

Working Paper

Cultural Variation in Response to Strategic Display of Emotions During Negotiations

Shirli Kopelman
Stephen M. Ross School of Business
at the University of Michigan

Ashleigh Shelby Rosette
Duke University
Fuqua School of Business

Ross School of Business Working Paper Series
Working Paper No. 1064
January 2007

This paper can be downloaded without charge from the
Social Sciences Research Network Electronic Paper Collection:
<http://ssrn.com/abstract=960948>

Running Head: CULTURE AND STRATEGIC EMOTIONS IN NEGOTIATIONS

**Cultural Variation in Response to Strategic Display of Emotions During
Negotiations**

Shirli Kopelman
University of Michigan
Ross School of Business
701 Tappan Street, Office D3267
Ann Arbor, MI 48109-1234
Tel: (734) 936-2767
Fax: (734) 764-3146
shirli@bus.umich.edu

Ashleigh Shelby Rosette
Duke University
Fuqua School of Business
Box 90120
One Towerview Rd.
Durham, NC 27708-0120
Tel: (919) 660-8021
arosette@duke.edu

Abstract

This research employed two studies to examine how cultural values and norms influence the effectiveness of the strategic displays of emotions during negotiations. In cross-cultural settings, we evaluated whether the strategic display of emotion impacted the outcomes of negotiations. The display of positive emotion is consistent with the manner in which many Asian negotiators communicate respect through humility and deference. The major hypothesis is whether Asian negotiators who highly regard cultural values such as tradition and conformity would be more likely to accept an offer from an opposing party who displayed positive as opposed to negative emotion. Study 1 using Asian MBA students confirmed this hypothesis. Study 2 replicated this finding with a sample of Hong Kong executive managers and also found they were less likely to accept an offer from a negotiator displaying negative emotion than Israeli executive managers who did not hold humility and deference in such high regard. Outcome implications for strategic display of emotions in cross-cultural negotiations are discussed.

Acknowledgments: We would like to thank the participants of the International Association of Conflict Management Conference in Seville in 2005 and the Affect and Emotions in Organizational Behavior Meeting in Rotterdam in 2005. We would also like to thank Leigh Thompson, Jeffrey Sanchez-Burks, as well as our colleagues from our respective departments for feedback on earlier versions of this paper.

Key Words: Emotion, Affect, Culture, Negotiation, Strategy, Decision Making, Ultimatum Bargaining, and Distributive Gains.

Introduction

Displayed emotions significantly influence negotiation tactics, negotiation processes, and, perhaps most important, negotiated outcomes. In recent years, the study of emotions in interdependent decision-making settings has garnered increased attention from negotiation researchers (see Barry, Fulmer, & Goates, 2006 for a review). In our previous research (Kopelman, Rosette, & Thompson, 2006), we focused on the display of emotions as a deliberate negotiation strategy and showed that, in an ultimatum setting, negotiators who intentionally displayed positive emotions were more likely to reach an agreement than were negotiators who purposely displayed negative emotions. Consistent with much of the existing research on emotions and negotiations, our theory and hypotheses centered on the norms, values, and behaviors that are most common to negotiators from the United States. While it is important to understand how U.S. negotiators interpret emotion-laden behaviors of other U.S. negotiators, it is equally important to understand how cultural backgrounds (Brett, 2001) and interpretation of displayed emotion may impact negotiated outcomes. Thus, the purpose of the current research was to build on our previous findings and to investigate how negotiators from different cultures interpret the emotions displayed by U.S. negotiators and to examine how these interpretations may influence the negotiated outcomes.

We hypothesize that when displayed emotions are used as a deliberate negotiation tactic, there must be a good fit between the emotions displayed by the focal negotiator and the cultural values held by the opposing party. If an emotional display violates cultural norms, it may damage the social relationship and decrease the likelihood of a negotiated agreement because cultural values and norms provide a context for interpreting emotional display during negotiations. Whereas a positive display of emotion may lead to effective outcomes when

communicating with negotiators who value accord and harmony, negative displayed emotion may be more important when communicating with negotiators who expect to engage in arduous haggling. In this paper, we examine the impact of strategic displays of both positive and negative emotion in cross-cultural negotiation contexts.

Strategic Display of Emotion in Negotiations

We conceptualize strategic display of emotion as emotion intentionally expressed by the focal negotiator to attain a desired outcome. Whether the strategic display of emotion represents emotion psychologically experienced at that moment (i.e., the negotiator strategically “harnesses felt emotions,” perhaps exaggerating them) or whether it represents deliberately feigned emotion (i.e., the negotiator “wears an emotional mask” hiding current feelings), skilled negotiators may intentionally adjust their emotional display in a desired direction by either amplifying or suppressing their own experienced emotion (Hochschild, 1983; Levenson, 1994). Although the display of emotion may be more difficult (DePaulo et al, 2003) in some situations (e.g., when a negotiator displaying emotion believes he is being unethically deceptive), recent research has demonstrated that negotiators can convincingly display both positive and negative emotion, and that these emotions influence negotiation outcomes (Kopelman, Rosette, & Thompson, 2006; Sinaceur & Tiedens, 2006).

Consistent with the literature in social psychology that suggests that positive affect¹ leads to better decisions and improved consequences for social actors (see Isen, 1987 for a review), positive affect increases cooperative tactics (Forgas, 1998) and generates higher individual and joint gains in negotiations (Baron, 1990; Carnevale & Isen, 1986; Hollingshead & Carnevale, 1990). Furthermore, strategically displayed positive emotion increases the likelihood of a future

business relationship between parties subsequent to a dispute (Kopelman, Rosette, & Thompson, 2006). Mechanisms that explain why negotiators in a positive mood are more effective include higher creativity (Carnevale & Isen, 1986), setting higher goals (Baron, 1990), and focusing on the interests of both parties (Kopelman, Waugh, & Fredrickson, 2005). Interestingly, positive affect of powerful negotiators predicts joint gains above and beyond negotiators' trait cooperativeness and communicativeness (Anderson & Thompson, 2005). With respect to distributive tactics, negotiators displaying positive emotion are both more likely to close a deal in an ultimatum setting and gain concessions on price from the other party (Kopelman, Rosette, & Thompson, 2006).

Display of negative emotion also can be an effective negotiation strategy. Sinaceur and Tiedens (2005) found that the strategic display of anger was effective in extracting value in face-to-face negotiations, but only when the other party perceived the alternatives to be weak. Furthermore, negotiators in a socially non-interactive setting who received a verbal message describing the emotions of the focal negotiator made larger concessions when they perceived they faced an angry negotiator rather than a happy negotiator (Van Kleef, De Dreu, & Manstead, 2004a). Interestingly, only low-power negotiators appear to be influenced by their opponent's emotions, conceding more to an angry opponent than to a happy one (Van Kleef, De Dreu, & Manstead, 2004a). Thus, when in power, by ranting and raving and being unpleasant, an angry negotiator can position the negotiation in their favor and perhaps convince the other party to be persuaded. Although display of negative emotion can be advantageous during negotiations, there are risks to displaying negative emotion. Given that emotions are contagious (Hatfield, Cacioppo, & Rapson, 1993), convincing displays of anger could, for example, generate a

¹ Affect is considered a superordinate category that includes both emotion and mood (Barry & Oliver, 1996)

retaliatory response from the other party that leads to a conflict spiral (Ury, Brett, & Goldberg, 1988), as well as lower joint gains (Allred, Mallozzi, Matsui, & Raia, 1997). For instance, insulting offers that generate negative affect are rejected in certain ultimatum bargaining settings (Pillutla & Murnighan, 1996). Interestingly, although due to emotional contagion, expression of anger often lowers the resolution rate in mediation, it does not hinder settlements when respondents are especially vulnerable (Friedman et. al. 2004).

There are several mechanisms by which strategically displayed emotion, whether positive or negative, may impact the social interaction between negotiators. First, displayed emotion may convey information and influence strategic information gathering and processing (Van Kleef, De Dreu, & Manstead, 2004b). Second, displayed emotions may serve as a means of persuasion (e.g. Forgas, 2001) and thus may constitute a manipulative negotiation tactic that leads the other party to respond in a manner that otherwise would not have been a first choice. Either as a form of information exchange or as a manipulative tactic, if emotional display violates cultural values and norms, the strategy may not only be ineffective, but if it damages the social relationship, it may also be counter-productive to the negotiation process and outcomes.

Culture and Strategic Display of Emotions

Culture consists of interrelated patterns or dimensions which come together to form a unique social identity shared by a minimum of two or more people (Deutsch, 1973). It is the unique character of a social group and the values and norms common to its members that set it apart from other social groups (Brett, 2001; Lytle, Brett, Barsness, Tinsley, & Janssens, 1995). Values refer to what a person considers important, whereas norms refer to what is considered appropriate behavior (Katz & Kahn, 1978). These values and norms provide insight into the choices made by cultural group members (Abelson, 1981; Fiske & Taylor, 1991) and influence

negotiators' cognitions, emotions, motivations (Markus & Kitayama, 1991), and strategy. Specifically, because of values and norms, people from different cultures negotiate differently (Brett, 2001; Leung & Tjosfold, 1998; Morrison, Conaway, & Borden, 1994). As such, cultural values and norms shape implicit theories invoked in negotiations (Gelfand & Dyer, 2000) and may influence a negotiator's response to strategically displayed emotions.

Face is one cultural dimension that is likely to be important when evaluating displayed emotions during negotiations. Face is a multi-faceted term, and its meaning is inextricably linked to culture and social relationships. Ting-Toomey (1988) defined face as the interaction between the consideration one party offers to another party and the sense of self-respect made known by the other party. In its simplest form, face involves how people think others see them in social situations and is an inherent communication of respect. Perhaps one of the most familiar terms when considering face in cross-cultural contexts is the idea of "saving face," which means to be respectful in public. Across different cultures, face is associated with concerns such as respect, honor, and reputation (Oetzel et al, 2001). The concept of face includes the aspect of social image presented to others, such that people who value face or want to "save face" want the respect of others because others' respect validates their own self-worth; whereas disrespect or losing face invalidates it. Understanding the cultural concept of face is central to self-presentation and evaluation of individual-level behavior in social exchanges (Earley, 2001).

Saving face or losing face has different levels of importance depending on the culture. Although face is not inconsequential to people from individualist societies, it seems to be a central cultural value to people from collectivist cultures (Oetzel et al., 2001). Whether in collectivist cultures such as found in Hong Kong or Japan, or individualist cultures such as found in the U.S. (Brett, 2001), respect is the driving mechanism that underlies the face construct.

Respect is defined as the level of esteem for another individual based on one's own values (Cronin, 2004). Just as saving face and losing face have differing levels of cultural importance, the communication of respect also varies among cultures. Although there is great heterogeneity in the norms and values held by individuals residing in Asian countries, respect is often communicated through humility in social interactions, deference to authority, and minimal (if any) disagreement (Hofstede, 1980; Schwartz, 1994). Accordingly, displayed emotions of arrogance, direct confrontation, and open arguments or quarrels communicate disrespect.

Study 1

Positive displayed emotion may play a critical role for Asian negotiators because positive emotion is consistent with the way in which they typically communicate respect. Asian negotiators attune to variation in displayed emotion because they consider it an important part of business transactions (Sanchez-Burks, Nisbett, & Ybarra, 2000; Sanchez-Burks, Staw, & Kramer, 2005). Although these negotiators may not differ with regard to how they actually feel, they may idealize positive affect (Tsai, Knutson, & Fung, 2006) because humility and deference to authority are more congruent with being kind, friendly, and polite (displays of positive emotion) than with being angry and rude (displays of negative emotion). Positive displayed emotion may help facilitate the communication of respect during the negotiation process and the ensuing enhanced social relationship will positively influence the negotiated outcome (Drolet & Morris, 2000; McGinn & Keros, 2002; Moore, Kurtzberg, Thompson, & Morris, 1999). Hence, we hypothesize that Asian negotiators who value respect as humility and deference will be more likely to accept an offer proposed by a U.S. negotiator who strategically displays positive emotion than a U.S. negotiator who strategically displays negative emotion.

Methods

Participants

Twenty-eight Asian MBA students (22 men, 6 women) enrolled in a global MBA program in the U.S. participated in an extra-curricular 4-hour negotiation workshop. The MBA program began with a three-month introductory session held in Japan, China, and Korea; however, the remaining 80% of the program was conducted in a business school located in the Midwestern U.S. The average age of the students was 31.52 years ($SD = 4.19$ years) and 18 participants were Japanese, 4 were Korean, 3 were Thai, 2 were Chinese, and 1 was Taiwanese. Participants were randomly assigned to the experimental conditions by a web-based survey through which the entire negotiation task was conducted. The study consisted of a single factor (emotion: positive, negative) between subject design.

Task, Procedure, and Measures

Students were invited to participate in a special 4-hour negotiation session. Prior to the session, they were asked to complete a task online. The task involved an ultimatum bargaining situation in which the focal party (proposer) presented the recipient (target) with a take-it-or-leave-it offer, which the target could either accept or reject. In the task, participants were asked to assume the role of the target negotiator, a person getting married in a few months. The background information provided details about a catering service under consideration for their upcoming wedding. The business manager of the catering company had given them a good faith estimate of \$14,000 several months ago to provide catering service for their wedding reception. The background information also mentioned an alternative catering company that would be available on their wedding date. However, participants were told that they had not had direct contact with that company, nor did they fully trust the person who recommended it. Finally,

participants were told that they would soon meet with the business manager of the preferred catering company to finalize the financial arrangements. The “meeting” with the business manager was conducted by randomly presenting participants with one of two videos of a professional actress acting as the business manager. The actress presented the same objective information in both videos: positive (Video 1) or negative (Video 2). The actress was a Caucasian American woman in her early thirties.

The videos served as the experimental manipulation. In Video 1, the business manager in a friendly tone, smiled often, nodded her head in agreement, and appeared cordial and inviting. In Video 2, the business manager spoke antagonistically, appeared intimidating and was insistent. Prior research has demonstrated that these videos effectively manipulated positive and negative emotions (Kopelman et. al., 2006).

In both emotional conditions, the business manager explained that the price of the reception had increased from \$14,000 to \$16,995 due to market price fluctuations since the estimate was presented. The business manager ended the meeting by stating that another couple was interested in the same date, indicating that if the participant did not sign the contract immediately this option would no longer be available. After viewing the video, participants viewed a form that looked like the actual business contract in the video. The contract asked them to either accept the proposed \$16,995 invoice. Because all target negotiators received an objectively equivalent offer that only differed in the strategic emotional approach displayed by the business manager, differences in outcomes could be attributed to the strategic emotional display. After participants had made their decision, they were asked to complete a “Customer Satisfaction” survey. The task was later debriefed during the 4-hour negotiation session.

Measures

Cultural Values. We used Schwartz's survey of values (1994) to assess the way in which the participants communicated respect. According to Schwartz, conformity refers to the restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms. Tradition refers to the respect, commitment, and acceptance of the customs and ideas that traditional culture provides the self. Items for conformity included politeness, self discipline, honoring of parents, and obedience (Cronbach's $\alpha = .74$). Items for tradition included respect for tradition, moderate, humble, accepting, and helpful (Cronbach's $\alpha = .79$). Items were measured on a 9-point Likert-type scale anchored by -1 (opposed to my values) and 7 (of supreme importance). The tradition and conformity composites served as proxy measures for the manner in which negotiators may exhibit respect. A high score on each of the measures suggested that the participants valued respect as behaviors that are akin to tradition and conformity as described by Schwartz (1994), such as humility in social interactions and deference to authority. Conformity and tradition were significantly correlated ($r = .76, p = .01$).

Emotional Display. The "Customer Satisfaction" survey ascertained whether the emotional content of the video was successfully perceived by the participants. This served as a manipulation check. Participants used a Likert-type scale anchored by 1 (not at all) and 5 (very much) to evaluate the extent to which the manager was positive or negative. A composite score for positive emotional display included three items: friendly, nice, and considerate (Cronbach's $\alpha = .80$). A composite score for negative emotional display included four items: aggressive, angry, annoyed, and irritated (Cronbach's $\alpha = .75$).

Outcome Measures. The dependent variable was the participant's decision to either accept or reject the offer made by the business manager. The acceptance or rejection of the offer was a dichotomous variable.

Results

Sampling Check

The mid-point for the Likert-type scale used to assess tradition and conformity was 3 [i.e., the halfway point between -1 (opposed to my values) and 7 (of supreme importance)]. Thus, we used this value as a benchmark to assess the importance of the tradition and conformity values to the participants in the study. As expected, the mean scores on conformity ($M = 4.35$, $SD = 1.17$; $t(1, 26) = 5.99$, $p < .001$) and tradition ($M = 3.52$, $SD = 1.28$; $t(1, 26) = 2.10$, $p < .05$) were significantly higher than the midpoint of the scale for the Asian negotiators in our sample. These high scores suggest that these cultural values were of some importance to them.

Manipulation Check

The results of the MANOVA showed that the manipulation of positive and negative display of emotion was effective. Participants in the positive display condition ($M = 3.17$, $SD = 0.63$) felt that the manager was more positive than did participants in the negative display condition ($M = 2.50$, $SD = 0.51$; $F(1, 26) = 42.29$, $p < .001$), and that participants in the negative display condition ($M = 3.59$, $SD = 0.70$) felt that the manager was more negative than did participants in the positive display condition ($M = 1.70$, $SD = .48$; $F(1, 26) = 21.77$, $p < .001$). Thus, the Asian negotiators in the sample identified a U.S. manager's positive and negative emotional display.

Negotiation Outcomes

We hypothesized that the Asian negotiators in the sample would be more likely to accept a proposal from a positive negotiator than a negative negotiator. This hypothesis was confirmed. Asian negotiators were more likely to accept a proposal from a positive negotiator (35.5%) than a negative negotiator (0%, $\chi^2(1, N = 28) = 4.94$, $p = .026$). In fact, not one of the Asian

negotiators accepted the offer put forth by the negative negotiator.

Discussion

The Asian negotiators in our study identified positive versus negative strategic emotion displayed by a U.S. negotiator. The results provided support for our hypothesis that Asian negotiators who valued respect as deference and humility would be especially averse to a display of negative emotions—no participant accepted the offer in this condition. Study 2 was designed to replicate this finding and compare the response of Asian negotiators who value respect as humility and deference to the responses of negotiators who communicate respect more aggressively. We hypothesize that negotiators who do not hold humility and deference in such high regard may be less sensitive to the display of negative emotions in business contexts.

Study 2

The objective of Study 2 was to try to better understand the effect of strategically displayed emotion during the negotiating process. The study compared the reactions of negotiators from Hong Kong to a proposal made by a U.S. negotiator who exhibited positive or negative emotions with the reaction of Israeli negotiators. Unlike many Asian negotiators who may value respect as deference and humility, Israeli negotiators generally do not shy away from direct confrontation and actually may expect the display of negative emotions during negotiations (Brett, 2001). In fact, research has shown that in Israel, the display of negative emotions is routine and customary and is anticipated in a wide array of professional settings (Rafaeli & Ravid, 2005). Although mutual respect is important, respect is not always reflected by a concern for face. To the contrary, a culture of *dugri* (straight talk) is common in Israel (Katriel, 1986). *Dugri* speech is straightforward, bold, assertive, and sincere and rests on the belief that frankness is conducive to group longevity (Erez & Earley, 1993). In a study comparing Israeli

and American managers, Shamir and Melnick (2002) note that to an outsider, the tendency of Israelis to talk *Dugri* can be perceived as representing impoliteness, rudeness, or even aggressive behavior. And to the contrary, Israelis “sometimes perceived the American tendency to refrain from direct and candid speech as hypocritical or ‘phony’” (p. 223); that is, not only were they less concerned with protecting their image, they found this behavior disdainful. Thus, in Israeli culture, it is normative to engage in blunt confrontation, argue, and at times raise one’s voice as the conversation and negotiations ensue. Accordingly, if Israelis value disagreement, when negative emotions are displayed by the opposing party, Israeli negotiators are not likely to view this as a sign of disrespect, but as a signal that the opposing party is concerned and is passionately engaged in the task.

Thus, whereas positive displayed emotions may lead to effective outcomes when dealing with negotiators who value respect as humility and deference, negative displayed emotions may be more effective when communicating with negotiators who exhibit respect by engaging in intense task conflict while attempting to reach an agreement. Based on these cultural differences, we hypothesize that negotiators from Hong Kong, a culture who values face and respect that is communicated through humility and deference, will be less likely than negotiators from Israel, a culture who does not hold humility and deference in such high regard, to accept an offer proposed by a U.S. negotiator displaying negative emotion.

Methods

Participants

Seventy-six executive MBA students (56 men, 20 women) from Hong-Kong (42) and Israel (34) participated in the study as part of a negotiation course. Expatriates from other countries who participated in the course were excluded from the study. The average age of the

participants was 38.26 years ($SD = 5.39$). The study consisted of a two (emotional display: positive, negative) by two (national culture: Hong Kong, Israel) between-subject factorial design.

Task, Procedure, and Measures

Approximately four weeks prior to participating in the study, study participants completed a pre-questionnaire to assess their cultural values. During the course they completed the same task as described in Study 1; however, it was a pen-and-paper task. Participants were randomly assigned to different rooms where they viewed the positive or negative video. Afterwards, participants were given a form that looked like the actual business contract in the video, which asked them to accept the proposed invoice. After participants had made their decision, they were asked to complete a brief version of the “Customer Satisfaction” survey. They were debriefed in the following class session. The emotional display variable (manipulation check) and the outcome variable (accept or reject) were similar to the variables described in Study 1.

Just as in Study 1, tradition and conformity measures from Schwartz’s (1994) survey of values were used to assess the way in which the participants communicated respect. We hypothesized that the participants from Hong Kong would attain higher scores on these two measures than would the Israeli participants. A higher score would indicate that they were more likely to value respect as deference and humility, whereas a lower score would suggest that these values are less important. In addition, because these two sample populations may utilize these cultural value scales differently, we centered the participant’s score on each separate item around the average rating provided by each participant as recommended by Schwartz and Sagiv (1995). Thus, a more positive score would suggest that conformity or tradition was valued more than the average cultural value rating provided by the participant, whereas a more negative score would

suggest that conformity or tradition was less valued. Conformity and tradition were significantly correlated ($r = .41, p = .01$).

Results

Manipulation Check

The manipulations were effective. On a Likert-like scale of 1 (not at all) to 7 (very much), participants that view the positive emotion display condition ($M = 5.10, SD = 1.74$) felt that the manager displayed more positive emotions than did participants that viewed the negative emotion display condition ($M = 1.30, SD = 0.46; F(1, 70) = 153.79, p < .001$). Similarly, participants that viewed the negative display condition ($M = 5.35, SD = 2.25$) felt that the manager displayed more negative emotions than did the participants that viewed the positive display condition ($M = 3.83, SD = 1.91; F(1,68) = 9.25, p < .01$).

Cultural Values

The participants differed on the cultural values in the predicted direction. Hong Kong negotiators ($M = 0.06, SD = 0.65$) valued conformity more so than did Israeli negotiators ($M = -.27, SD = 0.77; F(1,74) = 4.00, p < .05$). Similarly, Hong Kong negotiators ($M = -1.29, SD = 1.04$) valued tradition more so than did Israeli negotiators ($M = -1.99, SD = 1.04, p < .01$). These differences in cultural values suggest that the Hong Kong and Israeli negotiators valued respect differently. These analyses demonstrate that the samples reflect the cultural differences upon which our hypotheses were based.

Reactions to the Ultimatum

We hypothesized that the Hong Kong negotiators would be more likely to accept a proposal from a negotiator displaying positive emotion than a negotiator displaying negative emotion. Consistent with Study 1 findings, this hypothesis was confirmed. Hong Kong

negotiators were more likely to accept a proposal from a negotiator displaying positive emotion (71%) than a negotiator displaying negative emotion (14%, $\chi^2(1, N = 42) = 12.21, p < .001$). We further hypothesized that Hong Kong negotiators would be less likely than Israeli negotiators to accept an offer from a negotiator displaying negative emotion. This hypothesis was also confirmed. Hong Kong negotiators (14%) were less likely than Israeli negotiators (50%, $\chi^2(1, N = 33) = 4.6, p < .05$) to accept an offer tendered by a negotiator displaying negative emotion. In addition, although no hypotheses were made about the reaction of Israeli negotiators to proposals made by a negotiator displaying positive emotion, 57% of Israeli negotiators accepted the offer proposed by the negotiator displaying positive emotions. Interestingly, Israeli negotiators were insensitive to the emotional display of the other party and were as likely to accept a deal whether the U.S. negotiator displayed positive (57%) or negative (50%) emotions ($\chi^2(1, N = 33) = .17, ns$).

Discussion

The results provide support for our hypothesis that Asian negotiators who valued respect as deference and humility would be less likely to accept an offer made by a negotiator who displayed negative emotion. Hong Kong negotiators were significantly less likely to accept an offer made by a U.S. negotiator displaying negative emotion. They were also significantly less likely to accept an offer by a U.S. negotiator displaying negative emotion, than were Israeli negotiators.

General Discussion

This research provided an initial examination of the effect of strategic displays of emotion in cross-cultural ultimatum settings. Study 1 tested whether Asian negotiators responded differently to a positive versus negative U.S. negotiator. Study 2 compared how Hong Kong and

Israeli negotiators responded to a U.S. negotiator who displayed either positive or negative emotions. Results confirmed that Hong Kong negotiators, who valued respect as humility and deference to authority, were less likely to accept an offer proposed by a U.S. negotiator who strategically displayed negative as compared to positive emotions; whereas Israeli negotiators who did not hold humility and deference in as high regard as the Hong Kong negotiators were as likely to accept an offer tendered by a U.S. negotiator who displayed either positive or negative emotion. The findings also reveal that the Hong Kong negotiators were less likely than the Israeli negotiators to close a deal when the other party made demands while displaying negative emotion. Thus, the empirical findings point at differences in how negotiators respond to demands accompanied by the strategic display of positive and negative emotion.

This research contributes to the negotiation literature on emotions by recognizing that although the expression and recognition of displayed emotion may be somewhat universal (Ekman, 1972), the ability for strategic displayed emotions to impact the negotiation process and outcomes may vary by culture. The Asian and Israeli negotiators in the samples successfully differentiated and identified strategically displayed positive and negative emotion as portrayed by a U.S. negotiator; however, the findings suggest that their reactions to these displays may have been influenced by cultural values and norms. Positive displayed emotion may be especially important when communicating with negotiators from Asian cultures who value face and consider respect to include humility and deference because positive displayed emotion appears to be consistent with these cultural values. In addition, negative displayed emotion seems to be inconsistent with what is normative or expected by the Asian negotiators in the samples.

In contrast, negative displayed emotion does not appear to be incongruent with the values

and norms of the Israeli negotiators. For Israeli negotiators, face was less of a concern; to the contrary, “saying it as it is” or being “in your face” – a culture of *dugri* (Katriel, 1986; Rafaeli & Ravid, 2005; Shamir & Melnick, 2002) – may have legitimized the public display of negative emotion. This may help to explain why these negotiators were not averse to closing a deal with a negotiator who displayed negative emotion. Thus, the cultural context in which emotions are strategically displayed is critical.

A contextual model of culture, such as the model recommended by Gelfand and Dyer (2000) that considers other situational and dispositional factors, may help illuminate the psychological mechanisms that moderate and mediate the effect of displayed emotions on negotiation processes and outcomes. For example, the Asian negotiators who faced a U.S. negotiator strategically displaying negative emotion may have felt they were being mistreated or were not respected. But this interpretation may not have been shared by Israeli negotiators facing the same negotiator. When displaying emotion as a deliberate negotiation tactic, there should be a good fit between the emotions displayed by the focal negotiator and the cultural values that are held by the target negotiator. Future research is necessary to better understand how culture interacts with psychological factors and impacts the effect of emotional display during negotiations.

This research has several limitations. First, although the use of a professional actor displaying emotions in a video offered experimental control, this methodology created a unilateral display of emotion that introduced several boundary conditions. Participants were constrained in their ability to reciprocally influence the target negotiator. Given the ultimatum setting, they were also constrained in the role of responder, and their range of responses was limited to a dichotomous decision of accept or reject. Furthermore, the display of emotion was

culturally constrained because the actor in all conditions was from the U.S. Thus, the experiment simulated an inter-cultural negotiation exchange, and responses to emotional display may differ in an intra-cultural group setting. Likewise, the context of the negotiation, closing a deal with a wedding caterer, could have an effect on findings. Finally, the U.S. negotiator was female and gender effects may also play out differently in distinct cultures and in inter- versus intra-cultural settings. The sample size of women managers who participated in this study was too small to test for gender effects of the responding negotiator. Despite these methodological limitations, this research suggests that it is important to examine strategic display of emotion during negotiations in the context of cultural values and norms.

Whether culture is conceptualized at the national or organizational level, norms for what is considered appropriate behavior in distinct situations needs to be considered. With the tide of research in many areas of management focusing on emotion, mood, and social relationships (e.g. Barry, Fulmer, & Goates, 2006; McGinn, 2006), the movement away from models exclusively focusing on cognitive factors presents uncharted territory for the research scholar. It also has implications for managers negotiating globally, who will need to distinguish between strategies that work in all situations, and those that may work well in some cultural settings and poorly in others. Knowledge of the cultural values and norms of the other party is important to attain prior to a negotiation; however, recent research on culture and negotiations cautions negotiators from over-adjusting negotiation behavior to accommodate expected cultural differences (Adair et. al., 2006). Our research suggests that when negotiators display emotions, they must consider how these emotions will be interpreted by the other party and whether cultural values and norms will play a role in influencing the other party's emotions and subsequent negotiation behaviors.

References

- Abelson, R P (1981) Psychological status of the script concept. *American Psychologist* 36(7):715–729
- Allred, K G, Mallozzi J S, Matsui F, Raia C P (1997) The influence of anger and compassion on negotiation performance. *Organizational Behavior & Human Decision Processes* 70(3):175–187
- Anderon, C., Thompson, L.L (2005) Affect from the top down: How powerful individuals' positive affect shapes negotiations. *Organizational Behavior & Human Decision Processes* 95(2):125–139
- Baron (1990) Environmentally induced positive affect: Its impact on self-efficacy, task performance, negotiation, and conflict. *Journal of Applied Social Psychology* 20(5):368–384
- Barry B, Fulmer I S, Goates N (2006) Bargaining with feeling: emotionality in and around negotiation. In: L L Thompson (ed.) *Negotiation theory and research*. New York, Psychosocial Press.
- Barry B, Oliver R L (1996) Affect in dyadic negotiation: A model and propositions. *Organizational Behavior & Human Decision Processes* 67(2):127–143
- Brett J M (2001) *Negotiating globally*. San Francisco, Jossey-Bass
- Carnevale P J, Isen A M (1986) The influence of positive affect and visual access on the discovery of integrative solutions in bilateral negotiation. *Organizational Behavior & Human Decision Processes* 37(1):1–13
- Cronin M A (2004) *The effect of respect on interdependent work*. Carnegie Mellon University.
- DePaulo B M, Lindsay J J, Malone B E, Muhlenbruck L, Charlton K, Cooper H (2003) Cues to deception. *Psychological Bulletin* 129(1):74–118
- Deutsch M (1973) *The resolution of conflict*. New Haven CT, Yale University Press
- Drolet A, Morris M W (2000) Rapport in conflict resolution: Accounting for how face-to-face contact fosters mutual cooperation in mixed-motive conflicts. *Journal of Experimental Social Psychology* 36(1):26–50
- Earley P C (2001) Understanding social motivation from an interpersonal perspective: Organizational face theory. In: M Erez, Kleinbeck U, Thierry H (eds) *Work motivation in the context of a globalizing economy*. Marwah NJ, Lawrence Erlbaum Associates

Publishers

- Ekman P (1972) Universals and cultural differences in facial expressions of emotion. In: Cole J (ed) Nebraska Symposium on Motivation 1971, Lincoln: University of Nebraska Press
- Erez M, Earley C P (1993) Culture, self-identity, and work. New York, Oxford University Press
- Fiske S T, Taylor S E (1991) Social cognition, 2nd edn. New York, McGraw-Hill
- Forgas J P (1998) On feeling good and getting your way: Mood effects on negotiator cognition and bargaining strategies. *Journal of Personality & Social Psychology* 74(3):565–577
- Forgas J P (2001) On being moody but influential: The role of affect in social influence strategies. In: Forgas J P, Williams K D (eds) Social influence: Direct and indirect processes, vol 21. New York, Psychology Press
- Friedman, R., Anderson, C., Brett, J., Olekalns, M., Goates, N., Lisco, C. C. (2004) The positive and negative effects of anger on dispute resolution: Evidence from electronically mediated disputes. *Journal of Applied Psychology*, 89(2):369-376
- Gelfand M J, Dyer N (2000) A cultural perspective on negotiation: Progress, pitfalls, and prospects. *Applied Psychology* 49(1):62–99
- Hatfield E, Cacioppo J T, Rapson R L (1993) Emotional contagion. *Current directions in psychological science* 2(3):96–99
- Hochschild A R (1983) The managed heart: Commercialization of human feeling. Berkeley, University of California Press
- Hofstede G (1980) Culture's consequences: International differences in work-related values. Newbury Park CA, Sage
- Hollingshead A B, Carnevale P (1990) Positive affect and decision frame in integrative bargaining: A reversal of the frame effect. *Academy of Management Best Paper Proceedings* 385–389
- Isen A M (1987) Positive affect, cognitive processes, and social behavior. In: Berkowitz L (ed) *Advances in experimental social psychology*, vol 20. San Diego CA, Academic Press, Inc
- Katriel T (1986) Talking straight: Dugri speech in Israeli sabra culture. New York, Cambridge University Press
- Katz D, Kahn R L (1978) The social psychology of organizations, 2nd edn. New York, John Wiley & Sons
- Kopelman S, Rosette A S, Thompson L (2006) The three faces of Eve: Strategic displays of

- positive, negative, and neutral emotions in negotiations. *Organizational Behavior and Human Decision Processes* 99(1):81–101
- Kopelman S, Waugh C, Fredrickson B (2005) Positive emotions and interdependent outcomes in business relationships: implications for broaden and build theory and negotiations strategy. Working Paper.
- Leung K, Tjosfold D (1998) *Conflict management in the Asia Pacific: Assumptions and approaches in diverse cultures*. Singapore, John Wiley & Sons
- Levenson, R W (1994) Emotional control: Variations and consequences. In: Ekman P, Davidson R J (eds) *The nature of emotion*. New York, Oxford University Press
- Lytle A M, Brett J M, Barsness Z I, Tinsley C H, Janssens M. (1995). A paradigm for confirmatory cross-cultural research in organizational behavior. In: Cummings L L, Staw F M (eds) *Research in organizational behavior*, vol 17. Greenwich CT, JAI Press
- Markus H R, Kitayama S (1991) Culture and the self: Implications for cognition, emotion, and motivation. *Psychological Review* 98(2):224–253
- McGinn K L (2006) Relationships and negotiations in context. In: Thompson L L (ed) *Negotiation theory and research*. New York, Psychosocial Press.
- McGinn K L, Keros A T (2002) Improvisation and the logic of exchange in socially embedded transactions. *Administrative Science Quarterly* 47(3):442–473
- Moore D A, Kurtzberg T R, Thompson L L, Morris M W (1999) Long and short routes to success in electronically mediated negotiations: Group affiliations and good vibrations. *Organizational Behavior & Human Decision Processes* 77(1): 22–43
- Morrison T, Conaway W A, Borden G A (1994) Hong Kong. In: Kiss, Bow, or Shake Hands. Holbrook MA, Adams Media Corporation
- Oetzel J, Ting-Toomey S, Masumoto T, Yokochi Y, Pan X, Takai J, et al (2001) Face and facework in conflict: A cross-cultural comparison of China, Germany, Japan, and the United States. *Communication Monographs* 68(3):235–258
- Pillutla M M, Murnighan J K (1996) Unfairness, anger, and spite: Emotional rejections of ultimatum offers. *Organizational Behavior & Human Decision Processes* 68(3):208–224
- Rafaeli A, Ravid S (2005) The costs and consequences of customer anger for customer service employees. Unpublished manuscript
- Sanchez-Burks J, Nisbett R E, Ybarra O (2000) Cultural styles, relationship schemas, and

- prejudice against out-groups. *Journal of Personality and Social Psychology* 79(2):174–189
- Sanchez-Burks J (2005) Protestant Relational Ideology: The cognitive underpinnings and organizational implications of an American anomaly. In: Kramer, R. and Staw, B (eds) *Research in organizational behavior: An annual series of analytical essays and critical reviews*, vol 26, 267-308, Elsevier Science/JAI Press
- Schwartz S H (1994) Beyond individualism/collectivism: New cultural dimensions of values. In: Kim U et. al. (eds) *Individualism and collectivism: Theory, method, and applications. Cross-cultural research and methodology series*, vol. 18. Thousand Oaks CA, Sage
- Schwartz S H, Sagiv L (1995) Identifying culture-specifics in the content and structure of values. *Journal of Cross-Cultural Psychology* 26(1):92–116
- Shamir B, Melnick Y (2002) Boundary permeability as a cultural dimension: A study of cross cultural working relations between Americans and Israelis in high-tech organizations. *International Journal of Cross Cultural Management* 2:219–238
- Sinaceur M, Tiedens L Z (2006) Get mad and get more than even: When and why anger expression is effective in negotiations. *Journal of Experimental Social Psychology* 42(3):314–322
- Ting-Toomy S (1988) Intercultural conflict styles: A face-negotiation theory. In: Kim Y, Gudykunst W (eds) *Theories in intercultural communication*. Newbury Park CA, Sage
- Tsai J L, Knutson B, Fung H H (2006) Cultural variation in affect valuation. *Journal of Personality and Social Psychology* 90(2): 288–307
- Ury W L, Brett J M, Goldberg S B (1988) *Getting disputes resolved: Designing systems to cut the costs of conflict*. San Francisco, Jossey-Bass
- Van Kleef G A, De Dreu C K W, Manstead A S R (2004a) The interpersonal effects of anger and happiness in negotiations. *Journal of Personality and Social Psychology* 86:57–76
- Van Kleef G A, De Dreu C K W, Manstead A S R (2004b) The interpersonal effects of emotions in negotiations: A motivated information processing approach. *Journal of Personality and Social Psychology* 87(4):510–528