

RESEARCH REPORT

Toward a Culture-by-Context Perspective on Negotiation: Negotiating Teams in the United States and Taiwan

Michele J. Gelfand
University of Maryland

Jeanne Brett
Northwestern University

Brian C. Gunia
Johns Hopkins University

Lynn Imai
Western University

Tsai-Jung Huang
National Taiwan University

Bi-Fen Hsu
National Yunlin University of Science and Technology

Within the United States, teams outperform solos in negotiation (Thompson, Peterson, & Brodt, 1996). The current research examined whether this team advantage generalizes to negotiators from a collectivist culture (Taiwan). Because different cultures have different social norms, and because the team context may amplify the norms that are salient in a particular culture (Gelfand & Realo, 1999), we predicted that the effect of teams on negotiation would differ across cultures. Specifically, we predicted that since harmony norms predominate in collectivist cultures like Taiwan, the team context would amplify a concern with harmony, leading Taiwanese teams to negotiate especially suboptimal outcomes. In support, 2 studies showed that Taiwanese teams negotiated less-optimal outcomes than Taiwanese solos. We also used a moderated-mediation analysis to investigate the mechanism (Hayes, 2012), documenting that the interactive effect of culture and context on outcomes was mediated by harmony norms. By showing that the same situational conditions (team negotiations) can have divergent effects on negotiation outcomes across cultures, our results point toward a nuanced, sociocontextual view that moves beyond the culture-as-main-effect approach to studying culture and negotiations.

Keywords: negotiation, culture, teams, solos

In the current global economic environment, both managers and researchers need to understand how culture influences negotiation. Managers, in particular, need to understand how negotiations unfold across a wide range of situations and circumstances, ad-

justing their strategy to the fact that negotiations, regardless of where they occur, never occur in a vacuum. Although researchers intuitively appreciate the idea that negotiations are situated in a particular social context, not just a particular cultural context, research on culture and negotiation has often been decontextualized. In other words, it has often focused on the main effects of culture without regard to the more proximal social contexts in which negotiations are invariably embedded and with which culture may interact.

A dearth of evidence on the concurrent influence of culture and context is problematic for both theoretical and practical reasons. From a theoretical perspective, a static portrait of cultural differences in negotiation risks obscuring contextual effects that may modify main effects or limit generalizations from one culture to another (Gelfand & Cai, 2004; Hong, Morris, Chiu, & Benet-Martinez, 2000; Morris & Gelfand, 2004). From a practical perspective, a static view may propagate cultural stereotypes and cause managers to be ill prepared for navigating the particular situations in which they will be negotiating.

The purpose of the current research was to advance a culture-by-context perspective on negotiation. By *context*, we mean the

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Michele J. Gelfand, Department of Psychology, University of Maryland; Jeanne Brett, Dispute Resolution Research Center, Kellogg School of Management, Northwestern University; Brian C. Gunia, Carey Business School, Johns Hopkins University; Lynn Imai, Richard Ivey School of Business, Western University, London, Ontario, Canada; Tsai-Jung Huang, School of Management, National Taiwan University, Taipei, Taiwan; Bi-Fen Hsu, Department of Business Administration, National Yunlin University of Science and Technology, Douliu City, Taiwan.

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Correspondence concerning this article should be addressed to Michele J. Gelfand, Department of Psychology, Bio Psychology Building, University of Maryland, College Park, MD 20742. E-mail: mgelfand@umd.edu

“social and organizational environments within which [negotiation] phenomena are . . . inevitably embedded” (Kramer & Mesick, 1995, p. 11). Here, we focused on one type of context: the configuration of the negotiation parties as teams (vs. solos). Teams are “a group of two or more interdependent persons who join together as a single negotiating party because of their similar interests and objectives related to the negotiation and who are all present at the bargaining table” (Brodt & Thompson, 2001, p. 209). Team negotiations typically involve two teams of two or more people, negotiating across the table. We compared teams with solos (i.e., two individuals negotiating across the table).¹

Although several studies have compared team and solo negotiations in the United States, we know of no studies comparing them in non-Western cultures. In the current research, we predicted that contrary to the finding that U.S. teams outperform U.S. solos in integrative deal-making negotiations (O’Connor, 1997; Peterson & Thompson, 1997; Thompson et al., 1996), the outcomes of Taiwanese teams would be particularly poor. We specifically predicted that because harmony norms predominate in collectivist cultures like Taiwan (Leung, 1997), the team context would amplify a concern with harmony, leading Taiwanese teams to negotiate suboptimal outcomes. We tested these predictions in two studies.

Teams in Negotiations

Scholars have long contended that when teams can coordinate and avoid process losses, they can perform certain tasks more effectively than individuals—in other words, that two heads are often better than one (e.g., Hastie, 1986; Hill, 1982; Laughlin, 1980). From a cognitive perspective, teams have more expertise to solve problems (Hill, 1982; Hinsz, 1990; Kaplan, 1987; Maier, 1967; Stasser, 1988); they can generate a greater number of ideas (Laughlin, 1980); and they are in a better position to synthesize information, especially in complex decision-making tasks (Brodt & Dietz, 1999; Henry, 1995; Laughlin, VanderStoep, & Hollingshead, 1991). To the extent that team members can correct each other’s biases, teams can also make more accurate judgments (Hastie, 1986; Hinsz, 1990; Laughlin, 1980). From a motivational perspective, teams have also been shown to set higher targets and avoid satisficing in negotiations (Brodt & Thompson, 2001). In all, teams have potential cognitive and motivational advantages over individuals when working on complex tasks.

Consistent with this theorizing, several studies of U.S. negotiators have found that teams outperform solos in integrative deal-making negotiations (O’Connor, 1997; Peterson & Thompson, 1997; Thompson et al., 1996). For example, Thompson et al. (1996) compared the outcomes of negotiators arranged in team versus team, team versus solo, and solo versus solo configurations. They found that when at least one party was a team, joint profit increased. Additionally, teams negotiated higher individual gains, exchanged more information, and made more accurate judgments than solos. Morgan and Tindale (2002) also found that negotiating teams outperformed solos, producing higher individual and joint profits. They reported, similarly to Thompson et al. (1996), that having one team in the negotiation was enough for team advantages to materialize.

A number of social–psychological processes may explain why teams outperform solos in negotiations. Teams generally set higher economic goals and limits and engage in more competitive behav-

ior than solos (Brodt & Thompson, 2001). As long as this heightened competitiveness does not lead to an impasse, it may motivate teams to search for outcomes that meet their ambitious goals. Team members also challenge one another’s understanding of the situation, thereby encouraging a more complex analysis of negotiation issues (Thompson et al., 1996). Additionally, teams engage in more across-the-table information exchange and issue exploration than solos, which increases their mutual understanding of the situation (Thompson et al., 1996)—particularly useful in complex, multi-issue negotiations.

Another key difference between negotiation teams and solos is the salience of social monitoring. The game theoretic (e.g., Wildschut & Insko, 2007) and integrative negotiation (e.g., Brodt & Thompson, 2001) literatures suggest that the team context leads negotiators to feel more closely monitored than the solo context. Put simply, solo negotiators have no one else on their side of the table to implicitly or explicitly judge their behavior (Brodt & Thompson, 2001). In contrast, team negotiators are both socially monitoring their teammates and *being* socially monitored by their teammates. One consequence is that the team negotiation configuration naturally evokes more normative concerns than does the solo configuration. Individuals in teams feel more pressure to comply with others’ opinions and standards (Brodt & Thompson, 2001).

Negotiating Teams Across Cultures

Monitoring concerns do not seem to interfere with U.S. team negotiators’ performance. Indeed, the fact that U.S. team negotiators are being monitored may help to explain their increased aspirations and motivations (Thompson et al., 1996). This is because monitoring tends to amplify whatever social norms are salient in the situation (Gelfand & Realo, 1999). Within the United States, the predominant norm in economic situations like negotiations is self-interest (Miller, 1999). U.S. negotiators consider it normal and appropriate to pursue self-interest goals, within the general boundaries of propriety. The self-interest norm supports high aspirations as well as some level of confrontation, even within the team (Gelfand & Realo, 1999; Leung, 1997; Triandis, 1995). Since monitoring pressures make people aware of, and accountable to, whatever norm is salient (Ben-Yoav & Pruitt, 1984; Carnevale, Pruitt, & Britton, 1979; Gelfand & Realo, 1999; O’Connor, 1997; Pruitt & Carnevale, 1993), the team negotiation context actually serves to reinforce the self-interest norm and attendant behaviors within the United States.

Nevertheless, even in the United States, monitoring has different effects when different norms are salient. The presence of friends, for example, tends to make communal as opposed to self-interest norms salient (Fiske, 1992; Mills & Clark, 1982). Thus, when negotiating with teams of friends, people satisfice more readily than when negotiating with teams of nonfriends (Peterson & Thompson, 1997; Thompson et al., 1996). This suggests that the

¹ A further distinction could be made regarding the objective nature of the social context (are teams negotiating or are solos?) and the subjective nature of the social context (are negotiators necessarily aware that they are in one context vs. another?). Perceptions of the team-versus-solo context, for example, may be even more salient when teams negotiate across from solos. In this study, we were strictly interested in examining objective social configurations rather than their relative subjective salience.

monitoring associated with teams amplify whatever norm is salient: the communal norm for friends and the self-interest norm for nonfriends. It also suggests that monitoring, in other contexts, could amplify other norms.

One factor that can clearly shape the salient norm is culture. Research has long shown that different cultures make different social norms chronically salient. In particular, because members of collectivistic, East Asian cultures construe the self and others as interdependent (Markus & Kitayama, 1991; Ramirez-Marin & Brett, 2011), group harmony is an omnipresent and critically important norm (Leung, 1997). In negotiations specifically, the prospect of upsetting an immediate or longer term relationship with a particular individual strongly favors norms of harmony, discouraging open confrontation (Leung, 1997). Thus, the predominant norm in negotiations in East Asian cultures may not be self-interest but a concern for harmony.

Thus, Taiwanese negotiators, whether in a team or solo configuration, may be more concerned than their U.S. peers with harmony. Moreover, the previous discussion suggests that this effect will be particularly pronounced in Taiwanese teams, as the attendant monitoring should amplify harmony norms, causing Taiwanese team members to behave much like U.S. friends. In short, we predicted that the team context would amplify the harmony norms that are chronically salient in a collectivist culture, causing Taiwanese negotiating teams to sacrifice and attain particularly poor outcomes (*Hypothesis 1*). This hypothesis was tested across two studies. The second study also sought to document that harmony norms mediates this Culture \times Context interaction (*Hypothesis 2*). To our knowledge, this is the first research to compare team versus solo negotiation in a non-Western culture.

Experiment 1

Method

Participants. Participants ($N = 84$ in the United States and $N = 86$ in Taiwan) were either negotiating as part of a two-person team (with another two-person team) or were negotiating as solos. There were 14 solos and 14 teams in the United States and 17 solos and 13 teams in Taiwan. Taiwanese participants were undergraduates enrolled in an introductory management course. The study was an exercise that was integrated into their course. Their median age was 22 years, and 39.5% of the participants were male. U.S. participants were undergraduates enrolled in management and psychology courses who received course credit for their participation. Their median age was 21 years, and 35% of the participants were male.

Design and procedure. We used the simulation *At Your Service* (Brett & Gelfand, 2007), a deal-making exercise in which two parties negotiate the terms involved in setting up a new catering business. Participants were randomly assigned to the role of chef or entrepreneur and were also randomly assigned to negotiate as a solo or in a team. The role materials indicated that the parties would need to negotiate over four issues: each party's capital investment and what space, van, and kitchen equipment they would lease. The capital issue was distributive; the space and van issues were integrative; and the equipment issue was compatible. Table 1 presents the confidential point structure given to each party. The instructions were slightly modified for teams (to include two chefs and two entrepreneurs).

Table 1
Issue Chart for Negotiators for Both Studies

Issue/option	Value to the chefs	Value to entrepreneurs
Capital		
\$5,000 the entrepreneurs, \$30,000 the chefs	5	85
\$10,000 the entrepreneurs, \$25,000 the chefs	10	75
\$15,000 the entrepreneurs, \$20,000 the chefs	15	45
\$17,500 the entrepreneurs, \$17,500 the chefs	20	20
\$20,000 the entrepreneurs, \$15,000 the chefs	45	15
\$25,000 the entrepreneurs, \$10,000 the chefs	75	10
\$30,000 the entrepreneurs, \$5,000 the chefs	85	5
Space		
Storefront A, moderate size, high traffic	75	15
Storefront B, small size, high traffic	65	20
Storefront C, moderate size, low traffic	25	25
Shared space D, large size	20	55
Shared space E, small size	15	65
Van		
Coyota 160 new	65	15
Coyota 120 new	55	20
Coyota 200 used	25	25
Coyota 160 used, high mileage	20	65
Coyota 120 used, low mileage	15	75
Equipment		
Used, top quality	10	10
New, mid quality	15	15
Used, mid quality	25	25
New, low quality	10	10
Used, low quality	5	5

After assigning participants to roles and teams/solos, we gave them a common introduction and asked them to sign a research consent form, read and prepare for the negotiation, and complete a planning document (alone or in teams). After 30 min of negotiating, participants completed a brief questionnaire and were debriefed. All materials were originally written in English, translated into traditional Chinese as used in Taiwan, and then back-translated into English by two bilingual English/Taiwanese speakers. Extensive pilot testing of the simulation was done in both the United States and Taiwan to ensure that the task was meaningful in both cultures.

Measures

Performance. The key dependent measure was the Pareto optimality of the negotiation outcome. In negotiations like *At Your Service* that have integrative potential, negotiators who take full advantage of the trade-offs and compatibilities among the issues reach Pareto-optimal agreements, in which no changes to the agreement can improve one party's outcome without hurting the other party's outcome (Raiffa, 1982). There are several highly intercorrelated and therefore redundant Pareto optimality measures (see Clyman, 1995; Okhuysen & Pounds, 2012; Tripp & Sondak, 1992). We used the joint efficiency of the agreement, calculated as $[(1 - S)/(S + I)]$, where S represents the number of agreements that would be superior for both negotiators ("better agreements"), and I represents the number of agreements that would be inferior for both negotiators ("worse agreements").

Sampling check. We used a sampling check to demonstrate that the participants had cultural values consistent with those characteristic of their cultures (Lytle, Brett, Barsness, Tinsley, & Janssens, 1995). Specifically, we sought to verify that our Taiwanese participants construed the self as more interdependent than independent and that our U.S. participants construed the self as more independent than interdependent (Markus & Kitayama, 1991; Ramirez-Marin & Brett, 2011), using within-culture t tests to account for the fact that mean responses across groups are potentially biased by response sets (Gelfand, Raver, & Holcombe-Erhart, 2002). Results revealed that in Taiwan, participants had stronger interdependent than independent self-construals, M interdependent self-construal = 3.75, $SD = 0.30$, $\alpha = .60$; M independent self-construal = 3.48, $SD = 0.36$, $\alpha = .64$; $t(85) = 5.89$; $p < .001$, whereas U.S. participants had stronger independent than interdependent self-construals, M independent self-construal = 4.99, $SD = 0.53$, $\alpha = .65$; M interdependent self-construal = 4.73, $SD = 0.58$, $\alpha = .72$; $t(78) = -3.09$, $p < .001$.²

Results

There were more impasses in Taiwan (50%) than in the United States (7%), $\beta = 2.62$, $p < .001$. (We return to and account for this in Study 2.) There was no effect of context (solo vs. team) on the likelihood of impasse, nor was there a Culture \times Context interaction on the likelihood of impasse. There were also no demographic differences (e.g., gender, age) between those who agreed or reached an impasse in either country.

Only solos and teams that reached agreement were included in the analysis, leaving 80 participants from the United States (16

Table 2
Study 1 Analysis of Variance of Culture and Party Configuration on Negotiation Outcomes

Source	F value	Partial eta squared
Culture (United States, Taiwan)	0.18	.004
Party configuration (solos, teams)	0.72	.02
Culture \times Party Configuration	4.18*	.10

Note. The model is based on two-tailed tests; $df = 1, 41$.

* $p = .048$.

solos and 12 teams) and 42 participants from Taiwan (nine solos and six teams). Table 2 presents the analysis of variance (ANOVA) results. There were no main effects for either culture or context; yet, as predicted, there was a significant interaction between culture and context on Pareto efficiency of outcomes, $F(1, 39) = 4.18$, $p = .048$. We used pairwise comparisons using Fisher's least significant difference test to evaluate our directional hypothesis. As shown in Figure 1, Taiwanese teams performed significantly worse than Taiwanese solos, M Taiwan teams = 0.64, $SD = 0.42$; M Taiwan solos = 0.90, $SD = 0.12$, $t(13) = 1.80$, $p = .041$. There were no significant differences between U.S. teams and solos, M efficiency U.S. teams = 0.86, $SD = 0.26$; M efficiency U.S. solos = 0.75, $SD = 0.30$, $t(26) = 1.01$, $p = .16$.

The results of this study supported our general proposition that the social context affects negotiation outcomes differentially across cultures. This study also established, for the first time, that non-Western (e.g., Taiwanese) teams who reached agreement performed worse than solos. Across both conditions, however, Taiwanese negotiators had significantly higher impasse rates than did U.S. negotiators. This may have occurred because *At Your Service* did not give negotiators a bottom line. Negotiators did not have a standard against which to judge whether an offer was acceptable. The Taiwanese negotiators may have been less willing to make a decision in this situation than the U.S. negotiators. To address this potential weakness, in Study 2, we imposed a bottom line on all negotiators. (As a result, there was only one impasse in Study 2, as will be discussed later.)

Study 1 showed that the U.S. teams did not outperform U.S. solos, as has been found in previous research. While we can only speculate on why this was the case and there are many possible contributing factors, a comparison of the tasks that were used in this and previous research on the team versus solo negotiations effect suggests that *At Your Service* was less cognitively demanding (e.g., four issues) than the eight issues typically used in other studies (Thompson et al., 1996). It is possible that the U.S. team advantage materializes most strongly in tasks that are highly informationally complex. In this context, a team's enhanced cognitive resources might prove more important.

² While the reliabilities of the Singelis (1994) scale were not optimal, low alphas on the scale have been noted widely in the literature (Bresnahan et al., 2005; Grace & Cramer, 2003; see also Oyserman, Coon, & Kemmelmeier, 2002). We suggest that future research adapt a descriptive norm approach to these scales to improve reliability (see Chiu, Gelfand, Yamagishi, Shteynberg, & Wan, 2010; Shteynberg et al., 2009; Zou et al., 2009).

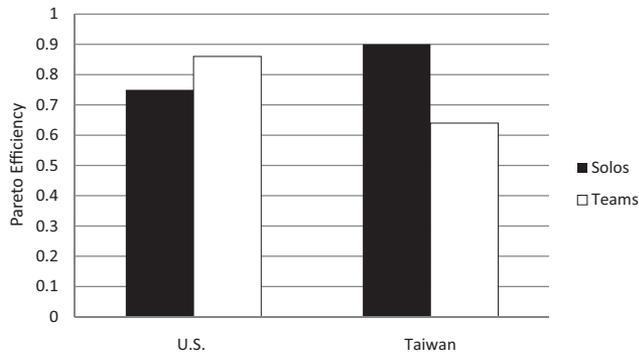


Figure 1. Pareto efficiency from Study 1 for U.S. and Taiwanese solos and teams.

Having established empirical evidence for the expected contextual team effect in Taiwan, we designed another study to address the issue of impasses and to measure the mechanism that underlies the poor performance of Taiwanese teams. If our theorizing is correct, then the Taiwanese should express more concern with harmony than the Americans, and the monitoring that occurs in teams should intensify the negative relationship between harmony norms and negotiation outcomes, explaining their low Pareto efficiency. Empirically, we expected the interaction between culture and team-versus-solo context on negotiation outcomes to be mediated by norms for harmony (Hypothesis 2), which is a moderated-mediation model (Hayes, 2012). Figure 2 illustrates our conceptual model and shows that the interaction between culture and team-versus-solo context on Pareto efficiency is at least partially mediated by norms for harmony (see Hayes, 2012, Model 15).

Experiment 2

Method

Participants. There were 244 participants (144 in the United States and 100 in Taiwan). Taiwanese participants were undergraduates who participated in an experiential exercise that was integrated into their management course. Their median age was 20 years, and 50% of the participants were male. There were 20

solo-versus-solo negotiations and 15 team-versus-team negotiations (with each team composed of two members, as in Study 1). U.S. participants were undergraduates enrolled in a subject pool. They participated for pay. Their median age was 20 years, and 42.4% were male. There were 32 solo-versus-solo negotiations and 20 team-versus-team negotiations in the U.S. data.

Design and procedure. This study used the same design as Study 1. All procedures and role materials were the same as Study 1, with two exceptions. In an attempt to reduce the impasse rate, the instructions now provided all negotiators with a bottom line, requiring that their agreements yield an individual score of at least 100 points. The instructions said: “Your goal is to negotiate an agreement worth as many points as possible. To reach an agreement with Martin [Sands], you must gain at least 100 points.” Additionally, participants answered a brief questionnaire just after negotiating.

Measures

Performance. The dependent variable was the same Pareto optimality measure described in Study 1. Consistent with our reasoning about the cause of the Study 1 impasse rate, all but one Taiwanese team reached agreement in this study. Dropping the impasse group versus assigning it the impasse outcome of 200 points total did not change the results.

Norms for harmony. We used a subset of Leung, Brew, Zhang, and Zhang’s (2011) scale to measure how much the negotiators were focused on the benefits of harmony. Nine questions loaded onto a Harmony Scale ($\alpha = .82$; see Appendix; e.g., “Interacting with others harmoniously is vital for achieving success”). Consistent with recent research (Shteynberg, Gelfand, & Kim, 2009; Zou et al., 2009), and because our theory pertained to harmony norms, we used a referent shift method (Kozlowski & Klein, 2000) to assess descriptive norms regarding harmony. With this method, perceived descriptive norms are measured by assessing individual perceptions of what is valued in the culture (cf. Shteynberg et al., 2009; Zou et al., 2009). Accordingly, we asked participants: “In your opinion, how strongly do most Americans [Taiwanese] believe . . .” and used a 5-point Likert-type scale (1 = *not at all*, 5 = *very strongly*). We averaged the data from the two solos and averaged the data from the two teams to generate a group-level measure of harmony.

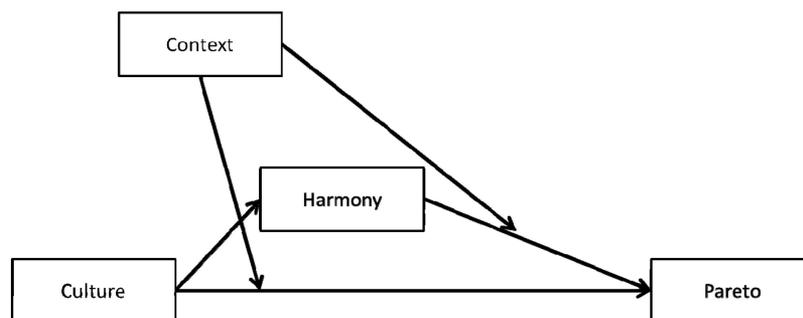


Figure 2. Moderated mediation from Study 2. Culture interacts with context to predict Pareto efficiency. This is explained by the fact that culture affects harmony norms, and furthermore, harmony norms are amplified in team contexts, resulting in lower Pareto efficiency in Taiwanese teams.

Table 3
Study 2 Analysis of Variance of Culture and Party Configuration on Negotiation Outcomes

Source	F value	Partial eta squared
Culture (United States, Taiwan)	23.11**	.218
Party configuration (solos, teams)	2.76	.032
Culture × Party Configuration	8.17*	.090

Note. The model is based on two-tailed tests; $df = 1, 83$.
* $p = .005$. ** $p < .001$.

Control variable. We asked negotiators how close of a prior relationship they had with their partner (if they had one) and the negotiator(s) across the table (1 = *extremely close*, 5 = *not at all close*). As with harmony, we averaged relationship closeness for all negotiators at the table. Taiwanese participants ($M = 2.22$, $SD = 1.25$) knew one another better than did U.S. participants ($M = 4.78$, $SD = 0.61$), $t(85) = 12.72$, $p < .001$. As all of the results remained significant when this variable was included, however, it is not discussed further.

Results

As predicted, the Culture × Context interaction on the Pareto efficiency of negotiated outcomes was replicated in Study 2. Table 3 presents the ANOVA results. In this study, there was a significant main effect of culture on Pareto efficiency, $F(1, 83) = 23.11$, $p < .001$, such that Americans achieved higher Pareto efficiency than Taiwanese (M U.S. participants = 0.98; $SD = 0.04$; M Taiwan participants = 0.91; $SD = 0.10$). As predicted, this was qualified by a significant interaction between culture and context on Pareto efficiency of outcomes, $F(1, 83) = 8.17$, $p = .005$. This interaction is illustrated in Figure 3. Taiwanese solos outperformed Taiwanese teams, $t(33) = 2.09$, $p = .004$. As in Study 1, however, U.S. teams did not outperform U.S. solos: a ceiling effect may have limited variance, as solos achieved 97% efficiency.

To test our hypothesis that harmony norms would mediate the Culture × Teams/Solo interaction on negotiation outcomes, we used a moderated mediation test (Hayes, 2012, Model 15; see Figure 3). Given that harmony norms are stronger in Taiwan and

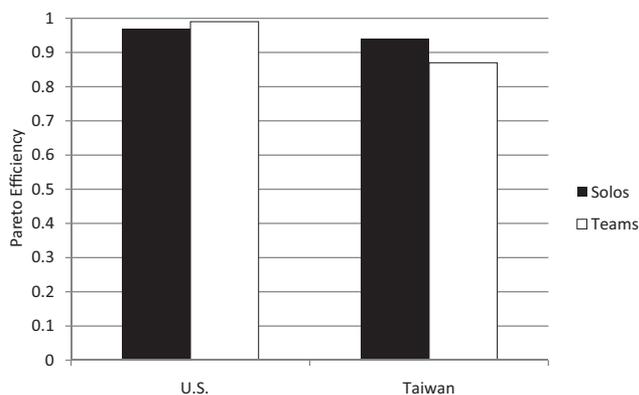


Figure 3. Pareto efficiency from Study 2 for U.S. and Taiwanese solos and teams.

Table 4
Study 2 Moderated Mediation Analysis: Variables

Model	B	SE	t	p	R ²
Mediator variable:					.07*
Harmony norms					
Constant	-0.309	0.133	-2.32	.022	
Culture	0.225	0.090	2.51	.012	
Dependent variable:					.30**
Pareto optimality					
Constant	914.51	70.58	12.96	.000	
Harmony	65.12	61.33	1.06	.292	
Culture	36.82	48.32	0.76	.448	
Solo vs. team	81.03	48.73	1.66	.100	
Harmony × Solo					
Vs. Team	-79.44	50.32	-1.58	.118	
Culture × Solo					
Vs. Team	-64.80	33.66	-1.92	.058	

Note. $N = 87$. Harmony norms (the mediator) is centered in the analyses; bootstrap sample = 1,000. SE = standard error.

* $p = .01$. ** $p < .001$.

that monitoring is characteristic of teams, harmony norms should have an even stronger negative relationship on negotiation outcomes in Taiwanese teams, explaining their poor outcomes. Accordingly, we followed Hayes' procedures for moderated mediation with bootstrapping to test the conditional indirect effect of our mediator (harmony norms) on the relationship between culture (X) and Pareto efficiency (Y) at different levels of our moderator (teams vs. solos; Hayes, 2012; Preacher, Rucker, & Hayes, 2007). The analyses reported in Tables 4, 5 and 6 support our hypothesis. In Table 4, the model summary for harmony shows that culture had a significant effect on harmony (coefficient .2249, $t = 2.51$, $p = .012$). The model summary for Pareto efficiency shows the same interaction between culture and context that has been reported throughout (Culture × Context coefficient = -64.80, $t = -1.92$, $p = .058$). The conditional direct effects analysis in Table 5 shows that the direct effect of culture on Pareto efficiency was significant under the team condition (coefficient = -92.78, $t = -3.43$, $p = .001$). The conditional indirect effect analysis in Table 6 shows that this direct effect was explained by the indirect effect of harmony (bootstrap lower bound = -74.89, upper bound = -.55) and was not significant in the solo condition (lower bound = -15.68, upper bound = 2.10). In other words, Taiwanese teams seemed to perform suboptimally because of their strong concern with harmony, a finding that supports of our second hypothesis.

General Discussion

Scholars have long argued that social context shapes negotiation processes and outcomes (Kramer & Messick, 1995). We examined

Table 5
Study 2: Conditional Direct Effect(s) of X on Y at Values of the Moderator

Solo or team	Effect	SE	t	p
Solo	-27.98	20.01	-1.40	.166
Team	-92.78	27.07	-3.43	.001

Table 6
Study 2: Conditional Indirect Effect of X on Y at Values of the Moderator

Mediator	Solo or team	Effect	Bootstrap SE	Bootstrap CI
Harmony norms	Solo	-3.22	4.02	[-15.68, 2.10]
Harmony norms	Team	-21.09	17.39	[-74.89, -0.55]

Note. $N = 87$. Harmony norms (the mediator) is centered in the analyses; bootstrap sample = 1,000. *SE* = standard error; *CI* = confidence interval.

the interplay between context and culture, proposing that the same “objective” social context—team configuration—can have considerably different effects across cultures, depending on the norms that are activated by the context.

The findings were consistent with our theorizing that harmony norms would be stronger in Taiwan than in the United States and that a team context would amplify those norms, with the result that Taiwanese teams would satisfice. The results showed that as predicted, the agreements of Taiwanese teams were Pareto inefficient compared with those of the Taiwanese solos or either U.S. configuration, and this effect was mediated by norms for harmony. These results suggest that in a collectivist culture like that of Taiwan, the social monitoring introduced by the team context may prove counterproductive by making the negotiators overly harmonious.

One could also argue that because U.S. norms favor economic achievement in negotiations and monitoring increases accountability to act competitively in the name of economic achievement (Gelfand & Realo, 1999), U.S. teams should reach higher Pareto optimal agreements than solos. Across two studies with the same simulation but different samples from the same population, however, there was no significant difference between U.S. teams and U.S. solos. This suggests that there may be important moderators of the team-versus-solo effects found in prior research with U.S. samples (O'Connor, 1997; Peterson & Thompson, 1997; Thompson et al., 1996). Although we are speculating, we propose one likely moderator: the complexity of the task. Our task featured less informational complexity (four issues) than tasks used in prior U.S. research documenting this phenomenon. Thus, it is possible that U.S. teams outperform U.S. solos only when the task demands many cognitive resources. Put differently, given that the self-interest norm is high for both U.S. solos and teams, solos may be able to perform as well as teams when the task does not require a heavy commitment of cognitive resources. To be sure, this explanation needs empirical validation, but it opens up interesting directions for team-versus-solo research, even in the United States. More generally, the fact that we did not replicate the U.S. effect in either of two studies suggests this is not an anomaly and is an important issue for future negotiation research.

Theoretical Implications

This research illustrates that neither the social context nor the culture in which negotiators are embedded necessarily dictates their negotiation outcomes. Rather, our Culture \times Context perspective indicates that negotiation outcomes are contingent on the confluence of both the social context and culture. From a theoret-

ical point of view, features of the social context amplify the dominant cultural norms. Because these norms vary across cultures, the same objective social context can produce very different results. Put simply, a team context may activate different norms in different cultures, producing different outcomes. The extent to which teams are helpful in negotiation, then, may depend on the extent to which the salient social norm, cued by the team context, is helpful in negotiation and whether the task requires many cognitive resources. The cultural norm for negotiating in the individualistic U.S. culture is generally to pursue self-interest by setting high aspirations and engaging in a self-interested interaction to claim economic value. The cultural norms in the collectivistic Taiwanese culture are to avoid confrontations that might threaten harmony and engage in cooperation to create a relationship, even if doing so compromises short-term economic outcomes.

More generally, our social-contextual design illustrated the value of shifting the focus from static cultural differences to cultural dynamics—that is, documenting the conditions under which cultural differences produce very different results. Although the culture-as-main-effect approach has generated many important insights, it may also present an overly simplified view of cultural differences—one that prioritizes cross-situational “negotiation styles” over situation-contingent styles (Gelfand & Dyer, 2000; Morris & Gelfand, 2004). We believe that examining the role of the context is also more veridical with real-world negotiations, which are inherently embedded in multiple layers of social context. A social-contextual perspective also helps to connect the culture literature to the negotiation literature. Just as the importance of the social context has generally eluded cross-cultural research, the importance of the cultural context has generally eluded mainstream negotiation research (Gelfand & Cai, 2004). Our research suggests that an integration of these literatures can both deepen and broaden our understanding of negotiation.

Practical Implications

From a practical point of view, our findings have a number of implications for negotiators. Most notably, they suggest that when considering whether to negotiate as a solo or in a team, individuals should consider the culture and the context. Taiwanese negotiators, for example, might need to exercise caution when implementing the U.S.-based advice to take a team to the table. U.S. negotiators might beware that facing a Taiwanese solo may prove more challenging than facing a Taiwanese team. In sum, negotiators need to account for their culture and their counterpart's culture when deciding whether to negotiate alone or along with a team.

Future research could continue to examine other moderators of team-versus-solo performance. Our research, for example, focused on a negotiation in which parties were forming a partnership. It is unclear whether our findings generalize to disputes in which one party has rejected another's claim (e.g., negotiations to dissolve a failing partnership). In the deal-making context that we studied, the parties' alternatives are generally independent, and emotions may result from the negotiation but do not typically predate the negotiation (Brett, 2007). An interesting question is whether the documented interaction of culture and context would generalize to the disputing context, in which there has been a rejected claim and where alternatives are linked and emotions run high. In such a

context, norms for self-interest and monitoring in teams may actually make teams hypercompetitive in the United States, resulting in less Pareto-optimal agreements. Conversely, in collectivist cultures, teams might perform better than solos in dispute contexts because they might have less concern with harmony maintenance when relationships are dissolving. In addition, our effects might not extend to negotiations with outgroup members, in which competitive norms become more acceptable in Eastern cultures (cf. Gelfand & Realo, 1999; Liu, Friedman, & Hong, 2012). It is equally important to examine the conditions under which U.S. teams might perform less well than U.S. solos; our theory suggests that when norms activate concerns for relationships and harmony in any culture, they may lead teams to satisfice (cf. the literature on close relationships in negotiation in the United States). More generally, understanding further moderators of the team-versus-solo effect is important to help negotiators navigate the nuances of negotiations across cultures.

Limitations

Our studies, like all simulation studies, placed people in a situation that is not of their making; the participants would not have had an actual business relationship if they had reached agreement. They were merely simulating a negotiation to establish such a relationship. It is possible that the dynamics between teams and solos would differ if solos had constituencies, if teams and solos were really forming a relationship, and if teams were larger than two or had members with heterogeneous interests that could cause process losses. However, real negotiation situations probably introduce larger stakes, which would likely strengthen, not weaken the current effects. Additionally, it is possible that although Taiwanese teams sacrificed economic value in the short term, they may have generated stronger relationships (e.g., subjective value; Curhan, Elfenbein, & Kilduff, 2009) that could have resulted in higher economic gain over the long term (Gelfand, Major, Raver, Nishii, & O'Brien, 2006), which would be interesting to test in future research.

Concluding Remarks

Consistent with prior research on culture and negotiation, our research shows that culture influences negotiation outcomes. However, we illustrate that the relationship between culture and negotiation outcomes is contingent on the broad sociocultural context of a culture—whether a culture is focused on harmony or self-interest and the proximal social context of a particular negotiation situation (e.g., the team-versus-solo configuration). We believe that a contextual view of culture and negotiation offers a critical theoretical shift from culture-as-main-effect view, providing a richer and more nuanced perspective that could benefit both theory and practice.

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Appendix

Study 2 Questionnaire Items

In your opinion, how strongly do most [Americans/Taiwanese] believe that . . . (1 = *not at all*, 5 = *very strongly*)

1. Interacting with others harmoniously is vital for achieving successes.
2. Maintaining interpersonal harmony is an important goal in life.
3. Being willing to compromise is a sign of respect to the other person.
4. It is important to interact harmoniously with others, because you may need to seek favors from them in the future.
5. Being willing to compromise indicates that a person is benevolent.
6. If you disrupt harmonious relationships with others, it may lead to embarrassment in future encounters.
7. Being willing to compromise is a virtue.
8. Clashing with others usually brings more loss than gain.
9. When you have conflict with another, you should try to smooth it over.

Note. Questionnaire items were adapted from Leung et al. (2011).

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