Cultural influences on negotiation are responsible for some of the most important and tragic moments in human history. However, the field of negotiation has only recently begun to study how negotiation processes vary across cultures, and why intercultural negotiations can be so difficult. This chapter provides a comprehensive synthesis of research on culture and negotiation. After outlining important terms and key findings in the negotiation literature, we review (1) how culture influences negotiators’ emotions, motivations, and cognitive biases; (2) how culture influences negotiators’ strategies; (3) how cultural differences in negotiation are moderated by contextual factors; (4) new insights into intercultural negotiations and multicultural teams; and (5) cultural differences in mediation. We close the chapter by highlighting future directions in research in negotiation and culture, involving both new theory and new methods. We hope that this chapter serves as not only a review of existing research in culture and negotiation but also as a catalyst for the field’s future.

On July 11, 2000, Bill Clinton, Ehud Barak, and Yasser Arafat gathered at Camp David in the wooded hills of Maryland. Their meeting had a solemn goal: to bring an end to the devastating struggle between Israelis and Palestinians for land and sovereignty. It also had an air of desperation. Arab and Israeli leaders had been meeting for over 30 years, but each peace deal had been followed by new hostilities. The 1993 Oslo Agreement—in which Israel and the Palestinian Liberation Organization formally recognized the other’s statehood and agreed to put an end to conflict—had been rejected by the Palestinian Hamas group and many Israeli settlers. With the left-wing Barak’s term ending and Clinton’s presidency nearing its completion, the 2000 Camp David Summit took on a sense of finality. “There is no guarantee of success,” Clinton said at the meeting’s opening press conference, “but not to try is to guarantee failure.” He concluded the conference by expressing hope for the “gift of peace,” but 2 weeks later, the Camp David negotiations deadlocked and dissolved. Within a year, the hard-line Ariel Sharon had replaced Barak as prime minister, and suicide bombings by Palestinian military groups and counterattacks from Israel had intensified.

There is no single reason why the talks at Camp David failed. The history of Arab–Israeli negotiation is one of the most complex topics in international affairs. Yet many of the reasons why this particular negotiation stalled were tied to cultural differences.
For example, Clinton’s desire for quick and intense negotiations was characteristic of Western negotiation styles, in which time means money (Salmon et al., 2016). However, it also forced Barak and Arafat into repeated close encounters over sensitive issues, and didn’t allow the kind of rapport building that is fundamental to building trust in the Arab region (Gelfand et al., 2015). Additionally, Arafat’s refusal to make a counteroffer to Barak’s initial proposal frustrated and perplexed many Israeli and American analysts, but it was characteristic of a Middle Eastern culture of honor, where symbolic concessions are viewed as signs of weakness and entail dire reputational costs. Arafat could not afford to show any such weakness, particularly in public, with many Arab leaders scolding his decision to negotiate in the first place and Arabs around the world protesting the possibility of concessions. These same miscommunications have characterized countless previous negotiations. For example, peace in Vietnam was nearly compromised when American and Vietnamese negotiators calculated vastly different timetables for agreement—American representatives booked their hotel for a week, while the Hanoi team rented a chateau for a year (Adler & Gundersen, 2008). More recently, analysts noted that Iran may have taken advantage of Americans’ impatience and purposefully stalled negotiations over the 2015 nuclear deal in order to win better economic and military terms (Logiurato & Kelley, 2014). By stalling talks, Iranians could take advantage of increased domestic pressure for Barrack Obama to reach a swift nuclear compromise, while also leveraging a gradually recovering economy after gaining relief from some sanctions during an earlier 2013 deal. Cultural differences consistently lead to these sorts of negotiation breakdowns, yet their role is often ignored. Our goal in this chapter is to underscore culture’s critical role in negotiation by summarizing research on the topic from the past five decades. Before reviewing cultural influences on negotiation, we begin by defining key terms that we use throughout the chapter. Next, we provide a brief history of the different traditions of negotiation research and findings therein. We then explore numerous ways in which culture shapes psychological and social processes in deal-making negotiation and disputes, both in intercultural and intracultural negotiations. Finally, we identify unexplored areas of research for culture and negotiation, and highlight limitations and future directions for the field.

**FUNDAMENTAL DISTINCTIONS**

**Defining Negotiation**

While negotiations are diverse in their content and context, they also share certain elements (Gelfand, Fulmer, & Severance, 2010). Negotiators usually perceive a conflict of interest and are engaged in communication to divide and exchange resources. These resources may be tangible (e.g., money) or intangible (e.g., respect). In negotiation, compromises are usually possible, and the nature of these compromises is determined through offers and counteroffers. Perhaps most importantly, individuals in a negotiation are interdependent, and their negotiation outcomes are determined jointly (Chertkoff & Esser, 1976; J. Cross, 1965; Rubin & Brown, 1975).

Similarities notwithstanding, negotiations vary widely in their nature. Negotiators’ personal interests may either be diametrically opposed (distributive), or reconcilable through trade-offs (integrative). This distinction has critical implications for people’s available and preferable negotiation strategies. In “distributive negotiations,” opponent’s gains come at one’s own expense, a structure that is termed “fixed sum” (Pruitt, 1981). Consequently, distributive negotiations do not feature a search for trade-offs and are generally associated with competition and only a concern with one’s own outcomes (Carnevale, Pruitt, & Seilheimer, 1981). In contrast, “integrative negotiations” feature opportunities for trade-offs when parties do have different interests but very different priorities on the issues. Imagine a husband and wife trying to choose where to go on vacation (Pruitt, 1986). The husband wants to go to a cabin in the mountains, and his wife wants to go to a beachfront resort. At first, their preferences do not seem reconcilable, but a closer look reveals two issues at stake: the location and the accommodation. The wife might be searching for a great hotel and spa, with less of a preference for where it is. In contrast, the husband
may prioritize being in the mountains in order to hike but has less of a preference on the accommodations. By recognizing these priorities, the couple can discover mutually beneficial outcomes (i.e., a luxury hotel in the mountains). Because many real-world negotiations tend to involve multiple issues among interdependent parties, we focus in this chapter on integrative negotiations, and in particular, the processes through which negotiation parties can attain high levels of joint gain (i.e., in which both parties’ most important interests are satisfied).

Another important variant of negotiations is the social context in which they are embedded. Negotiations can range from involving large multinational teams to occurring within a single person (Raiffa, 1982). They can occur between dyads (e.g., two individuals), teams (e.g., groups made of up more than one individual), organizations, and nations. Negotiation parties can have personal interests at stake in the negotiation or be external brokers (as occurs in representative negotiations). Communication during a negotiation can be done directly or via an external negotiation mediator. Negotiators can also have varying levels of power (control over resources in the negotiation) and status (prestige and esteem). Each one of these contextual variables has important implications for how a negotiation plays out and which negotiation strategies will be more successful. Moreover, contextual effects extend beyond proximal social-contextual negotiation factors to the macroenvironmental context. Indeed, many of these factors are cultural in nature and interact with the proximal processes to dramatically affect negotiation dynamics.

Before discussing how culture influences negotiation, we briefly review some key findings on how negotiation psychology and the social context affect negotiation dynamics. Much of this early literature was primarily culture-bound—it was developed in the West—and culture-blind—it tended to ignore the influence of culture. As we’ll see, this has begun to change in recent years as negotiation theory and research have become more global in their scope and reach.

**Basic Psychological Processes**

Individual-level research on negotiation psychology can be broadly parsed into research on cognition, motivation, and emotion. Early research on cognition in negotiation took a largely prescriptive approach to studying negotiation, using models of rational decision making to outline best practices during negotiation (Luce & Raiffa, 1957; Raiffa, 1982). However, a more descriptive tradition in negotiation research—wherein people study how negotiators actually behave rather than how they should behave—has grown out of research by March and Simon (1958), Tversky and Kahneman (1973), and Bazerman and Neale (1986), among others.

Research on negotiation and cognition has since documented the effects of negotiation framing (Bazerman, Magliozzi, & Neale, 1985), anchoring and first offers (Kristensen & Gärling, 1997; Northcraft & Neale, 1987; Tversky & Kahneman, 1974; Whyte & Sebenius, 1997), and the availability heuristic (Borgida & Nisbett, 1977). For example, negotiators are much more competitive when issues are framed as losses rather than gains, and first offers have a large impact on final agreements, particularly in distributive negotiations (see Gelfand, Fulmer, & Severance, 2010, for a review). Other literature has emerged on social perception biases, such as the fixed-pie bias, wherein negotiators assume their partner to have interests that are diametrically opposite to their own (Bazerman & Samuelsen, 1983; Pruitt, 1983; Pruitt & Lewis, 1975), or reactive devaluation, wherein negotiators discount concessions made by others, assuming that “If it is good for them, it must be bad for me” (Molm, Peterson, & Takahashi, 2003; L. Ross & Ward, 1995). More recent research has also examined relational biases. Some of these studies have examined relational biases in how people search for conegotiators, such that people favor those with whom they have had previously positive experiences (Reb, 2010), whereas others have documented how people hold biased expectations for negotiating teammates, predicting that in-group negotiators will perform better than out-group negotiators (Lewis, 2011).

In addition to negotiator cognition, many studies have examined the impact of negotiators’ motivation on processes and outcomes. Some of this research has explored how competitive and cooperative motivation shapes negotiation behavior. Mesick and McClintock (1968) advanced four fundamental social motives—altruistic,
cooperative, individualistic, and competitive—relating to negotiators’ outcome goals for themselves and their partners. These divisions have evolved into a distinction between prosocial (altruistic or cooperative) and proself (individualistic or competitive) negotiators, which reliably predicts negotiation tactics and outcomes (see De Dreu, Beersma, Steinel, & Van Kleef, 2007, for a review). The behavioral and cognitive correlates of prosel and prosocial negotiation even extend to teams of negotiators (Beersma & De Dreu, 1999, 2002). Amongst both individuals and teams, prosocial negotiators achieve better joint outcomes than proself negotiators, are better problem solvers, and are less contentious (see De Dreu, Weingart, & Kwon, 2000, for a meta-analysis). Proself and prosocial motivations also extend to how minority and majority groups within a larger team interact in negotiations when they have opposing interests. For example, Velden, Beersma, and De Dreu (2007) found that in negotiations that required unanimous agreement, prosel minorities blocked agreements and hurt the entire group, while in negotiations that required majority agreement, prosel majority members coalesced together to advance agreements at the expense of minority interests.

Aside from their tendency to cooperate and compete, negotiators may also vary in their epistemic motivations. For instance, negotiators who have a high need for cognitive closure (NFC) will “seize” and “freeze” on initial positions in the negotiation, which prevents them from negotiating integrative solutions (De Dreu, Koole, & Oldersma, 1999). NFC may be conceptualized as varying not only across negotiators but also within the same person as a function of time pressure, fatigue, or other forms of mental depletion (Webster & Kruglanski, 1994). Research has crossed NFC with social motivation to produce a four-cell conception of negotiators as either prosocial or proself, and either misers (who are high on NFC) or thinkers (who are low on NFC). De Dreu, Beersma, Stroebe, and Euwema (2006) used this taxonomy and found that negotiators who were high in epistemic motivation (low in NFC) and had prosocial motivations engaged in the best problem solving and achieved the highest joint outcomes.

Research on negotiator behavior has also considered emotion, most often as a predictor of negotiation processes and outcomes, although there is a considerable body of work on emotion as an outcome of negotiation (Barry & Oliver, 1996). Positive mood during negotiations increases people’s willingness to cooperate (Forgas, 1998) and improves their joint outcomes in negotiations that require creative solutions (Carnevale & Isen, 1986). Positive mood facilitates not only trust but also reliance on heuristics, less systematic processing of information, and overconfidence (Kramer, Newton, & Pommerenke, 1993). The effects of positive emotion overlap considerably with those of anger—both lead to more heuristic-based information processing and less cautiousness (Van Kleef, De Dreu, & Manstead, 2004)—in part because both are high-arousal emotions (Andrade & Ariely, 2009). Anger’s effect on joint outcomes appears to be contingent on a number of factors. Expressing anger can be beneficial for eliciting concessions when the negotiator has higher power than his or her counterpart (Overbeck, Neale, & Govan, 2010; Van Dijk, Van Kleef, Steinel, & Van Beest, 2008), when the counterpart views a negotiator’s expression of anger to be justified (Van Kleef & Côté, 2007), or when anger takes the form of “venting” negative emotion that would otherwise be passively expressed (Fischer & Roseman, 2007). These benefits notwithstanding, negative emotions in general tend to damage the relationship between negotiators (Allred, Mallozzi, Matsui, & Raia, 1997) and to reduce the likelihood of one’s negotiating counterpart honoring an agreement (Forgas, 1998). This research on emotion is critical for understanding how negotiations vary across contexts that elicit different emotions. For instance, negotiations that occur over disputes might lead to more negative emotion and anger, while those that occur over deal making might involve more positive affect and happiness.

### Social-Contextual Factors in Negotiation

Beyond individual psychological factors in negotiation, research has examined how social-contextual factors affect negotiation dynamics, including power and negotiation relationships (e.g., dyadic negotiations, teams, representative negotiations, and mediation).
Power

Power represents a person's control over resources (Galinsky, Gruenfeld, & Magee, 2003). Power may be operationalized in many ways, but a common operationalization of power in negotiation research is via negotiators' best alternative to the negotiated agreement, or BATNA. Since negotiators with higher BATNAs can more easily afford to leave the negotiation, they have more power than negotiators who are dependent on the negotiation's success.

Research on power and negotiation has shown that, compared to negotiators with low power, negotiators with higher power have greater overconfidence (Fast, Sivanathan, Mayer, & Galinsky, 2012), more aggressive opening offers (Magee, Galinsky, & Gruenfeld, 2007), lower empathy toward a counterpart (Galinsky, Magee, Inesi, & Gruenfeld, 2006), and greater competitiveness in team negotiations (Howard, Gardner, & Thompson, 2007). Moreover, unequal power is negatively associated with cooperation (Komorita & Barnes, 1969; Sivanathan & Galinsky, 2007) and integrative deal making (Mannix & Neale, 1993; McAlister, Bazerman, & Fader, 1986; Wolfe & McGinn, 2005).

Negotiation Relationships

Negotiations inherently involve more than one individual and therefore exist in a relational context. Negotiations may be dyadic—existing between two individuals—or take place between teams of people, wherein within-team and between-team dynamics affect negotiation agreements. Negotiations may also be conducted through representatives (commonly referred to as “boundary role players”; Adams, 1976), and negotiation coalitions may be formed during multiparty negotiations when certain parties (teams, individuals, or both) come together to negotiate as a unit against another coalition. These relational dynamics are discussed in the following two sections.

Dyads

Relational dynamics between dyadic negotiators has been a topic of both classic and recent research. Classic social-psychological experiments show that identification with an ingroup fosters cooperation with fellow members and hostility toward outgroup individuals. Kramer (1991) and Polzer, Neale, and Glenn (1993), who extended these findings to negotiations, found that negotiators are more likely to share information with ingroup members (friends they had brought to the study) compared to outgroup members (strangers whom they met for the first time during the study). Negotiators also appear more likely to cooperate when they expect future interactions with their negotiating partners (Gruder, 1971; Pruitt & Carnevale, 1993). They are also more likely to care about distributive outcomes when negotiating with someone with whom they have a negative relationship, and more likely to care about integrative outcomes when negotiating with someone with whom they have a positive relationship (Drolet, Larrick, & Morris, 1998).

Other early literature focused on how negotiation dynamics shift, based on the relational closeness of negotiating partners. Lamm and Schwinger (1980) found that people are more likely to consider the needs of their counterpart when negotiating with friends versus strangers, and O’Connell (1984) found that friends are more tolerant of unbalanced negotiation exchanges than are strangers. Other studies, however, have documented drawbacks to friendship-based negotiations. Thompson, Peterson, and Brodt (1996) found that teams of friends make less accurate judgments and reach fewer integrative agreements than do teams of strangers, and Fry, Firestone, and Williams (1983) found that dyads composed of strangers had higher aspirations and more frequently exchanged information pertinent to the negotiation, even though friends exchanged more total information. Gelfand, Major, Raver, Nishii, and O’Brien (2006) provided a theoretical synthesis of this literature, arguing that negotiators who have a relational self-construal may engage in relational satisficing and fail to achieve optimal economic agreements even though they attain high relational capital. More recent research has explored the conditions under which preexisting relationships might not be detrimental. Kray, Thompson, and Lind (2005) examined the joint effect of accountability to outside individuals and preexisting
negotiation relationships on the realization of mutually beneficial agreements. Their results showed that negotiators who had a previous relationship were more likely to reach agreement under conditions of high (vs. low) accountability, whereas strangers were more likely to reach agreement under low accountability.

**Teams**

Research also shows that negotiations vary dramatically depending on whether they occur in teams (two or more people in each party) or between individuals. Generally speaking, team negotiations are more effective than individual negotiations (Morgan & Tindale, 2002; Thompson et al., 1996). Teams generally have greater expertise (Hill, 1982; Kaplan, 1987), greater problem-solving ability (Brodt & Dietz, 1999; Hastie, 1986), and greater diversity of opinions with which to understand a problem (Hastie, 1986; Hill, 1982). Teams also have greater goal commitment and greater accountability than their solo counterparts (Brodt & Thompson, 2001) and a greater repertoire of strategies at their disposal (Brodt & Tuchinsky, 2000). However, negotiating in teams also has drawbacks. Teams often take longer to reach agreements, particularly as the number of issues increases (Rubin & Brown, 1975). Team negotiations (among Western negotiators) are often more competitive than individual negotiations, as teams are often greedier than individuals (Wildschut, Pinter, Vevea, Insko, & Schopler, 2003). Other key variables moderate team efficacy: Specifically, groups are most effective when members are highly identified (Eggin, Haslam, & Reynolds, 2002) and have high relationship quality (Keenan & Carnevale, 1989). Powerful teams are also especially competitive (Howard et al., 2007).

Negotiations often take place between representatives of different teams, departments, organizations, or nations. These representatives operate in different circumstances than do typical negotiators, with a unique set of challenges (Gelfand & Realo, 1999). Adams’s (1976) boundary role model of group representation explains how representatives must take on different roles when dealing with people inside and outside of their groups. For example, diplomats are accountable not only to their country’s government but also to parties of an international negotiation, and it can be challenging to balance these roles. Often, constituents urge representatives to distance themselves from the other group and be as competitive as possible, which can impair representatives’ negotiation effectiveness (Benton & Druckman, 1974; Gruder, 1971). Constituents may also have unrealistic aspirations about negotiation outcomes, which can lead to unfair dissatisfaction toward representatives (Wall, 1975). Moreover, accountability increases representatives’ toughness and competitiveness in Western negotiation contexts, and motivates representatives to gain approval from their constituents, often resulting in suboptimal outcomes. In one study by Benton and Druckman (1974), for example, accountable representatives behaved similarly to representatives who were given competitive instructions—setting equally competitive goals and rejecting offers at a similar rate. The best joint negotiation outcomes often happen when negotiators are not only accountable but also have some encouragement to reach integrative agreements (Carnevale et al., 1981). Other research has studied the selection of representatives. For example, Teixeira, Demoulin, and Yzerbyt (2011) found that groups are more likely to prefer external representatives for negotiations about material goods, since external representatives may have more knowledge about outgroups and also be able to exert more leverage on outgroup counterparts. However, groups prefer internal and normative negotiators (e.g., someone who matches the group stereotype) for more symbolic negotiations (e.g., Israel–Palestine negotiations over land) since normative negotiators are seen as better suited to advance ingroup goals.

**Third Parties**

Another important contextual factor in negotiation is the presence of a mediator. Negotiators can feature a mediator either because disputes cannot be solved by the original parties or because of formal mediation norms in a culture (Rubin & Brown, 1975). Mediators serve an array of functions in a negotiation, ranging from facilitating communication, identifying alternative solu-
tions, reinforcing and establishing procedural norms, and resolving disputes between negotiators (D. Johnson & Tullar, 1972; Kerr, 1954). To accomplish these goals, mediators have been found to use rewards and threats (Carnevale & Pegnetter, 1985; Rubin & Brown, 1975), to share information (Touval & Zartman, 1965), and to manipulate the context (e.g., through humor) to facilitate negotiation success (Kressel & Pruitt, 1989). In general, negotiations that have mediators feature greater agreement (Deutsch & Krauss, 1965; D. Johnson & Tullar, 1972; Kerr, 1954) and less reactive devaluation (W. Ross, Conlon, & Lind, 1990), although mediated agreements are sometimes seen as less fair than those reached by independent negotiators.

CULTURE AND NEGOTIATION

Culture has been shaping negotiation processes for thousands of years. The Ancient Greek Historian Herodotus described crucial negotiation breakdowns between Persian and Greek empires, whereas Tacitus illustrated the frustrations of intercultural peace negotiation as Rome and Germanic groups were repeatedly brought into conflict. Hundreds of years later, similar breakdowns occurred between Native Americans and Western settlers, and between Maori natives and British settlers in New Zealand, with the latter resulting in the exploitative Treaty of Waitangi.

In each of these historical cases, cultural factors proved an insurmountable obstacle to effective negotiation. Each cultural breakdown came at the cost of lives, land, and group sovereignty, making these cases unambiguously important topics of study. Nevertheless, scholarly work on negotiation and culture has a surprisingly brief research history. Until about 50 years ago, culture had been entirely neglected by scholars of organizational behavior and early articles on culture and negotiation (Porat, 1970; Shapira & Bass, 1975) often identified cross-cultural differences in negotiation strategies, without explaining the specific elements of culture that accounted for such differences or the theoretical implications of these differences (see Gelfand, Erez, & Aycan, 2007).

With the arrival of cultural taxonomies such as Hofstede’s (1980) set of cultural value dimensions, researchers began documenting how dimensions such as individualism–collectivism (Bangert & Pirzada, 1992; Tse, Francis, & Walls, 1994), power distance (Bangert & Pirzada, 1992; Graham, Mintu, & Rodgers, 1994), and uncertainty avoidance (Bangert & Pirzada, 1992; Natlandsmyr & Rognes, 1995) affected negotiation strategies. However, such studies were still rare in the 20th century, and they remained largely descriptive—reaffirming cultural differences along particular dimensions rather than tracking why these dimensions were especially relevant to the negotiation process, or how they could be moderated by other factors. While reviewing this research, Gelfand and Dyer (2000) identified three systematic limitations in scholarly considerations of culture and negotiation. First, many authors equated culture with nationality. Second, research often neglected the psychological processes involved in negotiation. Third, research had predominantly treated culture as a main effect influencing negotiation outcomes, rather than a moderator.

In the last 15 years, however, organizational behavior has developed a much-needed focus on culture (Gelfand et al., 2007). This wave of cultural research has allowed for the theoretical evolution of cultural taxonomies (Gelfand et al., 2011b; House, Hanges, Javidan, Dorfman, & Gupta, 2004; Leung & Bond, 2004; Schwartz, 1994; Smith, 2006) and has facilitated greater attention to how culture interacts with context to affect negotiation outcomes (Aycan, 2000; Gelfand et al., 2013; Salili, Chiu, & Lai, 2001). This new research has also considered the influence of emic factors, culture-specific ideas that can be contrasted with culture-general or universal dimensions (Berry, 1969; Morris, Leung, Ames, & Lickel, 1999). The result is a new theoretical focus on how culture influences negotiation, with a process orientation and sensitivity to contextual factors.

In the following sections, we review this work, highlighting key ways in which culture affects negotiation dynamics and outcomes. In this review, we highlight how culture has both direct and moderating effects on negotiation dynamics and outcomes. We also differentiate between the way culture
affects deal making (e.g., when parties are trying to form a deal) and disputing (when parties have a rejected claim), and how dynamics vary in intracultural and intercultural negotiations. We conclude with a discussion of culture and third parties.

**Culture and Psychological Factors in Negotiation**

A significant amount of the research on culture and negotiation has addressed how culture shapes the negotiating individuals’ cognition, motivation, and emotion. This research has identified not only universal cross-cultural tendencies but also important cultural differences.

**Culture and Negotiator Cognition**

There is now mounting evidence that negotiators’ biases and cognitive frames vary critically across cultures. In one illustrative study, Gelfand and colleagues (2001) asked Japanese and American participants to sort different negotiation conflict episodes and then used multidimensional scaling (MDS) to identify the dimensions on which individuals evaluated the conflicts. The MDS results illustrated that there were some universal dimensions that both Japanese and Americans used to evaluate the conflicts. For example, participants in both cultures differentiated conflicts based on whether one party was trying to “win” or whether both parties were trying to compromise. However, even within this universal dimension, Japanese rated more conflicts to be about compromise than winning as compared to Americans. Moreover, other dimensions emerged that were unique to each cultural group. Americans perceived conflicts in terms of how much they infringed on personal interests and autonomy, whereas Japanese perceived the same conflicts in terms of how much they violated duties and obligations (termed *giri* in Japanese). This study illustrated that people from different cultures not only value different elements of negotiation, but they also approach negotiation with fundamentally different cognitive representations of what is being negotiated.

Research has also shown that biases in negotiation are subject to cultural variability. For example, Gelfand and Christakopoulou (1999) found that Greeks (from a collectivist culture) were significantly less susceptible to the fixed-pie bias—the tendency to see negotiation outcomes as purely win-or-lose—compared to Americans (from an individualist culture) in intercultural negotiations between the two. Gelfand and colleagues (2013) found that collectivists were also less susceptible to self-enhancing biases compared to individualists. Common attribution errors during negotiations also appear to be culture-specific. Whereas research with American subjects revealed that people overattribute negotiation outcomes to partners’ personalities (Morris, Larrick, & Su, 1999), subsequent cross-cultural research found that this bias was larger in American than in East Asian participants (Morris, Leung, & Iyengar, 2004). Negotiators’ expectations of their partner’s trustworthiness also tend to vary across cultures. In one study, for instance, Gunia, Brett, Nandkeolyar, and Kamdar (2011) found that Indian negotiators had significantly lower expectations of trust from a negotiation compared to American negotiators.

Some cognitive biases, most notably those that stem from information availability, have shown universal effects. For example, negotiators in Thailand display the same anchoring bias around first offers that have been identified in Western negotiators (Gunia, Swaab, Sivanathan, & Galinsky, 2013), though W. Adair, Weingart, and Brett (2007) found that early offers facilitated information sharing and ultimately high joint gains in Japan but caused anchoring and lower joint gains in the United States. The authors explained this finding by theorizing that Americans interpreted early offers as attempts to leverage strong claims, whereas Japanese negotiators were more likely to interpret early offers as attempts to convey interests and priorities. Other research has reproduced framing (Kühberger, 1998) and availability (Hunter & Schmidt, 2004) heuristics in multiple cultures.

Many cross-cultural studies have documented cultural differences in analytic versus holistic cognitive styles, which also have implications for negotiation strategies. People in East Asian cultures with relatively high interdependent self-construal tend to use a more holistic cognitive style (Nisbett, Peng, Choi, & Norenzayan, 2001). These
differences in cognitive style also have significant consequences for other decision biases that are relevant to negotiation. For example, Liang, Kale, and Cherian (2014) found that Chinese participants are more likely than Americans to escalate in their commitment to a failing product in which they have already invested, showing more susceptibility to the sunk cost fallacy. To explain this finding, the authors speculated that analytic thinkers might see trends more linearly than holistic thinkers, which means that analytic Western thinkers may be more likely to believe that a failing venture will continue failing (see also Maddux & Yuki, 2006). While the authors did not directly test which cultural factors mediated these effects, they did find that Chinese participants identified more potential causes for problem performance, and more contextual information—defined as information that wasn’t directly tied to the product’s previous performance—when justifying their decisions. These trends suggest that Chinese participants’ higher belief in dialecticism could have driven their escalation of commitment. An alternative explanation, however, could be that Chinese participants had greater motivation to save face, prompting them to continue supporting a failing product (see Brockner et al., 1982). These different explanations provide an interesting topic for future research. Furthermore, while this study didn’t examine escalation of commitment in the context of negotiations, it suggests that East Asian negotiators might also be more likely than Western negotiators to persist in failing negotiations.

Culture and Negotiator Motivation

People across cultures vary not only in how they cognitively process events in a negotiation but also in their fundamental motivates during a negotiation. East Asian negotiators and Middle Easterners generally place greater emphasis on relational outcomes than do Western negotiators (Gelfand et al., 2013; Oetzel et al., 2001), and Western negotiators focus more on economic outcomes. These differences are “rational” when considering the ecology of different negotiation contexts. In Asian and Middle East cultures, relational mobility is lower, social network ties are denser, and individuals are more concerned with saving face (Morris, Podolny, & Ariel, 2000). Negotiators in these cultures tend to be more focused on preserving the relationship with their negotiating partner. In individualistic cultures, where there is high relational mobility, weaker ties, and face is less of a concern, negotiators tend to focus on instrumental motivation, and “getting to yes” as quickly and efficiently as possible.

These structural differences produce highly divergent foci in negotiations. On the one hand, they imply that negotiators in the West are more likely to intuitively trust strangers (see Rand, Greene, & Nowak, 2012) than are negotiators in Asia and the Middle East, who make larger distinctions between ingroup and outgroup members (Fulmer & Gelfand, 2015; Triandis et al., 2001; see also Ma, 2010). Indeed, American negotiators appear to show more trust than Indian (Gunia et al., 2011), and Middle Eastern negotiators, who are more likely to be concerned about the possibility of betrayal from strangers (Bohnet, Hermann, & Zeckhauser, 2010; see also Kong, Dirks, & Ferrin, 2014). The exact mediators for these effects have yet to be explored, but we suspect that in cultures where network ties are weak and there is high mobility (e.g., where people interact with different people on a regular basis), it is easier to develop “swift trust” as compared to contexts in which network ties are strong and there is low mobility (e.g., when one rarely interacts with people outside of the network). Strong ties and low mobility also enable mutual monitoring that sustains trust and cooperation in collectivistic cultures, which can produce less trust in anonymous interactions with strangers (Mifune, Hashimoto, & Yamagishi, 2010; Yamagishi, 1998). Accordingly, it is not surprising that trust in strangers is lower in East Asian and Middle Eastern contexts.

However, Western negotiators’ tendency to swiftly seek out trust and agreement can sometimes be a drawback. For example, Americans often set unrealistic expectations for how quickly negotiations will be resolved, which negatively influences the quality of their outcomes. Salmon and colleagues (2016) found that American participants—as compared to Lebanese participants—saw time as relatively more condensed (i.e., tended to overestimate the passage of time), made more concessions, and achieved lower
negotiation outcomes as a function of these perceptions. Westerners' reliance on rational strategies may also cost them in Middle Eastern contexts, where honor preservation is a salient motivation (S. Cross et al., 2014; Uskul, Cross, Sunbay, Gercek-Swing, & Ataca, 2012). Indeed, using a newly developed honor dictionary, Gelfand et al. (2015) found that while rational language was positively related to high joint outcomes in American negotiations, it was negatively related to joint outcomes in Egypt. By contrast, negotiators using honor language achieved higher joint outcomes in Middle Eastern negotiations (see also Aslani et al., 2016).

**Culture and Negotiator Emotion**

Negotiation researchers seldom study culture and emotion together, but there is a growing body of work with direct relevance to the role of emotion in culture and negotiation. Much of the research that most directly ties emotion to cultural differences on negotiation has focused on the role of anger. In everyday life, expressions of anger are typically inappropriate and culturally proscribed. In this sense, one might expect angry negotiators to be less successful than nonangry negotiators. However, research on culture and anger has revealed a much subtler role of anger in negotiation, depending on who is expressing anger, who is perceiving anger, and the cultural context of the negotiation. Adam, Shirako, and Maddux (2010) examined how negotiators perceive anger in negotiations in different cultures. Their research was inspired by communication breakdowns between the United States and Japan, in which President Bill Clinton's angry negotiating style elicited hostility and blocked cooperative channels with Prime Minister Morihiro Hosokawa. The authors studied how Japanese and American negotiators responded to a counterpart's anger and found that both Japanese and American negotiators conceded equally and highly when their counterpart's anger was appropriate given the context. However, when anger was contextually inappropriate, Japanese negotiators conceded less than did Americans, showing greater reactance to their counterparts' non-normative behavior.

In other research, Adam and Shirako (2013) have studied how culture interacts with who expresses anger. In their studies, expressors of anger in a negotiation were manipulated to be either European American or East Asian. Results showed that negotiators—regardless of their own nationality—conceded more when faced with an angry East Asian negotiator, but only when participants had a stereotype of East Asians as emotionally inexpressive. The authors suggested that this pattern occurred because East Asian anger stood out more than did European American anger, leading to perceptions of angry East Asian negotiators as tougher. Future research should also consider the role of status in how anger affects negotiations in different cultures. Whereas anger in the West is typically used more by lower-status individuals as an expression of frustration, East Asians are more likely to use anger as a demonstration of power and authority (Park et al., 2013), meaning that status might moderate how anger is both perceived and expressed in East Asian versus Western cultures.

Studies by Fulmer, Gelfand, Van Kleef, and Adam (2018) moved beyond culture and anger to investigate how people from different cultures perceive pride and shame during negotiations. They found that East Asians conceded more when they negotiated with East Asian partners who expressed shame compared to pride. In contrast, European Americans conceded more when they negotiated with East Asian partners who expressed pride compared to shame. Interestingly, neither group was affected by the emotional expression of European Americans. These effects underscore the importance of considering both the perceiver and the perceived person in studies on culture and negotiation.

Other research has considered how anxiety and humility influence cultural differences in negotiation. In dispute negotiations, Chinese negotiators report more anxiety and uncertainty during negotiation than do Dutch negotiators, who report more irritation and less friendliness than do Chinese negotiators (Kopelman & Rosette, 2008). In a follow-up study, Chinese negotiators also showed less overt negative emotion than did Israeli negotiators. These differences can be interpreted as largely strategic on the part of the negotiator, since humility (which involves minimizing disagreement and ar-
rognance) is a more effective means of winning concessions in an East Asian cultural context than in a European cultural context (Kopelman & Rosette, 2008).

**Culture and Negotiation Strategy**

Beyond research on culture and cognition, emotion, and motivation, research has shown that people use very different strategies throughout the negotiation across cultures in both deal-making and disputing contexts, which we discuss next.

**Culture and Strategy in Deal-Making Negotiations**

Research on culture and deal making has identified two predominant strategies that negotiators use (Brett, 2007). These include information exchange around one's interests and priorities, and persuasion and offers that are communicated either directly or indirectly (Gunia et al., 2011; M. Liu & Wilson, 2011). Information sharing generally tends to promote value creation (more integrative deals that benefit both negotiators), whereas persuasion and offers promote values claiming (deals that benefit one negotiator at the expense of his or her counterpart; Kong et al., 2014). However, people’s preferred strategies vary critically based on culture. Western negotiators are more likely to employ information exchange strategies than Easterners, while Eastern negotiators tend to prefer persuasion and indirect offer negotiation. Indeed, different strategies lead to high joint gain in different cultures: Using direct information exchange leads to higher negotiation outcomes in the United States, but using more indirect strategies leads to higher outcomes in Asia (W. Adair, Okumura, & Brett, 2001).

More recently, scholars have pointed to the role of trust in explaining these differences in negotiation strategies. For instance, Gunia and colleagues (2011) found that Indian negotiators’ lack of trust inhibits their ability to seek out integrative outcomes and compromise positions, compared to Americans. This difference may occur because trust is critical to information exchange in negotiation (Lügger, Geiger, Neun, & Backhaus, 2015), and as mentioned earlier, Americans’ higher trust allows them to seek out negotiation trade-offs (Ferrin & Gillespie, 2010; N. Johnson & Mislin, 2012). Another potential factor in cultural strategy differences might be descriptive norms. Confucian values and other East Asian ideologies tend to emphasize harmony and de-emphasize explicit conflict. This ideological difference might explain East Asians’ tendency to use indirect modes of communicating in deal-making negotiations rather than frankly present information regarding their personal interest.

This latter perspective is supported by research on the means by which Eastern and Western cultures compete in negotiations. Western negotiators, for instance, tactically use expressions of anger (Severance et al., 2013) and are more likely to engage in direct confrontation than Eastern negotiators (Brett, 2007; Zhang, Liu, & Liu, 2014). While Eastern negotiators also value competition in negotiation (M. Liu & Wilson, 2011), they display it more indirectly. For example, East Asian negotiators take up more physical space at the negotiation table (Semnani-Azad & Adair, 2011) and manipulate negotiations by selectively sharing information (M. Liu, 2009, 2011). Given that effective negotiators must employ at least a modicum of competition given the mixed-motive nature of this context, it is not surprising that negotiators of all cultures make use of competitive strategies. The means by which they do so, however, offer insight into the nature of descriptive norms across cultures.

**Culture and Strategy in Disputing Negotiations**

Research on culture and disputing negotiations has largely focused on the cross-cultural limitations of the rational actor model. Decades of prior negotiation research approached dispute negotiations with the assumption that delegates tasked with resolving political violence made rational choices. This model of negotiation proved effective at analyzing Cold War era negotiations, yet it was largely irrelevant for conflict resolution efforts in Middle Eastern countries. To expand the rational actor model, Atran, Axelrod, and Davis (2007) proposed a “devoted actor” model derived from negotiations that involved sacred values. This model was de-
veloped with sensitivity to the Israel–Palestine dispute, in which negotiators had practiced irrational strategies in which they had rejected resource-rich deals and rationally favorable trade-offs. To explain these decisions, the authors argue that concessions that might seem rational to Westerners, such as a land-for-money exchange, infringe on the sacred values of parties in an ongoing conflict, as in the conflict between Israel and Palestine. In follow-up work, Atran and Axelrod (2008) offered strategies for negotiations that involve sacred values, such as assuring protection of sacred values at the beginning of negotiations rather than the end, and refraining from offering material goods (e.g., money) in exchange for something sacred, such as ancestral land.

More recent research has explored the origins of sacred values in negotiations and has suggested new means through which negotiators can resolve disputes that involve sacred values. Atran and Ginges (2012), for example, attribute cultural differences in sacred values to the evolution of religious systems. Organized religious systems may have evolved in part because they foster cohesion and strong ingroup norms through the prevalence of large-scale rituals and costly signaling—sacrificing that signals commitment to an ingroup (Atran & Norenzayan, 2004; Henrich, 2009). Atran and Ginges (2012) argue that these elements of various religious traditions fostered cultures of high moralization, wherein pragmatic areas of cultural decision making (land ownership) take on sacred meaning (Atran & Norenzayan, 2004). As a function of these strong ingroup norms, however, religious cultures can sometimes show greater hostility toward outgroups, including more prevalent warfare and violent extremism (Sosis, Kress, & Boster, 2007). In this sense, religion’s emphasis on sacred values does not fit well with dominant rational models of negotiation. Further work is needed on how religion can be conceptualized in the negotiation process, and how secular negotiators can best negotiate with counterparts whose decision making is affected by religious values.

Honor is another important component of decision making among devoted actors. Recent work has explored the evolutionary determinants of Middle Eastern honor cultures, and how honor cultures influence negotiation decision making. One agent-based model on this subject found that environments with unstable institutions cultivate the emergence of honor cultures (Nowak, Gelfand, Borkowski, Cohen, & Hernandez, 2016), building on classic work in social psychology indicating that ecological differences between the U.S. South and North led to a Southern “culture of honor” (Nisbett & Cohen, 1996). In environments with inadequate law enforcement, individuals need to protect themselves, and they need to maintain a reputation for toughness, so that others do not take advantage of them. This may be why symbolic concessions hold so much value for Middle Eastern negotiators and it also suggests discrete strategies with which Western negotiators might effectively resolve conflicts in the Middle East, such as explicitly recognizing the importance of sacred values at the beginning of negotiations.

**Culture and Context in Negotiation**

Until now, in this chapter we have considered cultural differences in negotiation somewhat generally, without consideration of how these cultural differences might be moderated by an array of factors. Indeed, this limitation is inherent to much research on culture and negotiation, and only in the past 5–10 years have scholars begun to identify the elements of negotiation that amplify or reduce cultural differences in psychological or social negotiation processes. This emerging literature takes a culture-by-context approach to understanding the role of culture in negotiation (Gelfand et al., 2013).

Some contextual moderators of cultural differences are structural. For example, accountability tends to increase culturally normative behavior, as negotiators feel accountable to others within their culture. Whereas early researchers of negotiation and accountability had presumed that accountability increases negotiators’ competition, these studies had only been done with Western samples, in which negotiation norms are largely competitive. In innovative work, Gelfand and Realo (1999) showed that accountability amplifies normative tendencies. It makes interdependent people more cooperative (Gelfand & Realo, 1999) and those from collectivist cultures more relational in their negotiation goals—but only when ne-
negotiating with an ingroup member, such as someone from their own company (W. Liu, Friedman, & Hong, 2012). Accountability therefore leads people to conform more to cultural norms and scripts (Gelfand, Nishii, & Raver, 2006; Yamagishi, Hashimoto, & Schug, 2008), and in doing so may amplify cross-cultural differences.

Gelfand and colleagues (2013) found that these contextual moderators of culture could also influence cross-cultural differences in teams: Specifically, whereas teams outperform solos in negotiations in Western cultures (Thompson et al., 1996), the researchers expected that they would do worse in teams in collectivistic cultures. In particular, they argued that the team context activates cultural norms and amplifies a concern for harmony norms that predominate in collectivistic cultures. They found that Taiwanese negotiators not only showed more motivation toward harmony in team versus solo negotiations, but their motivation toward harmony also led Taiwanese teams to negotiate especially suboptimal joint outcomes (as measured by Pareto efficiency) compared to individuals.

As negotiations more frequently are conducted online, new research on context and culture has explored whether cultural differences translate to virtual negotiations. In the limited research that has been published, it appears that some cross-cultural differences translate virtually. In an e-mail study, German negotiators used more information sharing and fewer influence behaviors than did Chinese negotiators (Lügger et al., 2015), reaffirming previously established cultural differences. However, in another study, participants from Hong Kong expressed more competitive goals in an e-mail negotiation compared to Western negotiators in an intracultural negotiation (M. Liu & Wilson, 2011; Rosette, Brett, Barsness, & Lytle, 2012). No mechanism was directly tested, but presumably Hong Kong participants felt more emboldened to be competitive when negotiations were not conducted in a face-to-face context. Besides these e-mails studies, however, there has been little research on online negotiation. Particularly when negotiators are less accountable due to the anonymity of their online environment, individuals can obscure personal information and exit negotiations with fewer consequences. This research provides useful insight, however, in that it allows researchers to test whether cross-cultural differences in negotiation styles persist in these less accountable online environments.

Another prominent psychological moderator of cultural differences is the need for cognitive closure—individuals’ desire to arrive at definitive conclusions and avoid ambiguity. Cultural differences appear largest among individuals with high cognitive closure and in situations where cognitive closure is highest, such as under time pressure (Chao, Zhang, & Chiu, 2009). Cognitive closure has been shown to moderate a wide range of cultural differences in negotiation, such as differences in conflict orientation, procedural preferences, and information-gathering strategies (Fu et al., 2007). In each case, cognitive closure amplifies established cultural differences. For example, Americans, as compared to Chinese, tend to report higher scores on competitive motivation, and this is increased among negotiators with a high need for closure. This tendency might stem from the fact that high cognitive closure encourages people to rely on cultural scripts as clear guides to behavior, with low ambiguity.

**Intercultural Negotiation**

Cultural processes in negotiation are shaped by not only structured and psychological moderators but also one’s negotiation partner. In an increasingly globalized world, negotiations are often held across cultural groups. These negotiations feature unique intercultural effects that stand apart from the intracultural effects that we have documented thus far. Furthermore, different cultures can meet across the bargaining table (intercultural negotiators) or on the same side (multicultural teams). In this section, we review literature from both contexts.

**Intercultural Negotiators**

By summer 1951, the Korean War had cost tens of thousands of deaths, and over $6 billion to the Korean economy. Additionally, more than half of Americans who initially agreed with the war had withdrawn their support, and Mao Zedong had lost one of his sons in the conflict. Yet even with these
factors—and the fact that all sides sought similar terms—negotiations were drawn out for 2 years. Even when Russia, the United States, and North Korea all agreed on an armistice, China rejected the terms, refusing to trust Western powers. The negotiation's difficulty illustrates how intercultural negotiations can face difficult obstacles, even when they look easily achievable on paper.

Research findings have consistently supported the challenge of intercultural negotiations. One survey indicated that, in general, intercultural negotiations create less value than their intracultural cousins (Brett, 2007; but see Kern, Lee, Ay tug, & Brett, 2012), and in one study using intercultural Israeli–Indian participants, negotiators failed to reach an agreement 60% of the time (Liu, Friedman, Barry, Gelfand, & Zhang, 2012). The difficulty of intercultural negotiations cannot be traced to any single factor. Indeed, almost any intergroup process suffers from a lack of trust and the inhibiting presence of intergroup bias (Hewstone, Rubin, & Willis, 2002). And negotiation—in which group differences are made salient by opposing motives—are likely to facilitate hostile interactions that make agreements difficult. In this vein, past research has shown that intercultural negotiators often differ in their expression norms (Ekman & Friesen, 1969; Hammer, 2005; Koopmann-Holm & Matsumoto, 2011) and tend to misattribute counterpart behavior in damaging ways (Salmon et al., 2013). Each of these differences is then compounded by cultural stereotypes that frequently damage joint value among intercultural dyads (Adair, Taylor, & Tinsley, 2009; Brett, 2007).

Aside from a host of intergroup biases, intercultural negotiators also struggle to reconcile fundamental differences in communication strategies (Hall, 1976; Hammer, 2005; Ting-Toomey, 1988). Scholars who study negotiation have yet to resolve when intercultural negotiators will adopt their counterpart's strategy and when they will retain their culture-native approach, and several theoretical models have also struggled to account for this issue. The triangle hypothesis, for example, argues that cooperative negotiators abandon their strategy when they face a competitive counterpart (Kelley & Thibaut, 1978). However, Germans negotiating with competitive Chinese counterparts only partially adapt their behavior—showing more distributive behavior but similar levels of integrative behavior compared to when they negotiate with other Germans (Lügger et al., 2015). In this sense, more research is needed to determine when people will adjust their normative negotiation framework due to their counterpart's culture and how intercultural negotiators can best manage their different styles of communication.

Yet, gaps in knowledge notwithstanding, researchers have identified critical moderators of how successful individuals or groups might be in intercultural negotiations. Of these moderators, cultural intelligence seems to be of particular importance, which is unsurprising given that cultural intelligence is associated with better sensitivity to cultural differences and better adaptation to the norms of outgroup cultures (Earley & Ang, 2003; Thomas & Inkson, 2004). In a study of 124 American and East Asian negotiators, Imai and Gelfand (2010) confirmed the important role of cultural intelligence in intercultural negotiations. In their sample, cultural intelligence—measured a week before a negotiation—predicted negotiator's integrative behaviors, which in turn led culturally intelligent negotiators to achieve high joint outcomes. In a more recent study, Liu, Ma, Chua, Zhang, and Barzanty (2013) found similar patterns: Chinese and American negotiators achieved higher joint outcomes as a function of their cultural intelligence and were better able to manage their relationship with their negotiating counterpart.

While cultural intelligence is a stable individual difference, discreet behavioral markers may also facilitate effective intercultural communication. In fact, even frequently saying the word you—which closes social distance—created value for Korean negotiators with American counterparts (Kern et al., 2012; Yoon & Yang, 2012). Other treatment interventions have also shown promise. Emphasizing relational goals over task goals produces more informational integration and cultural intelligence—critical elements for effective intercultural negotiations (Ogan, Aleven, Kim, & Jones, 2010; but see Fry et al., 1983), and negotiators who send clear messages (Liu, Chua, & Stahl, 2010) and make an effort to take the perspective
of their counterpart’s culture (Giannetti & Yafeh, 2012) enjoy the best intercultural negotiation joint outcomes. Of course, experience in other cultures is also a significant moderator of intercultural negotiation success, a claim that has been validated among foreign students studying in France, China, and the United States (L. Liu et al., 2013).

There are also clear inhibitory factors for successful intercultural negotiation. One such factor is the need for cognitive closure. Aside from closure’s tendency to make negotiators rely more on ingroup cultural norms, it also appears to hinder intercultural negotiation. This inhibition has been documented among Chinese and American negotiators (L. Liu et al., 2012). Among these subjects, a high need for closure prevented participants from switching to new mental models and adjusting their early strategy. Follow-up research indicated that cognitive closure produced a greater fixed-pie bias among intercultural groups, which prevented effective value creation (W. Liu, Liu, & Zhang, 2015).

**Negotiating in Multicultural Teams**

Many of the same obstacles and solutions that typify standard intercultural negotiations are involved when multicultural (i.e., culturally diverse) teams negotiate. In both forms of intercultural negotiation, effective negotiators share information, adapt their initial strategy, and effectively communicate their interests (Brett, 2007). Moreover, intercultural trust, cultural intelligence, and creativity are critical regardless of whether individuals or teams take part in negotiations (Gassmann, 2001; Rockstuhl & Ng, 2008). However, multicultural teams also face a unique set of challenges. Because multicultural teams often represent the same collective group (e.g., an organization) and have common outcomes they need to attain (e.g., a work product), it is especially important that they communicate effectively, which may be challenging when team members speak different languages and dialects, and follow different sets of descriptive norms (Henderson, 2005).

To help overcome these obstacles, Brett, Behfar, and Kern (2006) suggested four strategies for effective multicultural teamwork. Their first strategy, *adaptation*, involves acknowledging cultural differences and explicitly adapting practices and attitudes to manage these differences without undermining members’ identities. Their second strategy, *structural intervention*, involves changing environmental or other structural features (e.g., team size, location) to remove potential sources of conflict. Their third strategy, *managerial intervention*, involves a mutually supported intervention from an executive to help resolve intercultural conflict. And their fourth strategy, *exit*, involves leaving a team in which cultural differences are irreconcilable and disruptive. These strategies vary in their commonness (e.g., exit is a very rare strategy) and their effective across contexts (e.g., managerial intervention must involve a popular and well-respected authority), but they offer a window into how multicultural teams can use communication and organizational support to coordinate effectively during negotiations.

The aforementioned research represents a rich literature on multicultural teams and may be translated to understand how such teams negotiate. However, scholars have rarely explicitly considered multicultural team negotiations, despite the growing rate of multinational corporations and increasing contact between these corporations (Halvorson & Tirmizi, 2008). Cultural tightness—looseness—the strength of cultural norms and tolerance for deviant behavior—may also impact how multicultural teams negotiate. Looser cultures are typically more creative and display more openness to outgroup members (Gelfand et al., 2011b), which might foster success in multicultural teams. However, tight norms might be beneficial on the team-level, since it is associated with ingroup trust, coordination, and cohesion (Gelfand, Harrington, & Jackson, 2017). Furthermore, tightness could help negotiators prioritize shared interests over individual pursuits and through increased self-control (Gelfand et al., 2011b; Harrington & Gelfand, 2014). While these effects are theoretically supported, more research is needed to test their empirical support.

**Mediation and Culture**

Negotiations has classically been considered to involve two-party interactions, but they very often involve mediating third parties.
The last 20 years have seen a flourishing research into third-party negotiations, with particular attention to mediation in which a mediator helps two parties negotiate a deal (Wall & Blum, 1991). Of all the factors that influence mediation, culture has been considered the most powerful and also the most intriguing (Wall & Lynn, 1993).

**Culture and the Mediation Process**

The importance of culture in studying mediation might be in part because mediation is largely an emic feature of negotiation—its prevalence and nature varies critically across cultures, and mediations feature very few universal elements. Instead, mediated negotiations are idiosyncratically and locally defined. Despite this diversity, mediators in Western and non-Western communities tend to hold positions of high responsibility (Wall & Blum, 1991), a claim that has been supported by descriptive reports of negotiations in Sudan, the Philippines, Afghanistan, and Mexico, where mediators are given great power to settle disagreements in a manner that benefits their community at large (Merry, 1982, 1989).

Given that mediators often represent the interests of their home culture in a negotiation, it is not surprising that they display a keen sensitivity to cultural norms. This sensitivity may be most prominent in the mode in which mediators are trained. In China, mediators are often trained to restore harmony in society (Laden, 1988), a mandate that reflects important Confucian ideals (Hofstede & Bond, 1988). American mediators, however, are trained to approach disputes in an unbiased manner and to divide value equally, tactics that are more reflective of traditional democratic ideals (McGillicuddy, Welton, & Pruitt, 1987; Welton & Pruitt, 1987). While each culture's mediation training appears functional in its own right, both clearly derived from cultural norms and values. Moreover, they may produce very different mediation outcomes, depending on the nature of the negotiation.

Aside from the training that mediators receive, scholars have studied styles of mediation in different cultures. This research has drawn from general mediation literature, which previously identified differences between *formulative* styles of mediation and *manipulative* styles (Carnevale & Pegnetter, 1985; Kressel & Pruitt, 1989; Wall & Rude, 1985). The former style was often identified in mediators who suggested compromises, solutions, and helped disputants reach agreements (Beardsley, Quinn, Biswas, & Wilkenfeld, 2006; Wilkenfeld, Young, Asal, & Quinn, 2003; Zartman & Touval, 1985), while mediators who use the latter style tend to use power and influence (e.g., threat, reward, punishment) to push negotiating parties toward settlement or push single parties off previously held positions (Beardsley et al., 2006; Wall, Chan-Serafin, & Dunne, 2012).

Studies of culture and mediation have largely identified similar strategies across cultures, while documenting emic elements that are unique to each culture. In a Malaysian community, for example, village leaders not only relied heavily on information gathering and consensus seeking (typical of a formulative style) but also used a unique “meet together” strategy and engaged in shared prayer (Wall & Callister, 1999). In contrast, Thai mediators not only used influence and power tactics typical of the manipulative style, but they also emphasized apology and forgiveness during negotiations in a way that manipulative American mediators did not (Callister & Wall, 2004). Japanese mediators relied on a mix of manipulative and formulative strategies, not only using criticism and assertive communication to guide negotiators, but also listening and sharing information in an effort to formulate deals that met the needs of each negotiator (Callister & Wall, 1997). And Indian mediators were found to dictate concession points and agreements differentially depending on their status in the community, with panchayats (mediational groups) using more assertive strategies than solo village elders (Wall, Arunachalam, & Callister, 2008). Other research has extended the study of mediation to Turkey (Kozan & Ilter, 1994), South Korea (Kim, Wall, Sohn, & Kim, 1993), China (Wall & Blum, 1991), and Gambia (Davidheiser, 2005).

**Mediating Intercultural Disputes**

Past research has largely focused on mediation as it occurs in other cultures, but mediation is increasingly occurring in intercultur-
al negotiations. This intercultural mediation faces the host of challenges we documented earlier in this chapter, ranging from general intergroup biases to cultural miscommunications and clashing negotiation strategies (Hall, 1976; Hammer, 2005). Moreover, dispute mediators also face unique challenges, such as the outright rejection of their efforts. Analyses of historical dispute mediations revealed that when negotiations involved more cultural distance (were separated further by region, practice, etc.), negotiating groups were less likely to accept a mediator, even though the mediator’s efficacy did not ultimately vary depending on cultural distance when the groups did accept mediation (Inman, Kishi, Wilkenfeld, Gelfand, & Salmon, 2014).

When mediators are accepted, their strategy can critically influence the success of intercultural negotiations. Research on disputing negotiations has found that mediators with manipulative strategies are best able to confront challenging intercultural negotiations and generally outperform formulative negotiators (Salmon et al., 2013). The advantage of manipulative strategies is moderated, however, by the difficulty of the negotiation situation. For example, manipulative mediation produced higher-quality agreements in intercultural dyads with more difficult disputants (low openness to mediation and low motivational cultural intelligence, which refer to a low desire to function and manage in culturally diverse situations, low trust, and low willingness to concede), but it produced much lower-quality agreements in dyads with more favorable disputant factors (high openness to mediation, high motivational cultural intelligence, high trust, and high willingness to concede; Salmon et al., 2013).

FUTURE DIRECTIONS

The study of culture and negotiation has had a short history, but it has a promising future. Publication rates indicate that negotiation literature with a cross-cultural focus has increased at an exponential rate over the past 15 years (Gelfand et al., 2017). Research on culture and negotiation is becoming increasingly more complex, examining how culture interacts with the social context to predict negotiation dynamics, moving beyond intracultural comparisons to include intercultural negotiations, and incorporating emic constructs into theory and research. We conclude with some promising theoretical and methodological frontiers of culture and negotiation research.

Building More Integrative Theories of Culture and Negotiation

This chapter has examined culture’s effect on negotiation cognition, motivation, and emotion as if each process were phenomenologically distinct. Yet each psychological process interrelates as negotiator dynamics unfold at the negotiation table, and we need more coherent conceptual theories that help integrate how culture affects all of these processes simultaneously. Could there be one source of cultural knowledge that explains why Americans shake hands at the beginning of negotiation but are more likely to show overt anger after meeting opposition? We believe that cultural metaphors have the potential to synthesize research on negotiation in general, and culture and negotiation more specifically (Gelfand & McCusker, 2002).

Metaphors are typically thought of as linguistic devices, but conceptual metaphor theory holds that they are more deeply rooted conceptual frames that enable us to make meaning of abstract targets by mapping them to concrete sources (Lakoff & Johnson, 2008; Landau, Meier, & Keefer, 2010). For example, people often refer to time in terms of distance (“a deadline approaches”), and emotion as liquid in a container (“anger is bottled up,” “rage erupts”). A particularly exciting extension of conceptual metaphor theory has examined cultural metaphors (Kövecses, 2003, 2005). Since culture is largely a meaning framework that offers behavioral scripts and interpretive lenses, it is dependent on metaphors to help make nebulous social concepts (e.g., love, mating partners) interpretable using more accessible sources (an arrow through the heart, fish in the sea). But cultures do not have equally accessible metaphors, because metaphors are derived from repeated experiences. For example, the first person to compare mating partners to fish probably lived near an ocean. Metaphors often reinforce cultural
norms and values, and draw from local eco-
lology (Kövecses, 2003, 2005).

Research has yet to systematically exam-
ine the role of metaphor in cultural nego-
tiation (Gelfand et al., 2011a), but Gelfand
and McCusker’s (2002) metaphoric analysis of
Japanese and American negotiation styles
hints at the explanatory promise of a meta-
phoric perspective. These authors argue that
since negotiation is an especially abstract
target, negotiators often rely on cultural
metaphoric mappings—often without their
conscious awareness—to understand what
are they are doing, what scripts are appro-
priate, and to determine the criteria for suc-
cess. In the United States, negotiators tend to
draw from sports metaphors, because sports
are highly accessible in the culture, while
in Japan, negotiators often use a household
(ie) metaphors, given that they provides an
extensive domain of experience to which
people are exposed. Each of these meta-
phors clarifies the problems that negotiators
face. For example, Americans using a sports
metaphor must win the negotiation, while
Japanese negotiators using the ie metaphor
must fulfill their roles in the negotiation.
Moreover, each metaphor comes with a set
of behavioral scripts. Players in a sport leave
everything on the field, work as a team,
and show good sportsmanship. In contrast,
members of a household must respect their
elders, downplay conflict, and put the needs
of the family ahead of their own interests.
And while emotional expression is typical
to any competitive sport, an emotional
outburst is proscribed in the ie metaphor.
Thus, conceptual metaphors are useful for
understanding why cultures might not only
emphasize different elements of the same
negotiation but also translate high-level dif-
fences in cultural values into the distinct
behaviors that cultural negotiators employ.
Moreover, metaphors are dynamic—they
can change over time and vary based on
context—thereby capturing the ever-chang-
ing negotiation process that is increasingly
being recognized by negotiation scientists.

While theory had been advanced on how
metaphors can provide a conceptual bridge
to a holistic understanding of culture and
negotiation, there is little empirical research
on this approach, which provides an open
frontier for future work in the field. Meta-
phors can also provide a training device for
helping negotiators understand how their
cultural counterparts are mapping the do-
mern domain of negotiation, thereby increasing ne-
gotiators’ cultural intelligence.

**Emic Social Processes in Negotiation**

While social processes have typically been
examined as they differ across cultures,
many social processes in non-Western coun-
tries are culturally unique. For example, the
majority of research on negotiator strategies
has drawn from the Profile of Organization-
al Influence Strategies (Kipnis & Schmidt,
1982), which identifies seven general influ-
eence strategies that negotiators employ: pres-
sure, integration, exchange, authority, coal-
tion, sanction, blocking. However, research
on negotiation in Japan found that these
negotiators used additional strategies—such
as highlighting the authority of their firm
and using role modeling—in addition to the
original seven (Rao, Hashimoto, & Rao,
1997). Other research in Hong Kong found
negotiators use an additional “good soldier”
tactic, in which they conceptualized negotia-
tion success through hard work, as well as
an image-management tactic and a personal
network tactic, which relied on informal so-
cial connections to accomplish negotiation
goals (Ralston, Gustafson, Cheung, & Terp-
stra, 1993).

There is still a scarcity of literature on cul-
turally emic constructs in negotiation, yet
some research has shown early promise. For
example, the Chinese notion of gaunxi—
represented as the informal connection that
implies the reciprocation of favors and trust
in Chinese culture (Hall, 1976)—is associat-
ed with a negotiation preference for behind-
the-scenes tactics rather than information
sharing (Chen & Chen, 2004). Another emic
construct—the Arab notion of wasta—refers
to “pulling strings” through an association
with someone of higher power and has been
associated with asserting influence during
negotiation through third parties who are
not involved in the negotiation (Khakhar
& Rammal, 2013). Finally, according to Gel-
fand and colleagues (2001), Japanese ne-
gotiators can think of negotiation conflicts
in terms of giri (one’s dutiful obligations),
whereas Americans did not use this con-
struct when analyzing negotiation conflict.
Studies on these emic constructs help illus-
trate the value structures behind culturally unique negotiation strategies, but they have also shown that culture-specific notions are to some degree shared across cultures. In one such demonstration, Smith, Huang, Harb, and Torres (2011) found that guanxi, was, and the Brazilian notion of jeitinho (using creative solutions to solve unique problems) were endorsed across Lebanese, Brazilian, Chinese, and British cultures. Future research should continue to broaden the constructs we examine in culture and negotiation research and integrate them with those that come from a Western approach.

**Beyond Linear Paradigms: Computational Agents and Computational Models of Negotiation**

Negotiation seldom involves a single interaction. Negotiators must often meet continuously—sometimes over the course of months or years—to revise and renegotiate elements of an agreement. Over this time, the relationship between two negotiators becomes just as important as the issues over which they are negotiating, and strategies that might exploit temporary gains could damage this relationship and eventually hinder an effective resolution (Pruitt & Carnevale, 1993). Thus, negotiations are dynamic—potentially changing dramatically in their nature over time—yet they have been historically studied using one-shot paradigms (Gelfand et al., 2011a). This limitation is in large part methodological. Single negotiation agreements are easier to simulate in a laboratory, and common statistical hypothesis testing focuses primarily on one-shot paradigms.

Within the last 5–10 years, however, computational methods have emerged that allow for an effective study of nonlinear negotiation dynamics (Jackson, Rand, Lewis, Norton, & Gray, 2017). Much of this work has emerged through the lens of dynamical systems theory, in which different elements of a system (e.g., an organization or a negotiation) are seen as interconnected and changing over time (Coleman, Vallacher, Bartolli, Nowak, & Bui-Wrzosinska, 2011; Vallacher & Nowak, 1994). For example, a dynamical systems perspective has recently been applied to study how multiple factors cause and exacerbate intractable conflicts, a topic that had previously been studied as the linear result of single predictors, such as competition over resources (Vallacher, Coleman, Nowak, & Bui-Wrzosinska, 2010). Other papers have applied simulations of computational “agents” to study culture and reciprocity in negotiation (Haim, Gal, Gelfand, & Kraus, 2012), culturally adaptive negotiation strategies (Gal, Kraus, Gelfand, Khashan, & Salmon, 2011), individualist and collectivist trade strategies (Hofstede, Jonker, & Verwaart, 2008), and intercultural communication (Paruchuri et al., 2013). For example, using their model, Hofstede and colleagues’ (2008) found that “individualist” agents who focused on personal interests created more efficient and complex networks than “collectivist” agents who focused on maintaining ingroup bonds and harmony. This article showed how the dynamical modeling of individual-level differences in collectivism could lead to the emergence of more complex group-level differences in trade networks.

**Diversifying Samples and Methods**

Recent analyses of negotiation research show that even research explicitly concerned with culture is geographically constrained (Gelfand et al., 2013). Perhaps out of convenience, these studies draw over half of their samples from one country (the United States), and even the minority of research that is conducted outside of North America and Western Europe tends to occur in East Asia (Gelfand et al., 2017). Indeed, the East versus West cultural divide has characterized over 40 years of cross-cultural research, with dimensions such as individualism–collectivism and power distance fueling much of the early research on culture and negotiation. However, the field’s narrow focus on East versus West dynamics now threatens to limit future research on culture and negotiation. The reality of globalization means that negotiators from all over the world face each other daily, and unless we begin to sample a more culturally diverse set of negotiators, our theoretical models will continue to apply only to a minority of global negotiations. Research is sorely needed on African, Middle Eastern, and South American samples, as well as among biculturals and immigrants.

Methodological innovations could go far to resolve the problem of sample diversity.
Some of these innovations should involve neuroscience and physiological tools (e.g., hyperscanning methods in neuroscience, which provide neuroimaging data from the brains of two interacting participants), bypassing any implicit demand in Western scales and translation issues. Moreover, based on the this review, which shows that context is a critical moderator of cultural differences, it is critical for negotiation research to be clear on the features of the negotiation context that are being measured and/or manipulated in cross-cultural research. For example, the nature of one’s negotiation counterpart (ingroup or outgroup) is often left unspecified. More attention to context in both theory and research designs will be important for future research. Perhaps most importantly, we need also to replace standard negotiation procedures to be more cross-culturally sensitive. Current multi-issue paradigms—even those that allow for integrative trade-offs—use formats in which individuals volley for points—reflecting a sports metaphor that can encourage competition. Negotiation paradigms also use economic gains and losses as dependent variables, even though previous research has underscored the importance of relational and reputation gains among Middle Easterners and East Asians. Finally, most negotiation paradigms do not capture the dynamics of intercultural negotiations, which involve many intangible qualities that must be communicated and resolved even before the negotiation begins (e.g., where the negotiation takes place, who negotiates, and how many negotiators are present). New cross-culturally sensitive paradigms will help to improve the quality of future research on the cultural psychology of negotiation, and it should be a high priority in the field.

CONCLUSION

How can psychologists help resolve international disputes and maximize the efficiency of global organizational deals? In this chapter, we have argued for the importance of understanding culture’s role in negotiation processes. In particular, we have discussed the origins, evolution, limitations, and future directions of studying culture and negotiation. We divided this work by (1) how culture shapes psychological processes, (2) how culture affects social processes and strategies in negotiation, (3) contextual moderators of the effect of culture on negotiation, (4) the dynamics of intercultural negotiation, and (5) cross-cultural conceptions of mediation. Taken together, we recognize a field that, while young, has made tremendous strides in recognizing the cultural impact on diverse negotiation processes and questioning the universal validity of established negotiation findings. Through the wealth of published research on culture and negotiation, we can now analyze historically significant negotiations through a scientific lens and train negotiators more effectively to make deals and resolve conflict in an increasingly globalized world.

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