## cross-culture and negotiation

In order to remain competitive, organizations are increasingly engaging in international business ventures (Lewis, 1990).. Managing these intercultural transactions requies knowing not just how to negotiate successfully with buyers and sellers from your own culture, but also how to negotiate with buyers andsellers from other cultures. F or example, Japan and the United States are major business partners (Graham & Sano, 1989). Successful negotiations between Japanese and U.S. companies have implications for the economies of both countries.

Culture, or a society's characteristic profile with respect to values, norms, and institutions (Lytle,Brett, Barsness, Tinsley, & Janssens, 1995) provides insight into the different solutions that societies evolve to manage social exchanges such as negotiation. Individualism versus collectivism and the selfinterest schema. In individualist cultures, the definition of self is independent from in-group membership; in collectivist cultures, it is interdependent with in-group membership (Marcus &Kityama, 1991; Triandis, 1989). Hierarchy versus egalitarianism and the power schema. The cultural value hierarchy versus egalitarianism has implications for how power is perceived in a culture. In hierarchical cultures, there is a preference for differentiated social status. Social status implies social power in a variety of contexts, including negotiations. Low-status members of a society are expected to concede to high-status members, who in turn have a social responsibility to look out for the needs of the lower-status members(Leung, 1997).Social status differences exist in egalitarian cultures, but people are less receptive to power differences in egalitariansocieties than in hierarchical ones (Leung, 1997). Analysis

The unit of analysis for testing our hypotheses about the between cultural group, cultural values, relationships and negotiation schemas was the individual. We used analysis of variance (ANOVA) to conduct a sampling check to determine that Japanese participants were less individualistic and more hierarchical than U.S. participants. ANOVA was also used to test for differences between U.S. and Japanese negotiators with respect to the selfinterest schema and the power schema. We used correlations to test Hypotheses 1 and 2, which are about the relationships between cultural values and negotiation schemas. Chi-squares were used to test Hypotheses 3 and 4, which concern the relative accuracy of inter- and intracultural negotiators' knowledge about the importance of issues. The unit of analysis for testing the joint gains hypothesis (Hypothesis 5)

was the dyad. Multivariate analysis of variance (MANOVA) was used to test differences between intra- and intercultural outcomes. To test Hypothesis 6, concerning joint gains and the incompatibility of intercultural negotiators' cultural values and negotiation schemas, we used the dyad as the unit of analysis. To measure incompatibility, we did the following: For each distinguished between variable that Japanese and U.S. negotiators, we divided participants into three groups based on the variable's grand mean in the total sample of U.S. and Japanese participants. The groups were (1) more than half a standard deviation above the grand mean, (2) within half a standard deviation of the grand mean, and (3) more than half a standard deviation below the grand mean. We categorized dyads instead of computing difference scores in order to distinguish among dyads with high compatibility, low compatibility, and moderate compatibility, for which different joint gains might be anticipated. (For example, one might anticipate high joint gains from U.S. dyads that have high compatibility on self-interest, but not from U.S. dyads that have low compatibility on selfinterest.) We then ran an ANOVA with six groups and joint gains as the dependent variable. The unit of analysis was intercultural dyads.





