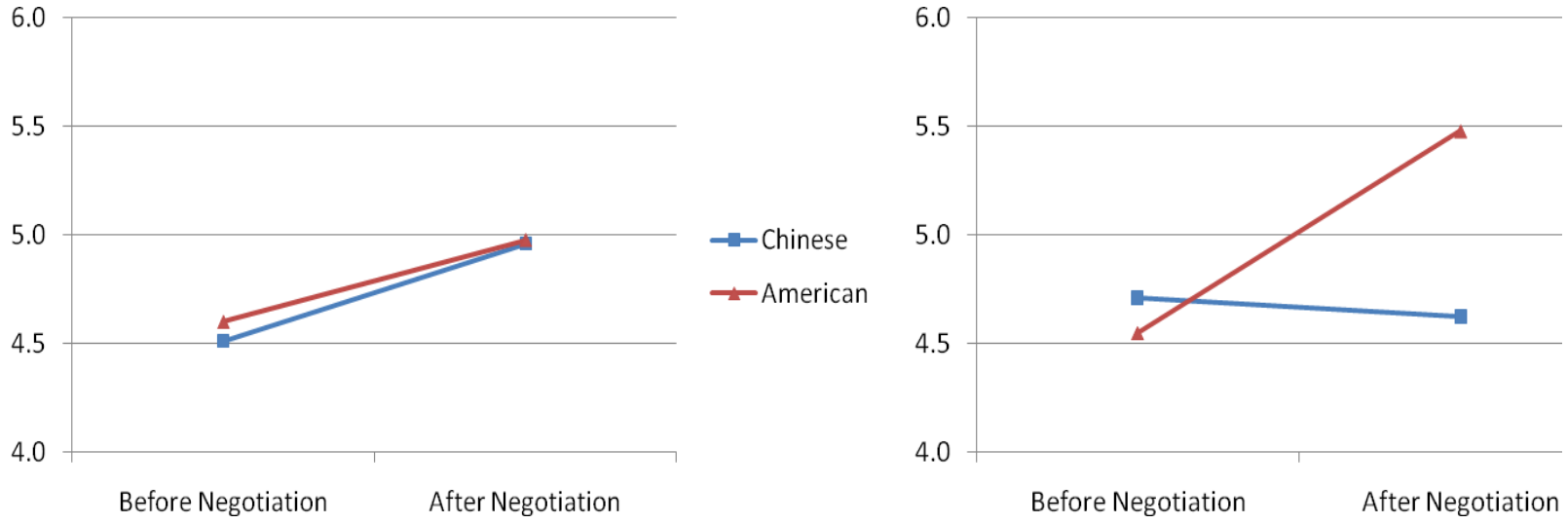
were in intracultural negotiation conditions, their ratings did not significantly change ($t(53)=.71$, $p>.40$). Figure 4.21 showed the results.

Relations between Dependent Variables

I further examined the relations between those dependent variables. First, it is logical to infer that having a relationship frame would influence relationship-based tactics, fixed-pie perceptions, and relational capital.

In terms of relationship-based tactics, it is expected that a negotiator with a relationship frame would use more relationship-based tactics during negotiation. Given that the reliability statistics of the relationship-based tactics was not satisfactory for the Chinese sample in the intercultural negotiation, I focused on the intracultual negotiation sub-samples. Recall that both relationship frame and relationship-based tactics were independent (see 4.2.6.2. Treatment of Data), so I regressed relationship-based tactics on a negotiator's own relationship frame and her negotiation partner's relationship frame at the individual level. It is expected that both a negotiator's own relationship frame and the negotiation partner's relationship frame are positively related to a negotiator's relationship-based tactics. Such an expectation was confirmed by the regression results, which showed that a negotiator's own relationship frame ($\beta=.31$, $t(99)=3.32$, $p<.01$) and the negotiation partner's relationship frame ($\beta=.28$, $t(99)=2.99$, $p<.01$).

The connection between relationship frame and fixed-pie perceptions was also explored. A hierarchical linear model (HLM) was analyzed with fixed pie bias after negotiation as the dependent variable, and one's own relationship frame and partner's relationship frame as the predicting variables (see the first column of Table 4.21 for results).



Ougroup **Ingroup**

FIGURE 4.21
Evaluations of Negotiation
as a Function of Time, Culture, Accountability, and Group Membership (Study 2)

TABLE 4.21
HLM Results for the Effects of Relationship Frame
on Fixed-pie perceptions After Negotiation, and Relational Capital (Study 2)

		Fixed-pie Perceptions After negotiation			Relational Capital		
		Null	Raw Coefficient	t-value	Null	Raw Coefficient	t-value
Individual Level							
	Own Relationship Frame		-1391.79	-2.51**		0.04	0.35
	Partner's Relationship Frame		-382.18	-0.60		-0.14	-1.12
	Individual Level variance	2.25E+07	2.22E+07		0.82	0.81	
Dyadic Level							
	Joint Gain					0.0003**	3.25
	Gain Difference					-0.0003**	-3.35
	Dyad-level variance	1.18E+07	1.15E+07		0.36	.21	

† p<.10 * p<.05 **p<.01 one-tailed. At the individual level, n=156; at the dyadic level, n=78.

Results showed that a focal negotiator's relationship frame was significantly and positively related to fixed-pie bias ($t(75)=-2.51$, $p<.01$.), but the effect of the other party's relationship frame was not significant ($t(75)=-.60$, n.s.). So a negotiator was more likely to have fixed-pie perceptions when relationship frame was high rather than low.

Having a relationship frame may also impact subjective evaluation of relationship after negotiation. It is expected that having a relationship frame would contribute to the positive evaluation of relationship. Another HLM was conducted with subjective evaluation of relationship as the dependent variable (joint gains and gain differences were controlled at the dyadic level, see the second column on Table 4.21 for the results). However, neither the focal negotiator's relationship frame ($t(75)=.35$, $p<.01$) nor the other party's relationship frame ($t(75)=-1.12$, $p>.10$) had any effects on the focal negotiator's subjective evaluation of relationship.

Second, like the data in Study 1, the data in Study 2 revealed a sizable and significant correlation between fixed-pie perceptions and joint gain ($r=.56$, $p<.001$). That is, the less fixed-pie perceptions a negotiation dyad had, the more joint gain the dyad achieved. Given that condition influenced both fixed-pie perceptions and joint gain, it is reasonable to test whether fixed-pie perceptions mediated the relationship between condition and joint gains. I compared two ANOVAs with joint gain as the dependent variable, and with condition, accountability, and the interaction between culture and accountability as the predictors, before and after fixed-pie perceptions had been controlled for. Results showed that the effect of condition ($F(2, 75)=12.26$, $p<.01$, $\eta 2=.25$) decreased when fixed-pie perceptions was controlled for ($F(2, 74)=6.24$, $p<.01$,

η2=.14). Therefore, fixed-pie perceptions partially mediated the effect of condition and accountability on joint gains.

Discussion

The purpose of Study 2 is to extend Study 1 to intercultural negotiations. By priming negotiators' cultural identity, I expected that negotiators would regard partners within intracultural negotiations as ingroup members, while partners within intercultural negotiations as outgroup members. Manipulation check showed that participants regarded people from the same culture more as ingroup members than those from another culture. However, the manipulation of group membership did not work very well with the Chinese participants in the Chinese-Chinese condition and with the American participants in the Chinese-American condition. In particular, Chinese participants in the intraculutral negotiations did not regard another Chinese as an ingroup member at the expected level, whereas American participants in the intercultural negotiations unexpectedly regarded the Chinese opponents as an ingroup member. The unsuccessful manipulation of group membership may account for the findings that none of the three-way interaction effects on those dependent variables were significant in Study 2.

Several findings in Study 2 provided evidence for the trait/entity view of culture. For example, no matter whether in intercultural negotiations or in intracultural negotiations, or no matter whether accountability was high or low, Chinese negotiators generally had a higher level of relationship frame than American negotiators (Hypothesis 1a). In the same vein, Chinese negotiators generally used more relationship-based tactics than American negotiators in negotiation (Hypothesis 1b). In addition, I found that the

variance of cultural identification may partially explain why I did not get significant interaction effect between accountability and group membership. Especially, for Chinese participants in the intracultural negotiations, Chinese cultural identification interacted with accountability influencing relationship fram such that accountability increased the level of relationship frame only for those with high Chinese cultural identification, but it decreased the level of relationship frame for those with low Chinese cultural idenfitication. Such a finding suggests that group identification may play a role in applying group-endorsed knowledge (e.g., Jetten et al., 2002).

Moreover, probably because a relationship focus hindered information collection during negotiation (seeRelations between Dependent Variables), Chinese negotiators generally had more fixed-pie perceptions than American negotiators. Also, fixed-pie perceptions in turn influenced joint gain (see Relationships between Dependent Variables). Consistent with the finding about fixed-pie perceptions, Chinese dyads achieved lower joint gain in intracultural negotiations than American dyads.

At the same time, culture did interact with accountability influencing several dependent variables. But some findings were as expected, while some were not. For instance, Chinese negotiators used more relationship-based tactics in high accountability conditions than in low accountability conditions, but accountability did not influence the use of relationship-based tactics for American negotiators. Such a finding supported Hypothesis 2b. On the other hand, I also found an interaction effect between culture and accountability on relationship frame. Specifically, accountability did not influence relationship frame of Chinese negotiators, but it made American negotiators have a higher level of relationship frame, which was opposite to the prediction of Hypothesis 2a.

In addition, there was another interaction effect between culture and accountability on fixed-pie perceptions, suggesting that accountability made Chinese intracultural negotiators have less fixed-pie perceptions while it did not influence fixed-pie perceptions for American intracultural negotiators. Such a finding was opposite to the prediction of Hypothesis 5b.

None of the predicting variables had any effects on relational capital (Hypothesis 7a and 7b). But interestingly, the analysis on the change of ratings on negotiation showed that there was a three-way interaction between time, culture, and group membership. Specifically, before negotiation, there was no difference between Chinese and American negotiators in any condition. But after negotiation, Chinese and American negotiators in the intercultural negotiation increased their ratings to the similar level; Chinese intracultural negotiators did not change their ratings; and American intracultural negotiators significant increased their ratings. The pattern that American negotiators showed in Study 2 was similar to that in Study 1. That is, negotiation made Americans increase their ratings of negotiation, no matter whether the negotiation partner was an ingroup member or an outgroup member. However, the pattern that Chinese negotiators showed in Study 2 was different from that in Study 1. In Study 1, Chinese negotiators did not change their ratings when they negotiated with an ingroup member, but their ratings worsened when they negotiated with an outgroup member. In Study 2, Chinese negotiators did not change their ratings when they negotiated with another person from the same culture (an ingroup member), but their ratings increased when they negotiated with a person from another culture (an outgroup member).

Lastly, the results of Study 1 and Study 2 did not match in many ways. Table 4.22 compares the findings in Study 1 and Study 2. One reason why there were so many inconsistent findings between Study 1 and Study 2 may be the fact that these two studies used different manipulations of group membership. It is reasonable to believe that the manipulation of group membership in Study 2 was much weaker than that in Study 1. In Study 1, group membership was manipulated by a modified minimum group paradigm. The manipulated group membership (two different companies) matched the negotiation scenarios (negotiation within or between companies) smoothly. By contrast, in Study 2 group membership was manipulated by priming one's cultural identity. Some manipulation procedures may not work well. For example, one priming procedure was to ask participants to "imagine" that they meet the other party in a foreign country (c.f., Chen & Li, 2005). Although the manipulation check showed that the opearationalization might work, participants may doubt the authenticity of the manipulation. In addition, although the cultural priming tasks in Study 2 may prime participant's cultural identity, the negotiation scenario, which told participants that they represent their own company, may prime participants' company identity (identity as a representative of a company). It was not clear how participants handle these two identities at the same time during negotiation. It is possible that the company identity dominated cultural identity during negotiations.

TABLE 4.22
Summary of Findings

Hypotheses in Study 1	Study 1 Results	Hypotheses in Study 2	Study 2 Results
Hypothesis 1a: Culture→ relationship negotiation frame	Marginally Supported	Hypothesis 1a: The same as in Study 1	Supported
Hypothesis 1b: Culture→ relationship-based tactics	Supported	Hypothesis 1b: The same	Supported
Hypothesis 2a: Culture X Accountability → relationship negotiation frame	Supported	Hypothesis 2a: The same	Not Supported
Hypothesis 2b: Culture X Accountability →relationship-based tactics	Marginally Supported	Hypothesis 2b: The same	Marginally Supported
Hypothesis 3a: Culture X Group membership → relationship negotiation frame	Supported	Hypothesis 3a: The same	Not Supported
Hypothesis 3b: Culture X Group membership → relationship-based tactics	Not Supported	Hypothesis 3b: The same	Not Supported
Hypothesis 4a: Culture X Accountability X Group membership → relationship negotiation frame	Supported	Hypothesis 4a: The same	Not Supported
Hypothesis 4b: Culture X Accountability X Group membership →relationship-based tactics	Not Supported	Hypothesis 4b: The same	Not Supported
Hypothesis 5a: for Outgroup, Culture X Accountability ~→ fixed-pie perceptions	Supported	Hypothesis 5a: In intercultural negotiations, Culture X Accountability ~→fixed-pie perceptions	Not Supported
Hypothesis 5b: for ingroup, Culture X Accountability → fixed-pie perceptions	Supported	Hypothesis 5b: In intracultural negotiations, Culture X Accountability →fixed-pie perceptions	Not Supported
Hypothesis 6a: for Outgroup, Culture X Accountability ~→ joint gain	Supported	Not applicable	
Hypothesis 6b: for ingroup, Culture X Accountability → joint gain	Supported	Hypothesis 6b: In intracultural negotiations, Culture X Accountability →joint gain	Marginally Supported
Hypothesis 7a: for Outgroup, Culture X Accountability ~→ relational capital	Not Supported	Hypothesis 7a: In intercultural negotiations, Culture X Accountability ~→relational capital	Supported
Hypothesis 7b: for ingroup, Culture X Accountability → relational capital	Not Supported	Hypothesis 7b: : In intracultural negotiations, Culture X Accountability →relational capital	Marginally Supported

CHAPTER V

CONCLUSION

In this dissertation, I examined cross-cultural negotiation following a dynamic constructivist approach. I explored the social conditions under which cross-cultural differences on negotiation may be intensified or attenuated. In an attempt to answer this question, I investigated Chinese and American negotiators in different social conditions with varying levels of accountability (low vs. high) and different group membership of their negotiation partners(ingroup vs. outgroup). I collected experimental data from two sets of negotiation simulations.

In following, I will highlight the theoretical and empirical contributions that this dissertation makes, followed by a discussion of the limitations of this research. Last, I will present several directions for future research in light of the findings of this dissertation.

Contributions

This dissertation can make several theoretical contributions to the literature. First, it can bridge a big gap in previous cross-cultural negotiation research, where social conditions have rarely been explored together with culture. Specifically, previous cross-cultural negotiation research implicitly takes a trait/entity view of culture, attributing any cross-cultural differences in negotiation to the main effect of culture (see Morris & Fu, 2001). This dissertation, based on the dynamic constructivist view of culture (Hong et al., 2000), proposes that cross-cultural difference would be observed only when cultural

knowledge is activated and when it is applicable to the given social context. In particular, I argue that accountability and the group membership of the other party in negotiation should moderate the main effects of culture on negotiation. The results of Study 1 in this dissertation provide empirical evidence generally supporting my arguments. For example, although in general Chinese negotiators had a higher level of relationship frame than did American negotiators, such a difference was moderated by accountability and group membership. In particular, the cross-cultural difference on relationship frame was found only in the high accountability condition but not in the low accountability conditions, and such a difference was found only in the ingroup conditions but not the in the ouotgroup conditions. In addition, I found that the cross-cultural differences between Chinese and American negotiators in fixed-pie perceptions and joint gain were most pronounced when negotiators negotiated with an ingroup member under high accountability conditions. All of these findings have confirmed the validity of the dynamic constructivist approach.

Second, this dissertation extends the research scope of the dynamic constructivist view of culture. Existing literature on the dynamic constructivist view of culture mainly focuses on human cognitions, such as attribution (e.g., Chiu et al., 2000; Hong et al., 2000; Hong et al., 2003) or attitudes and values (Verkuyten and Pouliasi, 2002, 2006), while there are few studies exploring human behaviors (one exception is Wong & Hong, 2005). The present research extends the domain of dynamic constructivist approach to negotiation, a very important type of social interaction in everyday life. The research findings of this dissertation prove that the dynamic constructivist approach can predict the conditions under which cross-cultural differences may appear or disappear on

negotiation frame, negotiation tactics, fixed-pie perceptions, joint gain, and relational capital.

Third, being cross-cultural negotiation research, this dissertation can correct the over-generalization tendency of existing negotiation theory, which has mainly been developed and studied in the west. For example, as a classic social contextual construct in negotiation, accountability has long been regarded as something that motivates competition in negotiation (e.g., Carnevale et al., 1981). Such a claim has been generally accepted without qualifications until a study was reported by Gelfand and Realo (1999), who found that accountability motivated different negotiation norms in different cultures (collectivists vs. individualists). In particular, accountability encouraged collectivists to cooperate whereas it drove individualists to compete in negotiation. This dissertation adds a nuance by taking group membership into consideration. The results of Study 1 suggested that when the other party was an outgroup member, the Chinese were as competitive as American negotiators. In addition, despite the general expectation of the Chinese being more relationship-oriented, I found that American negotiators were as relationship-oriented as Chinese negotiators in the low accountability/ingroup conditions, and it was only in the high accountability/ingroup conditions that the Chinese were significantly more relationship-oriented than Americans. These findings have indicated that it is very important to examine negotiation theory in different cultures. Moreover, it is critical to take social conditions into consideration when we discuss cross-cultural differences in negotiation.

Last, this dissertation contributes to the currently active scholarly discussion about the connection between relationship and negotiation (Gelfand et al., 2006; McGinn,

2006). Existing empirical studies on how relationship impacts negotiation outcomes have yielded mixing findings. Some studies have found a negative relationship (e.g., Fry et al., 1983), others point to a positive relationship (Moore et al., 1999), and still others argue that it is not justified to investigate such a connection because relations should never be used instrumentally (McGinn, 2006). This dissertation provides an alternative approach of viewing relationship concerns as embedded in culture. In other words, relationship orientation is not instrumental; rather, it is a cultural norm or schema, which takes effect only when activated. For example, in Study 1, I found that Chinese negotiators had a higher level of relationship frame than did American negotiators in the high accountability/ingroup condition. Although I did not find relationship frame mediated the relationship between social contexts (culture, accountability, and group membership) and joint gain, under the high accountability/ingroup conditions, relationship-orientation was a hurdle in making joint gain for Chinese negotiators but a facilitator in making joint gain for American negotiators. In addition, Study 2 found that Chinese negotiators, who generally had a higher level of relationship frame, achieved lower joint gain than American negotiators. Such a finding lends itself to viewing relationship through a cultural lens. I argue that different cultures may have different expectations in using a relationship approach in negotiation. Therefore, the same level of relationship orientation in negotiation may have distinct effects across cultures. Future research should further explore the connection between relationship and negotiation from a cultural perspective.

Besides theoretical contributions, this dissertation may make several empirical contributions as well. For example, a new scale of relationship frame was developed and validated with two cross-cultural samples. Past research used open-ended questions and coding to quantify negotiator's frame (Pinkley & Northcraft, 1994), which is neat but very time consuming. The new measure developed by this dissertation may be a usefultool for future negotiation research on negotiation frame.

In addition, the group membership manipulation procedure (especially in Study 1) may be employed or consulted for future negotiation research. Past research on intergroup negotiation manipulated group membership in a relatively weak way, and it is probably the reason why the connection between group membership and negotiation outcomes has been elusive (Harinck & Ellemers, 2006; Moore et al., 1999; Thompson, 1993). For example, in some studies only the minimal group paradigm (Tajfel, 1970) was used (Thompson, 1993), while in other studies participants' majors or school affiliations were used as the group boundary (Harinck & Ellemers, 2006; Moore et al., 1999). Given that group identity is a dynamic and fluid construct (Turner, 1987), these traditional methods may not clarify group boundaries enough. Study 1 in this dissertation used a modified minimal group paradigm (Chen et al., 1998; Wright et al., 1997) to manipulate group membership. Future research may use similar methods to highlight intergroup boundaries.

Limitations

No research is perfect, and this dissertation is not an exception. There are several limitations of this present research. First of all, I used two sets of negotiation simulations

to address my research question—when cross-cultural differences appear or disappear. Experiments gave me the advantage of manipulating social conditions, but at the same time the disadvantage of generalizing the results to real-world negotiation settings. Nevertheless, I believe that several characteristics of this research give the results wider applicability. On the one hand, group membership was manipulated in multiple ways, including social network, personality, hobbies, social categories (Study 1) or naturally-occurring identity (Study 2). I believe that people actually define ingroup and outgroup members in multiple ways, such as social category, personality and social networks. Using multiple ways to manipulate group membership helps to capture the essence of group membership. On the other hand, accountability manipulation was opearationalized in ways that captured the important aspects of representation and responsibility (i.e., rewards system and report). These being said, it is of course important to incorporate other research methods (such as interviews and field studies) to study cross-cultural negotiation.

Second, the student sample may also limit the generalizability of the findings. Study 1 recruited college students, while Study 2 recruited graduate students. Since most participants did not have negotiation experiences, it is reasonable to question whether the results could be generalized to experienced negotiators. There is evidence, however, that experts and novices behave similarly in negotiations (e.g., De Dreu, Giebels, & Van de Vliert, 1998; Neale & Bazerman, 1991).

Third, the results of Study 1 and Study 2 did not match with each other. As I discussed at the end of reporting Study 2 (4.2.7), the manipulation of group membership in Study 2 might be weak. Two identities could be salient during negotiation: one was

negotiator's cultural identity, and the other was negotiator's identity as a representative. It is not clear how participants handled these two identities during negotiation. In short, future research should find a better way to apply the dynamic constructivist approach to intercultural negotiations.

Future Directions

Enlightened by this dissertation, future research may take several directions to make further contributions to the cross-cultural research. First, with the guidance of the dynamic constructive view of culture, scholars can investigate other potentially important social contextual factors that may activate cultural knowledge in negotiation. According to the dynamic constructivist view of culture, for example, time pressure is another contextual factor may trigger culturally typical knowledge (Morris & Gelfand, 2004). Culture provides accessible knowledge to guide people's cognition, emotion, and behavior. When under time pressure, people are more likely to use accessible knowledge than when under no time pressure (Chiu et al., 2000; Higgins, 1996). It would be interesting to explore how culture and time pressure interact to influence the appearance or the disappearance of cross-cultural differences during negotiation.

Second, an emerging research topic in cross-cultural research is biculturalism (e.g., Hong et al.., 2000). With globalization, more and more people can incorporate over one cultural system, and these people may play very critical role in international business (Friedman & Liu, forthcoming; Lam, 2000). It is thus very interesting to explore how bicultural people perform in different cultural settings. For example, some scholars found that bicultural people can switch between cultural frames according to

cultural primes (e.g., Hong et al., 2000). A bicultural person may behave like a Chinese when s/he negotiates with a Chinese, and s/he may behave like an American when s/he negotiates with an American. It would be interesting to see whether bicultural people may perform better than monocultual people in intercultural negotiations. If bicultural people have better skills in understandings the othe culture than monocultural people, it is reasonable to expect that they perform better in intercultural negotiations than monocultural people. Moreover, bicultural people are expected to serve as boundary spanners when two different cultural groups negotiate (Friedman & Liu, forthcoming).

In addition, some scholars suggest that some bicultural people can smoothly switch cultural frames given cultural primes, while some bicultural people have difficulties in doing so (e.g., Benet-MartÍnez, Leu, Lee, & Morris, 2002; Friedman, Liu, Chi, Hong, & Sung, working paper). Only bicultural people with high bicultural identity integration (the extent to which people can integrate two different cultural systems peacefully) can seamlessly switch between different cultures. It is thus important to see how bicultural identity integration influences bicultural people in cross-cultural negotiations.

Last, but not the least, cross-cultural negotiation in teams has rarely been explored. Team negotiations play a very critical role in the business world (Gelfand, Brett, Imai, Tsai, & Huang, 2006). It is thus very important to examine cross-cultural differences in team negotiations as well as in intercultural team negotiations. Although the dynamic constructivist view of culture does not explicitly discuss phenomenon beyond the individual level, it has the potential to guide cross-cultural team negotiation research. The cultural knowledge activation conditions, such as availability, accessibility, and

activation, are presumably useful to the future theory building. Team characteristics, such as team power structure, team diversity and task interdependence may also influence knowledge use in team negotiation. For example, team knowledge may be more accessible to team members in a team with high task interdependence than with low task interdependence. Deadlines may activate team knowledge so that team differences could be found under high time pressures. It would be an exciting research project to combine the dynamic constructivist approach and the team literature to investigate cross-cultural team negotiations.

Appendix A: Payoff Schedule in Negotiation

Buyer's Pay-off Schedule

Paper Quality		**Copies**		**Colorful Pages**		**Billing**	
Options	Value	Options	Value	Options	Value	Options	Value
250g/m^2	2400	50,000 copies	4000	4 pages	2000	5 weeks	1200
220 g/m^2	1800	40,000 copies	3000	3 pages	1500	4 weeks	900
200 g/m^2	1200	30,000 copies	2000	2 pages	1000	3 weeks	600
180 g/m^2	600	20,000 copies	1000	1 page	500	2 weeks	300
160 g/m^2	0	10,000 copies	0	0 page	0	1 week	0

Seller's Pay-off Schedule

Paper Quality		**Copies**		**Colorful Pages**		**Billing**	
Options	Value	Options	Value	Options	Value	Options	Value
250g/m^2	0	50,000 copies	0	4 pages	0	5 weeks	0
220 g/m^2	600	40,000 copies	300	3 pages	500	4 weeks	1000
200 g/m^2	1200	30,000 copies	600	2 pages	1000	3 weeks	2000
180 g/m^2	1800	20,000 copies	900	1 page	1500	2 weeks	3000
160 g/m^2	2400	10,000 copies	1200	0 page	2000	1 week	4000

Appendix B:
Items of the Short Need for Closure Scale in the Short Grouping Survey

Please judge the extent to which the following sentences describe who you are. Choose an appropriate number form 1-9 and write it down on the blank. There is no right or wrong answer to each question. Please make judgments based on your first response.

1	2	3	4	5	6	7	8	9
Not like me at all	Not like me	A little like me	Like me, but less than half	Half like me, half not	Like me more than half	Some-what like me	Like me	Very much like me

1. _____It upsets me to go into a situation without knowing what I can expect from it.
2. _____ I'm not bothered by things that interrupt my daily routine.
3. _____I enjoy having a clear and structured mode of life.
4. _____I like to have a place for everything and everything in its place.
5. _____I enjoy being spontaneous.
6. _____I find that a well-ordered life with regular hours makes my life tedious.
7. _____ I don't like situations that are uncertain.
8. _____I hate to change my plans at the last minute.
9. _____I hate to be with people who are unpredictable.
10. _____I find that a consistent routine enables me to enjoy life more.
11. _____I enjoy the exhilaration of being in unpredictable situations.
12. _____ I become uncomfortable when the rules in a situation are not clear.

Appendix C: Relational Capital Scale from Curhan et al., 2006

1. What kind of "overall" impression did your counterpart(s) make on you?

1	2	3	4	5	6	7	NA
Extremely ***negative***			Neither negative nor positive			Extremely ***positive***	

2. How satisfied are you with your relationship with your counterpart(s) as a result of this negotiation?

1	2	3	4	5	6	7	NA
Not at all			Moderately			Perfectly	

3. Did the negotiation make you trust your counterpart(s)?

1	2	3	4	5	6	7	NA
Not at all			Moderately			Perfectly	

4. Did the negotiation build a good foundation for a future relationship with your counterpart(s)?

1	2	3	4	5	6	7	NA
Not at all			Moderately			Perfectly	

Appendix D: Cultural Identity Priming Essay in Study 2

Cultural Reflection

Culture is the pattern of thinking, feeling, and behaving shared by a social group. Many aspects in life, such as etiquette, custom, and diet, can reflect the influence of culture.

Please read the following essay about dietary habits. Please circle out the word of "American" when you read through the essay. For example,

"…comparison between Chinese and American…"

Essay

A comparison of dietary habits between Chinese and Americans

Dietary habits can reflect cultural differences. The following comparison between Chinese and American dietary habits may give you a general sense of how the two cultures are different from each other in diet.

1. Chinese love fresh food, so that they do grocery shopping very frequently; while most Americans do grocery shopping once a week, storing food in refrigerators.
2. Chinese prepare a lot of food to celebrate traditional festivals or gatherings; while Americans focus relatively less on food in these celebrations.
3. Chinese usually put salt into dishes when cooking, while Americans put little or even no salt when cooking.
4. Most of Chinese love using monosodium glutamate when cooking, but Americans rarely use it.
5. Chinese eat much more fresh vegetables and fruits than Americans, whereas Americans intake much more dairy product than Chinese.
6. Many Chinese, especially those living in the Pearl River Delta area, loving eating animal organs, but Americans never.
7. Americans like having dessert after meals, whereas Chinese like having fruits after meals.
8. Many Americans love drinking coffee, whereas many Chinese love drinking tea.
9. Most Chinese like eating tofu or food made from soy beans, but relatively fewer Americans like tofu.
10. Many Chinese, especially Cantonese, love making soups with many ingredients, whereas Americans make soups in a relatively simple way.

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