

Running Head: CULTURAL PERSPECTIVE TAKING

Cultural Perspective Taking in Cross-Cultural Negotiation

Sujin Lee

Department of Management Science

Graduate School of Innovation and Technology Management

KAIST

Wendi L. Adair

Department of Psychology

University of Waterloo

Seong-Jee Seo

Graduate School of Innovation and Technology Management

KAIST

Group Decision and Negotiation (In Press)

We thank Ethan Burris, Adam Galinsky, and Elizabeth Mannix for their insightful comments on previous versions of this manuscript and Michele Castaldi and Jenesis Squires for their valuable assistance with the project. Data collection was partially funded by a grant from the Social Sciences and Humanities Research Council of Canada. Please address correspondence regarding this paper to Sujin Lee (email: sujinlee@kaist.ac.kr).

Abstract

This study introduces the construct cultural perspective taking in negotiation, the active consideration of the other party's culturally-normative negotiation behaviors prior to negotiation, and compares the effect of cultural perspective taking (CPT) versus alternative-focused perspective taking (PT) in cross-cultural negotiations. 160 undergraduate students of North American and East Asian ethnicity in the United States and Canada participated in a simulated cross-cultural buyer-seller negotiation in a laboratory study. Participants were randomly assigned to CPT or PT condition. Results show that negotiators who engaged in CPT claimed more value than those who engaged in PT. And when both East Asian and North American negotiators engaged in CPT, East Asian negotiators claimed more value. CPT had no effect on value creation. This study highlights that learning about the other culture before a cross-cultural encounter benefits value claiming, but not necessarily value creation.

Keywords: negotiation, perspective taking, culture, value claiming

One of the most important steps in effective negotiation planning is considering the other party (Fisher et al. 1991). Researchers have defined perspective taking in negotiation as the active consideration of the other party's alternatives and interests prior to negotiation, and shown that it aids negotiators in both claiming and creating value (Galinsky et al. 2008; Galinsky and Mussweiler 2001; Neale and Bazerman 1983). Prior perspective-taking research has not examined the cross-cultural negotiation context, which we argue necessitates a distinct form of perspective taking. In this paper, we introduce and test cultural perspective taking in negotiation, a form of pre-negotiation planning that involves actively considering the other party's culturally-normative communication and strategic repertoires.

Whereas traditional perspective taking involves putting yourself in the other party's shoes and considering the other party's alternatives and interests, cultural perspective taking involves considering the typical approach to negotiation that a counterpart from another culture might take. Educating yourself about another culture's approach to negotiation is commonly advocated in cross-cultural negotiation training (Acuff 1997; Morrison et al. 1994). Weiss (1994) proposes that when cross-cultural negotiators understand each other's negotiation norms, they can achieve an ideal process of mutual adaptation or synergy. It is hoped that by understanding and anticipating a counterpart's negotiation repertoire, negotiators will be able to correctly interpret and adjust to strategies that may not be culturally normative for them. Whereas research has demonstrated that negotiators' repertoires are culturally-bounded (e.g. Adair et al. 2001, 2009; Gelfand and McCusker 2001), we have not identified empirical research testing whether considering the other party's cultural norms prior to negotiation significantly impacts negotiation outcomes.

Prior research on culture and negotiation has focused on the direct effect of the focal negotiator's culture (e.g., values, norms, beliefs) or its interaction with contextual factors (e.g., negotiator role, intra- or intercultural dyad) on negotiation processes and outcomes (for a review, see Brett and Crotty 2006). However, not just the focal negotiator's culture but also the different ways that the focal negotiator prepares and considers the other party's culture is likely to influence outcomes of cross-cultural negotiation. Nevertheless, the literature has paid little attention to this question so far.

The current study has two aims. First, we test whether cultural perspective taking (CPT) offers a distinct advantage over traditional perspective taking (PT) in cross-cultural negotiation. Second, we examine whether the negotiator's culture and the other party's CPT or PT condition moderate the effect of CPT. We build on prior cross-cultural research to predict that in East Asian-North American negotiations, when both negotiators engage in CPT, the East Asian negotiator will benefit more than the North American negotiator. Our sample includes East Asian-North American cross-cultural dyads that engaged in a simulated negotiation task. Results contribute to negotiation theory by expanding the conceptualization of perspective taking for the cross-cultural context and illustrating the culturally-bounded benefits of CPT.

THEORY AND HYPOTHESES

Perspective Taking in Negotiation

Perspective taking is the process of imagining the world from another's perspective or "putting yourself in another's shoes." Some of the positive effects of perspective taking include a decrease in the confirmation bias and stereotyping (Galinsky 2002; Galinsky and Moskowitz 2000). These effects seem to occur because perspective taking creates a mental

overlap between oneself and the other party (Davis et al. 1996). Thus, people who engage in perspective taking see more of themselves in the other party, which decreases prejudice and stereotyping (Galinsky et al. 2005; Galinsky and Moskowitz 2000). At the same time, perspective taking can lead to mimicry (Chartrand and Bargh 1999), which can be explained by perspective takers also including more of the other party in their own self-concept (Galinsky et al. 2005). Thus it has been proposed that perspective taking can help form social bonds and facilitate social coordination through this bidirectional self-other overlap (Galinsky et al. 2005).

In negotiation, perspective taking involves actively considering the other party's alternatives, interests, and/or approach to negotiation, prior to engaging in negotiation (Galinsky et al. 2008; Galinsky and Mussweiler 2001). In U.S. negotiation dyads, this form of pre-negotiation planning offers negotiators several advantages. Actively considering the other party's alternatives helps negotiators avoid the tendency to anchor on the other party's first offer (Galinsky and Mussweiler 2001). Negotiators who engage in perspective taking also benefit by uncovering more hidden agreements, and both claiming and creating more value than negotiators who do not engage in perspective taking (Galinsky et al. 2008). In addition to the self-other overlap mechanism, which would explain social coordination effects (i.e., uncovering integrative solutions), perspective taking increases egoistical behavior in competitive or strategic interactions (Epley et al. 2006). Because perspective taking is a process of understanding the other party's thoughts, situations, or hidden interests, under competitive contexts it can be used to read the other party's mind, get the other party's hidden information and strategically select strategies that favor oneself. This effect helps explain why negotiators who engage in perspective taking extract more concessions and claim more value

than those who do not (Epley et al. 2006; Galinsky and Mussweiler 2001; Neale and Bazerman 1983). To summarize, the effect of perspective taking in negotiation is context-specific.

Cultural Perspective Taking

In this study we build on the existing perspective taking literature by considering the special case of cross-cultural negotiations. It has been well documented anecdotally and empirically that negotiators from different national cultures often have distinct approaches and strategic repertoires. For example, Japanese negotiators use family metaphors whereas U.S. negotiators use sports metaphors for intracultural negotiation (Gelfand and McCusker 2001). Low context negotiators use and reciprocate direct information sharing more whereas high context negotiators use and reciprocate offers and persuasion more (Adair 2003; Adair et al. 2001). In addition, U.S. schemas for intracultural negotiation are more likely to stress self-interest whereas Japanese schemas for intracultural negotiation are more likely to emphasize altruism (Adair et al. 2009). And clashing negotiation repertoires has been shown to generate challenges for adaptation and adjustment (Adair et al. 2001, 2009). This prior research reveals that cross-cultural negotiators face a different set of coordination challenges than same-culture negotiators. Hence, we propose that cross-cultural negotiators can benefit from engaging in a culture-focused form of perspective taking.

A culture-focused form of perspective taking asks negotiators to consider the typical approach and strategies of negotiators from the other party's culture. Note this is similar to forms of preparation advocated by cross-cultural negotiation experts (see Acuff 1997; Adler 1997; Morrison et al. 1994). As noted by Brett (2001, 204), "If you want to be an effective negotiator in a global environment, reaching integrative agreements and claiming distributive

value, you are going to have to recognize that culture does matter and be prepared for cultural differences at the negotiation table”. While the benefits of learning about the other culture and putting yourself in the shoes of the person from the other culture have been touted for years, no research has empirically explored the effects of such strategies on facilitating the negotiation performance.

We define cultural perspective taking (CPT) in negotiation as the active consideration of the other party’s culturally-normative negotiation repertoires prior to negotiation. This is similar to the definition of perspective taking (PT) in negotiation: “the active consideration of the viewpoint of another person” (Galinsky and Mussweiler 2001). Early work on PT provided participants with specific, unambiguous information about another party’s orientation towards an object (Pearce and Stamm 1973). The early negotiation research on PT likewise asked participants to focus on the other party’s alternatives (Galinsky and Mussweiler 2001). Other work has asked participants to consider the other party’s interests as well as their alternatives (Epley et al. 2006; Galinsky et al. 2008). In contrast to these traditional forms of PT that focus on the issues and interests with respect to the negotiation task, CPT asks negotiators to consider the negotiation approach and norms of the other party’s culture group. We propose that in a cross-cultural negotiation, CPT can have a greater impact on value claiming than PT.

Negotiator CPT and Value Claiming

We predict that in a cross-cultural setting, negotiators who engage in CPT will claim more value than those who engage in PT. Negotiators who engage in CPT actively consider stereotypical information about the other party’s culturally-normative negotiation behaviors. This is similar to selecting a “How to Negotiate in X” book to read on the plane. We argue

that such preparation should make negotiators look for signs of stereotypical behaviors from the other party at the negotiation table. CPT may ironically sharpen the stereotypic difference between negotiators' cultures—instead of helping them see commonality—and activate cognitive schema for intergroup interaction, which is competitive in nature (Insko et al. 1990). And if negotiators focus on intergroup differences, they should consider their own gains, rather than mutually beneficial joint gains (Lee 2005; Thompson 1993). Thus, CPT should increase the likelihood of distributive value claiming.

Although PT has been shown to enhance distributive outcomes (Galinsky and Mussweiler 2001), it has also been shown to decrease stereotype expression and intergroup bias (Galinsky and Moskowitz 2000; Todd et al. 2011). For example, in a study on interracial bias, White and Asian participants in a perspective taking condition showed significantly lower pro-White bias than those in a control condition (Todd et al. 2011). Thus, when PT is compared with CPT, CPT (which accentuates intergroup stereotypic differences) should be *relatively more* effective in distributive value claiming than PT (which decreases such differences). Thus, we hypothesize:

Hypothesis 1. In cross-cultural negotiations, negotiators who engage in CPT will claim more value than negotiators who engage in PT.

Unlike distributive value claiming, CPT should not affect integrative value creation because it focuses on cultural differences, not the other party's interests, cooperative orientation and shared interests necessary for joint gains (Sebenius 1992). Negotiators who engage in CPT will focus more on stereotypic cultural differences than shared interests and intergroup cooperation.

Culture and Partner Condition as Moderators

In addition to the direct effect of CPT on value claiming, we propose that culture and partner condition should moderate this effect in East Asian-North American negotiations. Cross-cultural negotiators base their adjustment patterns on the level of cultural knowledge and understanding that each party has about the other culture (Moran et al. 2007; Morrison et al. 1994; Weiss 1994). Research on negotiation schemas shows that U.S. and Japanese negotiators do rely on their knowledge of the other's culture when anticipating how they will adjust in a cross-cultural negotiation (Adair et al. 2009). Thus, when negotiators take the perspective of the other party's culture prior to negotiation, they will improve their ability to anticipate the other party's moves and consider what strategies will be most effective. CPT is likely to reinforce the idea that the other party should behave in his or her own culturally-normative way, consistent with cultural stereotypes. We propose that this stereotypic expectation generated by CPT will help or hinder negotiators who engage in CPT strategize their own behaviors and claim value, depending on the negotiator's culture and the partner condition.

Specifically, East Asians who engage in CPT are likely to expect that North American partners will behave consistent with North American cultural norms, such as self-interest, direct communication and fact/logic (Adair 2003; Adair et al. 2001). To the extent that cross-cultural negotiators' cognitive schemas for intercultural negotiation behavior tend to conform to the other party's cultural norms (Adair et al. 2009), East Asian negotiators who engage in CPT are likely to anticipate and be well prepared for North American partners' self-interested distributive behaviors. Indeed, research has shown that in U.S.-Japan intercultural negotiations, Japanese negotiators scored higher on the schemas of self-interest, direct information sharing and lower on equality and altruism than U.S. negotiators—although these patterns were

reversed in Japan-Japan intracultural settings (Adair et al. 2009). And negotiators whose counterparty had a reputation for distributive gains were better prepared for the counterparty's distributive moves and claimed more value than those whose counterparty did not have such a reputation (Tinsley and O'Connor 2002). Thus, East Asians who engage in CPT should be prepared to counter distributive moves and claim value for themselves.

In contrast, North Americans who engage in CPT should expect that East Asian counterparts will behave consistent with East Asian cultural norms, such as an other-focused relational concern, indirect communication and upholding social-norm orientation (Adair 2003; Adair et al. 2001) and will adjust their cognitive schema for intercultural negotiation accordingly (Adair et al. 2009). Research has demonstrated that in U.S.-Japan intercultural settings, U.S. negotiators scored lower on the schemas of self-interest, direct information sharing and higher on equality and altruism than Japanese negotiators—these patterns were reversed in U.S.-U.S. intracultural settings (Adair et al. 2009). Because East Asians who engage in CPT (stereotypically anticipating North American partners' self-interested competitive moves) are likely to be better prepared for distributive value claiming than North Americans who engage in CPT (stereotypically anticipating East Asian partners' relational cooperative moves), East Asians should claim more value than North Americans when both parties engage in CPT. Thus we formally hypothesize:

Hypothesis 2. In cross-cultural negotiations, when both East Asian and North American negotiators engage in CPT, the East Asian negotiators will claim more value than the North American negotiators.

METHODS

Participants

Participants consisted of 160 undergraduate students of North American and East Asian ethnicity at two universities in the United States and Canada. North American participants were from Canada ($N = 59$) or the U.S. ($N = 19$). Overall there were 26 male and 52 female North American participants (mean age = 20.22 years, $SD = 2.25$). East Asian participants were from Korea ($N = 37$) and China ($N = 45$). Overall there were 38 male and 44 female East Asian participants (mean age = 20.44 years, $SD = 2.34$). Participants were recruited from a combination of sources including the psychology and business department participant pools, international student clubs, and the student life center. All participants received course credit or pay for their participation. The East Asian participants reported an average of 7.71 years spent living in North America. They reported their proficiency with English as an average 6.06 ($SD = 1.10$) on a 7-point scale (1 = *not at all proficient*; 7 = *very proficient*). Neither North American participants ($M = 1.97$, $SD = .16$) nor East Asian participants ($M = 1.95$, $SD = .22$) reported that they knew their negotiating partner in advance, on a 7-point scale (1 = *not at all*; 7 = *very much*).

Design and Procedure

The study was a 2 (culture: East Asian vs. North American) x 2 (condition: CPT, PT) between-participant design. Only cross-cultural negotiations were part of the research design. No same-culture negotiations were administered. We scheduled equal numbers of North American and East Asian students to each experimental session. When participants arrived at the laboratory, they were paired with a student of different ethnicity on a first come first serve

basis and randomly assigned into either the buyer or seller role and either the CPT or PT condition.

Participants had 30 minutes to prepare individually for an 8-issue new car buyer-seller negotiation simulation (Nadler et al. 2008; see Table 1). This simulation is a mixed-motive case: There are distributive issues (delivery date, price), integrative issues (interest rate, warranty, number of extras, stereo) and compatible issues (down payment, color). In our experiment, the purpose of the negotiation (e.g., to generate individual or joint gains or both) was unspecified. Our manipulation of CPT and PT was embedded in the role instructions. Participants then met their negotiation partner and after 40 minutes of negotiation, they submitted a contract sheet and responded to demographic questionnaires.

Manipulations and Measures

The *Cultural Perspective Taking* manipulation consisted of a description of the other party's culture and negotiation norms, similar to the presentation of different cultures in books on global negotiation (e.g. Acuff 1997; Morrison et al. 1994). We focused our CPT content on recent studies that have documented variation in East Asian versus North American negotiators' behavioral repertoires and schemas (Adair 2003; Adair et al. 2001, 2009). Specifically, we provided information about the other culture's tendency to (1) directly reject an offer, (2) directly share preferences, (3) bring up power and status, and (4) bring up social norms and the status quo (see Appendices 1 and 2). Participants read the description of the other party's culture-specific negotiation norms and as in traditional perspective taking studies, were asked to think about how the other party would approach the upcoming negotiation (Galinsky and Mussweiler 2001).

The *Perspective Taking* manipulation followed the simple procedure used by Galinsky and Mussweiler (2001). Specifically, participants were told to think about the other party's alternatives in the negotiation (see Appendix 3). Buyer's alternatives would be to look for another car and seller's alternatives would be to wait for another buyer. We chose this brief, simple manipulation rather than a broader "consider the other party's interests and perspectives" so that we could clearly distinguish effects of PT (focus on negotiation alternatives) from CPT (focus on the other party's culture-specific negotiation norms).

National Culture was a dummy variable for East Asian or North American. Korean and Chinese participants were coded as East Asian, and Canadian and U.S. participants were coded as North American. We checked for significant differences between the culture groups represented in each national sample. We found no differences on any of our dependent measures between the U.S. and Canadian samples or between the Korean and Chinese samples. Thus, we lump the national samples together to represent North America (U.S. and Canada) and East Asia (Korea and China).

Value Claiming was computed as the total points each individual participant obtained in the negotiation.

Value Creation was computed by adding together the buyer's and the seller's value claimed (maximum \$13,200).

RESULTS

Hypothesis 1 predicted that negotiators who engaged in CPT would claim more value than negotiators who engaged in PT. To test this hypothesis, we ran a 2 (culture: North American, East Asian) x 2 (condition: CPT, PT) ANCOVA on value claimed, controlling for role (buyer or seller; $p = .15$) and the dyad's joint gains (controlling for interdependencies

between the parties; $p < .001$). There was a main effect of condition, $F(1, 153) = 4.19, p < .05, \eta_p^2 = .03$. As predicted, negotiators who engaged in CPT claimed significantly more value ($M = 5093.80, SD = 2634.12$) than those who engaged in PT ($M = 4328.09, SD = 2119.39$). Thus, Hypothesis 1 was supported. There was no effect of culture ($p > .50$) and no significant interaction ($p > .70$).

Hypothesis 2 predicted that when both East Asian and North American negotiators engaged in CPT, East Asian negotiators would claim more value than North American negotiators. To test this hypothesis, we selected participants in the CPT condition only and ran a 2 (culture: North American, East Asian) x 2 (partner condition: CPT, PT) ANCOVA on value claimed. We again controlled for role ($p > .20$) and the dyad's joint gains ($p < .01$). Neither the main effect of culture ($p > .30$) nor partner condition ($p > .20$) was significant. More central to our hypothesis, we found a significant 2-way interaction, $F(1, 34) = 4.73, p < .04, \eta_p^2 = .12$, indicating that indeed the effect of CPT on value claiming depends both on culture and partner condition. Planned contrasts using two-tailed tests comparing value claimed by the North American negotiator and the East Asian negotiator who both engaged in CPT showed that consistent with our expectation, East Asian CPT negotiators claimed more value ($M = 6812.50, SD = 2635.17$) than North American CPT negotiators ($M = 3612.50, SD = 2799.20$), $t(34) = 2.86, p < .01, d = 1.18$ (see Figure 1). Thus, Hypothesis 2 was supported: When both East Asian and North American negotiators in a dyad engaged in CPT, East Asian negotiators claimed more value than North American negotiators.

For exploratory purposes, we examined the multiple mean differences in Figure 1. North American negotiators who engaged in CPT claimed more value when their East Asian partner was in the PT condition ($M = 6233.33, SD = 2156.32$) than the CPT condition ($M =$

3612.50, $SD = 2799.20$), $t(34) = 2.57$, $p < .02$ (two-tailed), $d = 1.05$. Thus, East Asian negotiators' CPT hurt, but PT helped, North American negotiators who engaged in CPT claim value. Together, this pattern of results demonstrates that CPT benefits East Asian more than North American negotiators. We offer further interpretation of the post hoc finding in the discussion section. No other mean-comparisons were significant.

We ran a 2 (North American condition: CPT, PT) x 2 (East Asian condition: CPT, PT) ANOVA on joint gains. Neither the main effects ($ps > .10$) nor the interaction ($p = .50$) was significant. As we expected, CPT benefited value claiming, but not value creation.

DISCUSSION

This study offers several contributions to the literature on perspective taking and cross-cultural negotiation. First, we introduce cultural perspective taking in negotiation, which focuses on considering the other party's culturally-normative negotiation repertoire, which is distinct from traditional perspective taking (e.g., Galinsky and Mussweiler 2001; Pearce and Stamm 1973) that emphasizes understanding of the other party's negotiation alternatives. Second, we show that CPT is more effective than PT in helping cross-cultural negotiators claim value, but not create value. Third, we show that when both parties in a dyad engage in CPT, East Asian negotiators benefit more than North American negotiators. Together, the findings improve our understanding of how learning about other cultures impacts value claiming in the cross-cultural negotiation context.

Our research contributes to the culture and negotiation literature by showing empirically for the first time that in a cross-cultural negotiation, CPT does in fact improve value claiming. Common wisdom says that cross-cultural negotiators should consider the other party's cultural norms to make a successful deal. CPT offers a clear and systematic

conceptualization of how to prepare for a cross-cultural encounter. Although this approach is advocated and practiced by businesspeople, politicians, and peacekeepers around the globe, to our knowledge our study is the first to show that in a cross-cultural negotiation, CPT does in fact improve value claiming. By manipulating specific preparation strategies, our findings contribute to existing cross-cultural negotiation research that has focused primarily on characteristics of the negotiator and the context as predictors of processes and outcomes.

The culture and negotiation literature has demonstrated effects of the focal negotiator's cultural values (Brett and Okumura 1998), communication styles (Adair et al. 2001), cognition (Gelfand et al. 2001), and norms (Liu 2011; Tinsley and Pillutla 1998) on negotiation processes and outcomes. Research has also demonstrated that members of different cultures have different knowledge structures (Fu et al. 2007) and that even within the same culture, different contextual factors can predict or inhibit culturally-normative behaviors (Gelfand and Realo 1999). Finally, research has shown that cross-cultural negotiators are aware that their counterpart has distinct negotiation norms (Adair et al. 2009). Despite this growing body of work, how the negotiator's taking the perspective of the other party's cultural values and norms prior to negotiation affects negotiation outcomes has surprisingly been underexplored. Our data elucidate that taking the perspective of the other party's culturally-normative behavior is beneficial for value claiming, but not value creation. Usually, strategies that build interpersonal capital (e.g., perspective taking) by increasing trust and rapport seem to engender stronger effects on joint gain than individual gain; however, this effect was not found in our study. Our explanation is that CPT accentuates intercultural (intergroup) differences, leading cross-cultural negotiators to competitively focus on their own gains, rather than creating value.

By including a traditional PT manipulation and the CPT manipulation together, we were able to show that CPT is a distinct form of perspective taking that is appropriate for cross-cultural encounters. CPT and PT appear to be similar, but they are different concepts. This study highlights that cultural perspective taking (i.e., considering the other party's culturally-normative behaviors) allows negotiators to claim more value than traditional perspective taking (i.e., considering the other party's alternatives). Knowing the other party's cultural norms and thinking about the other party's alternatives generate distinct outcomes: Whereas PT decreases intergroup differences (Galinsky and Moskowitz 2000; Todd et al. 2011), CPT appears to activate cultural stereotypes and accentuate intergroup differences and thus help cross-cultural negotiators claim more value.

Because CPT activates cultural stereotypes, its effects can be linked to the partner's anticipated negotiation repertoire. We predicted that North American negotiators who engage in CPT may expect East Asian partners to behave stereotypically consistent with East Asian cultural norms of relational concern and cooperation; thus they will be less prepared to claim value. In contrast, East Asian negotiators who engage in CPT may expect North American partners to behave stereotypically based on North American cultural norms of self-interest and competition; thus they will be better prepared for value claiming. As we predicted, East Asians who engaged in CPT claimed more value than North Americans who engaged in CPT.

On the other hand, we did find that CPT was effective for North Americans when their East Asian partners engaged in PT. One explanation for this finding is that because East Asians have high relational concern (Gelfand and McCusker 2001), they might concede more to the other party to make a deal when they think that the other party has an alternative (so he or she could walk away). That is, if relationally-oriented East Asian negotiators engage in PT

(i.e., pay attention to the other party's alternative), they are more likely to claim less and concede more to the other party to avoid relationship breakdown or impasse. These concessionary behaviors of East Asian partners in the PT condition should be consistent with the Asian stereotype of relational concern and cooperation. Thus, North American negotiators who engage in CPT should be well prepared for value claiming in a negotiation with East Asian partners who engage in PT.

In our research the East Asian sample consisted of Koreans and Chinese living in the U.S. and Canada. Such participants are not just East Asians but they could be considered biculturals, especially with an average of 7.71 years living in the U.S. or Canada. As a result, an alternate account for our results is that these individuals could already be better cultural perspective-takers than North Americans by virtue of their prior life experience both in East Asia and North America, and thus they might have an advantage in cross-cultural negotiations. Prior research has shown that biculturals were effective in closing social distance—by using the “you” pronoun—and thus creating value in intercultural negotiations (Kern et al. in press). And in a Korean-U.S. negotiation, bicultural Korean negotiators had more positive attitudes than U.S. negotiators toward their counterpart (Lee 2005). These prior findings bolster our argument that our CPT manipulation highlighting the other party's stereotypical negotiation norms led participants to broaden social distance, rather than close social distance which should have been the bicultural East Asian negotiators' natural tendency. Putting the current study and Kern et al. (in press) together, we suggest that in negotiating with North Americans, bicultural East Asians could use CPT if their goal is to claim value, but use “you” pronoun to close social distance between parties if their goal is to create value.

Previously, Galinsky and Mussweiler (2001) show that alternative-focused perspective taking helps negotiators claim value. But across cultures, our negotiators claimed less value in the PT condition than the CPT condition. Our data suggest that PT focusing only on the other party's alternative can hamper value claiming in cross-cultural negotiation, possibly because negotiators who focus on the other party's alternative may fear that the other party could walk away and thus concede to the other party to avoid impasse—especially given that PT decreases intergroup bias (Galinsky and Moskowitz 2000; Todd et al. 2011). Based on this reasoning, we expect that a more holistic form of traditional PT, asking negotiators to focus on the other party's interests, needs, and priorities as in Galinsky et al. (2008), might generate greater value claimed.

Negotiation research has placed great focus on pre-negotiation preparation regarding the other party. This preparation is undoubtedly very important. However, the assessment and information gathering about the other party's preferences and priorities is likely to continue and become more accurate during the negotiation process. Indeed, it is probably difficult to come up with accurate assessments of the other party before one actually meets the counterpart. For this reason, it is possible that the stereotypical information about how people in another culture tend to behave might prove to be wrong in a particular setting and with a particular individual from that culture. Thus, future research should use a longitudinal design to consider how the normative, stereotypic information about another culture might be useful as an intercultural negotiation unfolds, and how it sometimes might in fact prove to be disruptive.

In this study, we combined Korean and Chinese students as East Asian group, and U.S. and Canadian students as North American group. Physical proximity of nations may not be a

sufficient reason for combining the groups, and indeed Koreans and Chinese have been found to endorse negotiation norms differentially—for example, Chinese negotiators endorsed emotional-threat tactics of value claiming more than Korean negotiators, whereas Korean negotiators endorsed persuasion/offer tactics of value claiming more than Chinese negotiators (Lee et al. 2010). In our data there were no differences between the Chinese and Koreans on demographics or any of our dependent measures, but future studies should be cautious in combining multiple national samples as one group, especially when they examine dispositional variations within a regional sample.

To the extent that an individual-differences measure of perspective taking has been found to affect distributive outcomes (Neale and Bazerman 1983), developing an individual-differences measure of cultural perspective taking is warranted. With a CPT scale, it would be possible to assess individual differences in terms of how people take the perspective of another culture and whether there are dispositional differences between the tendency of cultural perspective taking of Chinese and Korean negotiators, for example. In this regard, future research would be challenged in differentiating CPT from cultural intelligence. That is, cultural intelligence (CQ) is a natural ability to adapt to new cultural settings successfully (Earley and Ang 2003). CPT is the active consideration of the other party's cultural norms. Thus, it appears that CPT is an effort to understand another culture whereas CQ is a naturally given capability. Moreover, CPT could easily be activated in negotiation contexts (as in our study), but CQ could not. Future research should investigate the similarities and differences between CPT and CQ with respect to the condition under which each has stronger or weaker effects on cross-cultural value claiming and value creation and whether each can be successfully manipulated.

We manipulated CPT and PT and examined the differential effect of CPT versus PT on negotiators' value claiming, using undergraduates in the laboratory. Thus there are external validity limitations, especially the generalization of our findings to real world negotiations. Because people experienced in cross-cultural negotiations are likely to be adept at taking the perspective of the other party from a different culture, it would be useful to study the CPT vs. PT's differential effects using real negotiators. But multiple negotiation studies have demonstrated that undergraduates and laboratory experiments are still valid for generating important knowledge about the constructs studied in our research—for example, the effects of culture (Gelfand and Christakopoulou 1999; Gelfand et al. 2002) and perspective taking (Epley et al. 2006) on value claiming. To the extent that negotiation skills and experiences of participants are likely to influence negotiation outcomes, we used an experiment to make negotiation setting and experience levels equal for all participants—to see clean effects of CPT vs. PT. Future studies with managers or real negotiators should replicate or find boundaries of our results and strengthen practical implications of the current study.

As an initial study of cross-cultural perspective taking in negotiation, we necessarily simplified our model, focusing on the effect of CPT versus PT on value claiming. Missing here is measurement of the intermediate psychological or behavioral processes, namely stereotype activation and accentuating intergroup differences. Moreover, expectation of the other party's culturally stereotypic behaviors may account for the joint effect of CPT-engaged negotiators' culture and partner condition. That is, East Asians who engage in CPT may anticipate North American partners' self-interested, competitive moves and thus be prepared for value claiming—perhaps by setting ambitious goals or suggesting an aggressive first offer. In contrast, North Americans who engage in CPT may anticipate East Asian partners'

relational, cooperative moves and thus be less prepared for value claiming. Future research should extend the present study by disentangling these mechanisms and processes underlying the CPT effect on value claiming.

REFERENCES

- Acuff FL (1997) How to negotiate with anyone anywhere around the world. AMACOM, New York
- Adair WL (2003) Integrative sequences and negotiation outcome in same- and mixed-culture negotiations. *Intl J Confl Manag* 14: 273-296
- Adair WL, Okumura T, Brett JM (2001) Negotiation behavior when cultures collide: The U.S. and Japan. *J Appl Psychol* 86: 371-385
- Adair WL, Taylor MS, Tinsley CH (2009) Starting out on the right foot: Negotiation schemas when cultures collide. *Negotiat Confl Manag Res* 2: 138-163
- Adler NJ (1997) *International Dimensions of Organizational Behavior*. 3rd edn. South-West College Publishing Company, Cincinnati
- Brett JM (2001) *Negotiating Globally*. Jossey-Bass, San Francisco
- Brett JM, Crotty S (2008) Culture and negotiation. In: Smith PB, Peterson MF, Thomas DC (eds) *Handbook of Cross Cultural Management Research*, Sage, CA, pp 269-283
- Brett JM, Okumura T (1998) Inter- and Intra-culture negotiation: U.S. and Japanese negotiators. *Acad Manag J* 41: 495-510
- Chartrand TL, Bargh JA (1999) The chameleon effect: The perception-behavior link and social interaction. *J Pers Soc Psychol* 76: 893-910
- Davis MH, Conklin L, Smith A, Luce C (1996) Effect of perspective taking on the cognitive representation of persons: A merging of self and other. *J Pers Soc Psychol* 70:713-726
- Earley PC, Ang S (2003) *Cultural intelligence: Individual interactions across cultures*. Stanford University Press, California
- Epley N, Caruso EM, Bazerman MH (2006) When perspective taking increases taking: Reactive egoism in social interaction. *J Pers Soc Psychol* 91: 872-889
- Fisher R, Ury W, Patton B (1991) *Getting to Yes*. Penguin Books, New York
- Fu JH, Morris MW, Lee S, Chao M, Chiu C, Hong Y (2007) Epistemic motives and cultural conformity: Need for closure, culture, and context as determinants of conflict judgments. *J Pers Soc Psychol* 92: 191-207
- Galinsky AD. (2002) The self and the group: The role of perspective-taking in improving out-group evaluations. In: Neale MA, Mannix EA, Sondak H (eds) *Research on Managing Groups and Teams*, JAI Press, Greenwich, pp 5-113
- Galinsky AD, Ku G, Wang CS (2005) Perspective-taking and self-other overlap: Fostering social bonds and facilitating social coordination. *Group Process Intergroup Relat* 8:109-124
- Galinsky AD, Maddux WM, Gilin D, White JB (2008) Why it pays to get inside the head of your opponent: The differential effects of perspective taking and empathy in negotiations. *Psychol Sci* 19: 378-384
- Galinsky AD, Moskowitz GB (2000) Perspective-taking: Decreasing stereotype expression, stereotype accessibility, and in-group favoritism. *J Pers Soc Psychol* 78: 708-724
- Galinsky AD, Mussweiler T (2001) First offers as anchors: The role of perspective-taking and negotiator focus. *J Pers Soc Psychol* 81: 657-669
- Gelfand MJ, Christakopoulou S (1999) Culture and negotiator cognition: Judgment accuracy and negotiation processes in individualistic and collectivistic cultures. *Organ Behav Hum Decis Process* 79: 248-269
- Gelfand MJ, Higgins M, Hishii LH, Raver JL, Dominguez A, Murakami R, Yamaguchi S, Toyama M (2002) Culture and egocentric perceptions of fairness in conflict and negotiation. *J Appl Psychol* 87: 833-845
- Gelfand MJ, McCusker C (2001) Culture, metaphor and negotiation. In: Gannon M, and Newman, K. L. (eds), *Handbook of Cross-Cultural Management*, Blackwell Publishers, New York, pp 292-314
- Gelfand MJ, Nishii LH, Holcombe KM, Dyer M, Ohbuchi K, Fukuno M (2001) Cultural influences on cognitive representations of conflict: Interpretations of conflict episodes in the United States and Japan. *J Appl Psychol* 86: 1059-1074
- Gelfand MJ, Realo A (1999) Individualism-collectivism and accountability in intergroup negotiations. *J Appl Psychol* 84: 721-736
- Insko CA, Schopler J, Hoyle RH, Dardis GJ, Graetz KA (1990) Individual-group discontinuity as a function of fear and greed. *J Pers Soc Psychol* 58: 68-79
- Kern MC, Lee S, Aytung ZG, Brett JM (In Press) Bridging social distance in inter-cultural negotiation: "You" and the bi-cultural negotiator. *Intl J Confl Manag*
- Lee S (2005) Judgment of ingroups and outgroups in intra-and inter-cultural negotiation: The role of interdependent self-construal in judgment timing. *Group Decis Negot* 14: 43-62

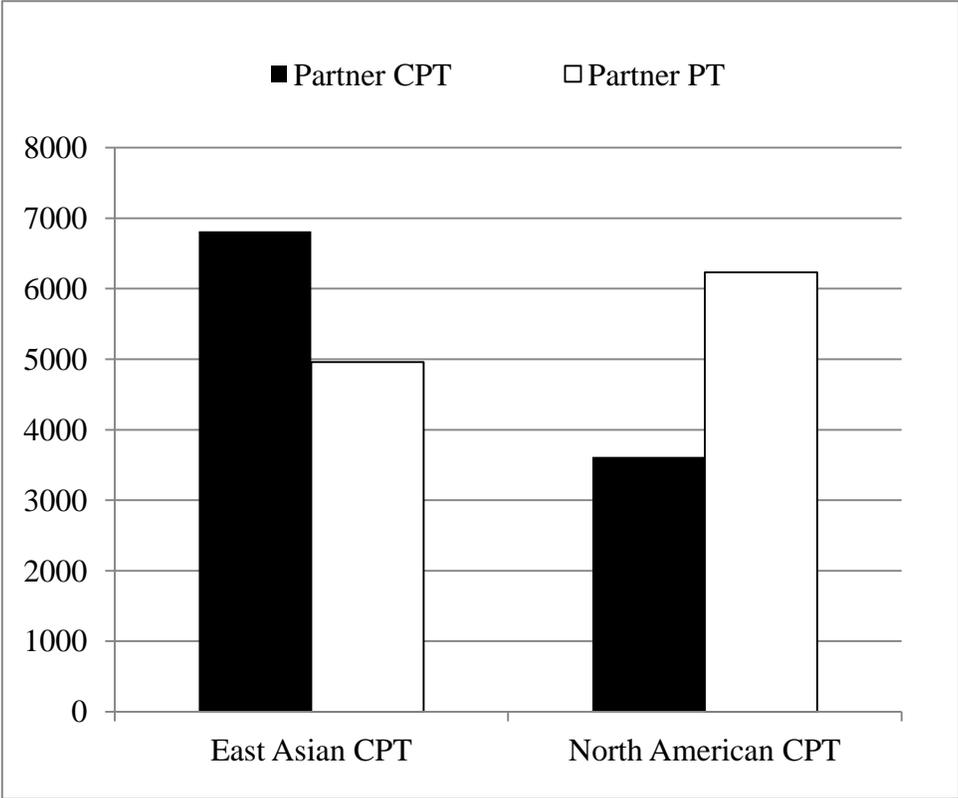
- Lee S, Brett JM, Park JH (2010) The East Asians' social heterogeneity: Differences in negotiation norms among China, Japan and Korea. Paper presented at the International Association for Conflict Management Annual Conference, Boston, MA, USA
- Liu M (2011) Cultural differences in goal-directed interaction patterns in negotiation. *Negotiat Confl Manag Res* 4: 178-199
- Moran RT, Harris PR, Moran SV (2007) *Managing Cultural Differences: Global Leadership Strategies for the 21st Century*. Elsevier, Burlington, MA
- Morrison T, Conaway WA, Borden GA (1994) *Kiss, Bow or Shake Hands*, Adams Media Corp. Holbrook, MA.
- Nadler J, Thompson L, Morris M (2008) New car. In: Brett JM (ed) *Teaching materials for negotiations and decision making*, Northwestern University, Dispute Resolution Research Center, Evanston, IL
- Neale MA, Bazerman MH (1983) The role of perspective taking ability in negotiating under different forms of arbitration. *Ind Labor Relat Rev* 36: 378-388
- Pearce WB, Stamm KR (1973) Coorientational states and interpersonal communication. In Clarke P (ed) *New models of mass communication research*, Sage, Beverly Hills, CA, pp 177-203
- Sebenius JK (1992) Negotiation Analysis: A Characterization and Review. *Manag Sci* 38:18-38
- Thompson L (1993) The impact of negotiation on intergroup relations. *J Exp Soc Psychol* 29: 304-325
- Tinsley CH, O'Connor KM, Sullivan BA (2002) *Organ Behav Hum Decis Process* 88: 621-642
- Tinsley CH, Pillutla MM (1998) Negotiating in the United States and Hong Kong. *J Intl Biz Studies* 29: 711-728
- Todd AR, Bodenhausen GV, Richeson JA, Galinsky AD (2011) Perspective Taking Combats Automatic Expressions of Racial Bias. *J Pers Soc Psychol* 100: 1027-1042
- Weiss SE (1994) Negotiating with "Romans" - Parts 1 & 2". *Sloan Manag Rev* 35: 51-99

Table 1. Payoff Matrix

Issue	Options	Points – Buyer	Points - Seller
Interest Rate	10 %	0	4000
	8 %	400	3000
	6 %	800	2000
	4 %	1200	1000
	2 %	1600	0
Down Payment	\$1000	-2400	-2400
	\$2000	-1800	-1800
	\$3000	-1200	-1200
	\$4000	-600	-600
	\$5000	0	0
Warranty	1 year	0	1600
	2 year	1000	1200
	3 year	2000	800
	4 year	3000	400
	5 year	4000	0
Delivery Date	8 weeks	0	2400
	6 weeks	600	1800
	4 weeks	1200	1200
	2 weeks	1800	600
	Today	2400	0
Number of Extras	1	0	3200
	2	200	2400
	3	400	1600
	4	600	800
	5	800	0
Stereo	AM/FM	0	800
	AM/FM/Tape	800	600
	AM/FM/CD	1600	400
	AM/FM/CD/Tape	2400	200
	AM/FM/CD/Tape/ Stereo surround	3200	0
Price	\$12,000	-6000	0
	\$11,500	-4500	-1500
	\$11,000	-3000	-3000
	\$10,500	-1500	-4500

	\$10,000	0	-6000
Color	Black	0	0
	Red	300	300
	Light Blue	600	600
	Silver	900	900
	White	1200	1200

Fig. 1 East Asian and North American Negotiators' Value Claimed



Appendix 1. Cultural Perspective Taking (CPT) Manipulation Provided to East Asian Negotiators

North American Cultures and Negotiation:

When preparing for negotiation, **it is important to think about and focus on the perspective of the other party**. The buyer (seller) in this negotiation will be someone from North America. As you plan for the negotiation, please think about the perspective of your partner – someone from a different culture playing a different role. The following description of North American negotiators should help you imagine how a North American negotiator will behave when buying (selling) a car.

North American negotiators are open and explicit about the acceptance or rejection of an offer (whereas Asian negotiators won't reject an offer with a direct "no" that might offend the other party)

North American negotiators tend to directly state their preferences and priorities (whereas Asian negotiators tend to reveal their preferences indirectly by making a lot of offers)

North American negotiators avoid issues of status and power (whereas Asian negotiators tend to bring up these factors)

North American negotiators rely on facts and logic in decision making (whereas Asian negotiators rely on social norms or the status quo).¹

As you prepare for the negotiation, please try to imagine how your North American partner will play their role. Imagine what a North American car buyer (seller) is like. Try to picture the negotiation as if you were that person, looking at the world through his eyes and walking through the world in his shoes. This will give you insight into the approach and strategies the other party may use.

¹ *Proceedings of the Negotiation Roundtable*. Special report on the state of international business negotiation. Issue No. 8, March 20, 2001.

Appendix 2. Cultural Perspective Taking (CPT) Manipulation Provided to North American Negotiators

Asian Cultures and Negotiation:

When preparing for negotiation, **it is important to think about and focus on the perspective of the other party.** The buyer (seller) in this negotiation will be someone from an Asian culture. As you plan for the negotiation, please think about the perspective of your partner – someone from a different culture playing a different role. The following description of Asian negotiators should help you imagine how an Asian negotiator will behave when buying (selling) a car.

Asian negotiators won't reject an offer with a direct "no" that might offend the other party (whereas North American negotiators are open and explicit about the acceptance or rejection of an offer).

Asian negotiators tend to reveal their preferences indirectly by making a lot of offers (whereas North American negotiators tend to directly state their preferences and priorities).

Asian negotiators tend to bring up issues of status and power (whereas North American negotiators avoid these issues).

Asian negotiators rely on social norms or the status quo (whereas North American negotiators rely on facts and logic in decision making).²

As you prepare for the negotiation, please try to imagine how your Asian partner will play their role. Imagine what an Asian car buyer (seller) is like. Try to picture the negotiation as if you were that person, looking at the world through his eyes and walking through the world in his shoes. This will give you insight into the approach and strategies the other party may use.

² *Proceedings of the Negotiation Roundtable*. Special report on the state of international business negotiation. Issue No. 8, March 20, 2001.

Appendix 3. Perspective Taking (PT) Manipulation Provided to Both North American and East Asian Negotiators

Negotiation:

When preparing for negotiation, **it is important to think about and focus on the potential alternatives that the buyer (seller) has to this negotiated agreement. A clear understanding of the alternatives the buyer (seller) has will assist you in preparing for the negotiation.**