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**The Timing of Offers and Information Exchange in
U.S. and Japanese Negotiations**

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Abstract

This research examines the function of offers in U.S. and Japanese integrative negotiations. We propose that early first offers begin information sharing and generate joint gains in Japan but have an anchoring effect that hinders joint gains in the U.S. Using data from the negotiation transcripts of 20 U.S. and 20 Japanese dyads, results supported two hypothesized interactions: 1) early offers generated higher joint gains for Japanese and lower joint gains for U.S. negotiators; 2) exchanging information prior to the first offer generated higher joint gains for U.S. and lower joint gains for Japanese negotiators. The results contribute to theories of negotiation and culture by showing that the use and efficacy of early offers and information exchange differs across cultures.

Key Words: Negotiation, culture, offers, information sharing, time

The Timing of Offers and Information Sharing in U.S. and Japanese Negotiation

Offers are an integral part of the negotiation process. They communicate a negotiator's position and can provide information about preferences and priorities. However, most of what we know about offers comes from research in western cultures on distributive negotiation, when negotiators are dividing a fixed pie of resources (e.g. Galinsky & Mussweiler, 2001; Liebert, Smith, Hill, & Keiffer, 1968; Moore, 2004; Yukl, 1974). There is less research on offers in integrative negotiation, when negotiators are considering multiple issues and have an opportunity to expand a pie of resources (e.g. Olekalns & Smith, 2003; Weingart, Hyder, & Prietula, 1996), and particularly little research on offers in a cross-cultural context. What we do know about offers in multi-issue cross-cultural negotiation is that Japanese negotiators make more offers than U.S. negotiators, which partially accounts for the high joint value solutions they generate (Adair, Okumura, & Brett, 2001). Adair et al (2001) suggest that Japanese negotiators glean information from offers. What we do not know is *how* offers are used in the information exchange process in negotiation. Here, we address this gap in the literature by asking how Japanese and U.S. negotiators use opening offers and information sharing in negotiation and how these strategies influence the joint value of their agreements.

We build on theories of information exchange in negotiation (Bazerman & Neale, 1992; Pruitt, 1981) and cross-cultural negotiations (Adair et al., 2001) to propose that early first offers lead to high joint gain agreements in Japanese negotiations and later first offers preceded by information exchange lead to high joint gain agreements in U.S. negotiation. This research contributes to the negotiation literature by expanding our understanding of the strategic function of offers and information sharing in integrative negotiation. This research also provides practical advice to U.S. and Japanese negotiators about the timing of offers and information sharing.

Offers as Information

What we know about the role of offers in negotiation is largely restricted to distributive negotiations. Models of bargaining explain that negotiators use first offers to stake claims and then gradually make concessions until they reach an agreement toward the middle of a bargaining zone formed by their reservation prices or limits (Raiffa, 1982). We know that first offers can act as an anchor or reference point from which negotiators make subsequent concessions and adjustments (Liebert et al., 1968; Yukl, 1974). In addition, negotiators tend to make more offers and more concessions as deadlines approach (Moore, 2004; Stuhlmacher, Gillespie, & Champagne, 1998). This prior research gives us insight into how negotiators use offers to claim value in distributive negotiations. It does not address the implications of the timing of the first offer nor does it provide insight into how negotiators might use offers to create value in integrative negotiations.

There are several conceptualizations of the role of offers in integrative negotiation. One, heuristic trial and error search, borrows from the offer-counter offer sequences characteristic of distributive bargaining (Kelley & Schenitzki, 1972; Pruitt, 1981; Siegel & Fouraker, 1960). By making reciprocal concessions on their least important issues, negotiators may gradually approach a mutually satisfactory solution, much in the way that negotiators gradually move toward settlement in distributive negotiation. This conceptualization is actually distributive in nature in that negotiators use offers to stake a position and gradually move away from that position.

A more integrative conceptualization of offers suggests that they might lead to high joint gain agreements because they convey information about priorities and interests. For example, multi-issue offers, in contrast to single-issue offers, convey information about a negotiator's

relative priorities across issues and are positively related to integrativeness of outcomes (e.g., level of joint gains) (Olekalns & Smith, 2003; Weingart et al., 1996; Hyder, Prietula, & Weingart, 2000). Negotiators are advised to use multiple multi-issue offers to assess the other party's relative preferences (Bazerman & Neale, 1992). However, prior research has not examined the processes by which negotiators can use single-issue offers or sequences of offers as an information search mechanism, and we believe this is because negotiation theory and research, which has been done primarily in the U.S. (Gelfand & Brett, 2004), has an intrinsically distributive conceptualization of offers. In Western culture texts (e.g., Bazerman & Neale, 1992; Thompson, 2005) and research (e.g., Thompson, 1991), direct information exchange – questions and answers, has been represented as the primary vehicle for generating the information needed to construct high joint gain agreements. However, recent research on Japanese negotiators suggests that they may also be using offers to glean information about the other party's preferences and priorities.

Adair and colleagues (2001) suggest that Japanese negotiators use offers to exchange information and link this tendency to high context communication norms. People in high context communication cultures tend to rely on cues beyond the content of what is said to communicate meaning (Hall, 1976). In Japan, norms for indirect, high context communication and the tendency not to trust before a strong relationship is formed (March, 1988) mean that negotiators may feel uncomfortable or vulnerable talking explicitly about what is important to them (Kimmel, Pruitt, Magenau, Konar-Goldband, & Carnevale, 1980). Adair and colleagues (2001) suggested that the Japanese negotiators used offers as a source of information, and the overall proportion of speaking turns containing an offer in Japanese negotiation transcripts partially accounted for their high joint gain solutions.

Using offers to search for high joint gain solutions is a complex process. Any single offer does not reveal a negotiator's preference structure. However, paying attention to how offers change over time as well as to the other party's reactions to offers can gradually reveal where a negotiator is more and less willing to move. From this information, negotiators can infer the preference structures that reveal opportunities for trade-offs, whereby each negotiator gets more of what is more important to them and less of what is less important, as well as compatible issues, in which negotiators' preferences are the same but often overlooked because negotiators assume opposite preferences (Thompson, 1990; Thompson & Hastie, 1990).

In contrast, norms for direct, low context communication (Hall, 1976) and the swift trust (Meyerson, Weick, & Kramer, 1996) that is characteristic of interpersonal encounters in the U.S. (Hofstede, 1980) suggest that negotiators are likely to talk explicitly about what is important to them (Adair et al., 2001). People in low context communication cultures tend to use very direct communication styles, relying on the content of what is said to communicate meaning (Hall, 1976). In a negotiation context, this suggests that negotiators should convey their preference structure directly; information search should be characterized by statements about preferences and priorities. Along this line, Adair et al. (2001) found the proportion of speaking turns that contained direct forms of information was higher for U.S. negotiators than for Japanese negotiators. In this study we extend the Adair et al. (2001) findings by looking at *when* the first offer occurs and the *frequency* of information exchange *before* the first offer to try to better understand the differential function of offers and information sharing in U.S. and Japanese negotiations, in particular how information sharing gets started.

Timing of Offers and Information Sharing

One way to investigate offers as a search mechanism is to examine the use of offers to stimulate information sharing. Stage models of negotiation indicate that information gathering occurs primarily in the early stages of negotiation (Holmes, 1992). Thus, offers that convey information that negotiators can use to uncover trade-offs, compatibilities, and interests should occur earlier in the negotiation to be effective. In contrast, offers that cluster at the end of a negotiation when a deadline approaches (Stuhlmacher et al., 1998) often represent positional bargaining as negotiators hammer out a deal (Adair & Brett, 2005). Therefore, if Japanese negotiators use offers as a search mechanism, they are likely to introduce offers early in the negotiation and continue to make offers and counter offers throughout the negotiation. In support of this prediction about the timing of offers, Adair and Brett (2005) found that high context communication culture negotiators reciprocated offers significantly more frequently than low context culture negotiators up until the fourth quarter of the negotiations. It was toward the end of negotiations that low context negotiators starting reciprocating offers.

If U.S. negotiators search for trade-offs and high joint gain solutions by exchanging statements about preferences and priorities, they should not need to rely on offers to do the same. We would expect them to introduce offers later in the negotiation, as a result of their early focus on preferences and priorities. In this way, U.S. negotiators would be using offers to consolidate information rather than search for it. Thus, offers that are introduced after a substantial amount of priority information has been exchanged should reflect that information.

To go even further, early, explicit offers might actually *interfere* with U.S. negotiators' search for a high joint gain agreement by acting as anchors that fixate negotiators on one outcome rather than on the search for better outcomes. Offers act as anchors when one party

considers them a starting point from which to make subsequent concessions (Galinsky & Mussweiler, 2001; Tversky & Kahneman, 1974; Yukl, 1974). In a distributive negotiation, an effective anchor can result in a solution favoring one party over another (Galinsky & Mussweiler, 2001; Northcraft & Neale, 1987; Liebert et al., 1968). In an integrative negotiation, focusing on one offer as a starting point from which to make concessions can prevent negotiators from identifying trade-offs across issues or new issues that represent creative solutions. The use of such distributive strategies can drive out the use of more integrative strategies via the communication process and norms of reciprocity (Adair & Brett, 2005; Putnam & Holmer, 1992; Weingart, Prietula, Hyder, & Genovese, 1999).

In summary, if U.S. negotiators are using offers to consolidate rather than gather information, they should engage in information exchange early in the negotiation and postpone their first offer until they have sufficient information to construct an offer that takes into account the other negotiator's interests. Because information gathering occurs primarily in the early stages of negotiation, if Japanese negotiators are using offers to convey information, they should make a first offer early in the negotiation. We expect Japanese negotiators will make their first offers earlier in the negotiation than U.S. negotiators and that they will exchange less explicit information prior to making that first offer than U.S. negotiators.

H1: Japanese negotiators will make their first offer earlier than U.S. negotiators.

H2: Japanese negotiators will exchange less information before making their first offer than U.S. negotiators.

Interactions between Culture and Timing of Offers and Information Sharing on Joint Gains

Normative behavior is adaptive – that is, norms of behavior often develop because they are strategically functional (Sherif, 1936; Campbell, 1975). Thus, Japanese negotiators rely on

high context communication to exchange information because it aids them in reaching high quality agreements in their high context communication culture and U.S. negotiators rely on direct communication to reach high quality agreements in their low context communication culture (Adair et al., 2001). By simple extension, one might predict that when negotiators do not follow their culturally normative approach, it could interfere with performance.

We propose that to get information sharing started in negotiation, an exemplar of high context communication is an early offer and an exemplar of low context communication is a later first offer preceded by information exchange. If Japanese negotiators use offers strategically to search for information, getting started early should allow them to uncover more information on relative interests, which leads to value creation (Lax & Sebenius, 1986). If U.S. negotiators identify information needed to craft high joint gain solutions primarily from explicit information exchange, early offers may act as anchors and hinder information gathering (Northcraft & Neale, 1987; Mussweiler & Strack, 2000). Thus, we expect that U.S. negotiators who make their initial offer too early without explicitly exchanging information first and Japanese negotiators who make their initial offers too late may suffer in terms of joint gains.

H3: Culture and timing of first offer will interact to influence joint gains. A later first offer will lead to lower joint gains for Japanese negotiators but higher joint gains for U.S. negotiators.

In contrast, explicit information sharing in low context communication cultures provides a foundation for building offers if it comes at the right time in a negotiation. Therefore, if negotiators from the U.S. engage in more explicit information sharing of preferences and priorities prior to making their first offer, they should gain the information necessary to identify trade-offs to incorporate into their later offers and capture joint gains.

H4: The amount of information exchanged prior to the first offer will be more strongly related to joint gains for U.S. than for Japanese negotiators.

Methods

Sample and Data Collection

Our sample consisted of 20 U.S. and 20 Japanese dyads that negotiated “Cartoon,” a complex negotiation simulation with integrative potential (DRRC, 2004). This sample was randomly drawn from the negotiation transcripts analyzed in Adair et al. (2001).¹ U.S. participants were managers beginning a negotiations course in an executive MBA program in the U.S. Japanese participants were managers beginning a company-sponsored negotiations course in Japan. Managers in both samples lived and worked in their native countries and represented a variety of functional backgrounds. The data were collected as a part of the first exercise in the participants’ negotiation training program, prior to any feedback or discussion of negotiation concepts or strategies. The U.S. sample was 80% male and had an average age of 38.5 (SD = 4.71). The Japanese sample was 100% male and had an average age of 30.9 (SD = 7.88). As reported in Adair et al., the sampling check confirmed that participants held the values characteristic of their national cultures. The Japanese participants valued hierarchy more than the U.S. participants ($F(1,165) = 6.24, p \leq .01$) and the U.S. participants valued individualism more than did the Japanese participants ($F(1,165) = 15.48, p \leq .01$) (Adair et al., 2001).

The *Cartoon* negotiation simulates the sale of syndication rights for a children’s cartoon series. The seller is a film production company and the buyer is a television station. There are 5 issues: price, financing terms, and how many times each episode can be shown over the duration of the contract (runs). The two parties value financing and runs differently and if they trade-off

these issues, the parties can create joint gains of \$4.08 million. If they add the compatible issue, *Strums*, they can add an additional \$1 million of value.

Japanese participants conducted the entire exercise in Japanese. The exercise was translated and back-translated by two individuals fluent in English and Japanese and U.S. dollar figures were converted to yen at a rate of 100 yen to 1 U.S. dollar, reflecting actual exchange rates at the time of data collection.

Participants were assigned to the role of either buyer or seller, given detailed role-specific instructions, and paired with a same role partner. Participants were told they would negotiate 1-on-1 and having a partner for the preparation session was designed to give them an opportunity to talk through the case and possible strategies. They were explicitly told that the purpose was not to generate a single strategy for both to use. After 90 minutes of preparation, each buyer and seller was assigned to negotiate with someone playing the opposite role, given break-out space, a tape recorder, and up to 90 minutes to negotiate.

Coding and Measures

We began with the transcripts from Adair et al. (2001) which had been coded by a team of four content coders at the level of the thought unit, allowing for multiple thought units per speaking turn (interrater reliability Cohen's kappa = .62). The relevant offer codes for our study included single-issue offers, multi-issue offers without trade-offs, and multi-issue offers with trade-offs. The relevant information sharing codes were statements about single issue preferences and priorities; statements about multi-issue preferences and priorities; and statements about commonalities or differences across the parties' preferences. "Statements" included both asking for and providing information. Given multiple thought units were coded per speaking turn, the

coding scheme was able to capture the occurrence of an information sharing statement and an offer in the same speaking turn.

Culture. Culture was dummy coded 1 for Japanese dyads and 0 for U.S. dyads.

Joint gains. Joint gains were calculated as the sum of the buyer's and the seller's net values (Adair et al., 2001; Brett & Okumura, 1998). In Cartoon, maximum joint gains were \$5.08 million and reflected the Pareto optimal frontier for this exercise.

Offer timing. We coded the timing of the first offer as the number of the speaking turns prior to the first offer. Values ranged from 1 to 109, with larger numbers indicating the offer occurred later in the negotiation. We used the absolute speaking turn, rather than the relative speaking turn (that is, we did not divide by the total number of speaking turns in the negotiation), because we were interested in how long it took the negotiators to make an offer in the context of behaviors that occurred before that offer, not after the offer was made.

Information exchange prior to first offer. We counted the number of information sharing statements made prior to the first offer.

Control Variables

To insure that timing effects were not confounded with the overall amount of information exchange (the variables studied in Adair et al. (2001)), we controlled for the overall proportion of offers and information sharing within each dyad.

Overall proportion of offers. The overall proportion of offers was computed as the total number of offers, including single-issue offers, multi-issue offers, and multi-issue offers with trade-offs, divided by the total number of speaking turns in a dyad's complete transcript. As in Adair et al. (2001), the proportions were log transformed according to Tukey, (1977), stretching the tails of the distribution due to the low relative frequencies of some process codes.

Overall proportion of information exchanged. The overall proportion of information exchanged was computed as the total number of information sharing statements divided by the total number of speaking turns in a dyad's complete transcript, log transformed.

Analysis Strategy

Data were analyzed at the dyad level. We used multiple regression to test the hypotheses. Due to multicollinearity with interaction terms, we centered first offer timing (Timing) and information exchanged prior to first offer (IPFO) before interactions were calculated to ease interpretation of the data (Aiken & West, 1991).

Results

Table 1 presents the means, standard deviations, and correlations for the independent and dependent variables. We proposed that Japanese negotiators would make offers earlier in the negotiation than U.S. negotiators (H1) and that U.S. negotiators would share more information prior to their first offer than Japanese negotiators (H2). Results supporting both of these hypotheses are in Table 1. Japanese negotiators made their first offer earlier than U.S. negotiators (H1) ($r = -.67, p \leq .01$) and they exchanged less information prior to making their first offers than U.S. negotiators (H2) ($r = -.56, p \leq .01$).

We tested H3 and H4 in separate regression equations because Timing and IPFO were highly correlated ($r = .77, p \leq .01$). As predicted by Hypothesis 3, controlling for the overall proportion of offers and the two main effects, there was a significant interaction between Culture and Timing on Joint Gains (Model $F(4, 35) = 4.91, p \leq .01$; $B = -82369, se = 20730, p \leq .01$). Examination of a plot of the interaction (see Figure 1) shows that the later Japanese negotiators made their first offer the lower their joint gains; the later U.S. negotiators made their first offer the higher their joint gains. Thus, H3 was supported.

As predicted in Hypothesis 4, controlling for the overall proportion of information exchanged and the two main effects, the more information sharing statements U.S. negotiators made prior to their first offer, the higher their joint gains. Figure 2 shows the opposite was true for Japanese negotiators, the more explicit information they exchanged prior to a first offer, the lower their joint gains (Model $F(4, 35) = 2.11, p \leq .10$; $B = -207006, SE = 97976, p \leq .05$). However, we must interpret these results in the context of a potential 3-way interaction.

We ran a hierarchical regression analysis to determine whether the hypothesized interactions between these two variables and culture were independent or whether there was a three way interaction among the variables. Results showed that the Timing x Culture interaction dominated the IPFO x Culture interaction (see Table 2, Step 2). The 3 way interaction was found to be significant (see Table 2, Step 3). This 3-way interaction is plotted using a median split on IPFO in Figure 3.² The top graph in Figure 3 shows the relationships between Timing, IPFO, and Joint Gains for Japanese dyads. Results show that Japanese negotiators performed the best when they made early offers with low info exchange. Although the positive sloping regression line for the high information exchange group indicates that Japanese negotiators could also maximize joint gains when they made a late first offer and exchanged high information prior to that offer, in fact the maximum joint gains realized by a dyad in that condition (point 26) were 4.22 million (as compared to a maximum possible 5.08 million). The bottom graph shows the relationships for U.S. dyads. The US negotiators were less influenced by the interaction between Timing and IPFO. They were better off making later offers and exchanging more information prior to early first offers.

Discussion

Our goal was to extend our understanding of the relationship between culture and the strategic function of offers and information exchange in negotiation. We found ample evidence to support our theoretical propositions regarding the timing of first offers and information prior to first offers, qualified by an unexpected, significant three way interaction between culture, first offer timing, and information exchange prior to the first offer on joint gains. In brief, we found that Japanese negotiators make their first offer earlier in the negotiation process than U.S. negotiators, who start to use offers later and exchange more information prior to their first offer than Japanese negotiators. We also found that for Japanese negotiators, a later first offer led to lower joint gains. However, as shown in the three-way interaction, this negative effect held primarily when Japanese negotiators exchanged little information prior to the first offer. However, for the four Japanese dyads who exchanged high levels of information prior to the first offer, a later first offer led to higher joint gains. For U.S. negotiators, a later first offer led to higher joint gains regardless of the amount of information exchanged prior to the first offer.

Our results extend prior research on U.S. and Japanese negotiation process and contribute to theory in negotiation and cultural studies. The research enriches the findings of Adair et al. (2001) by showing that the timing of the onset of offers and the amount of information exchanged prior to a first offer are significant factors in determining joint gains beyond the effects of overall levels of information exchange and offers in a dyadic negotiation transaction. The results also extend Adair et al.'s conclusion that making offers helps Japanese negotiators generate joint gains. We show that Japanese negotiators maximize joint gains by making offers early in the negotiation.

Negotiation theory primarily discusses offers in distributive bargaining. We show two important things about first offers in integrative bargaining. First, for negotiators in low context (direct) communication cultures like the U.S., an early first offer may act as a behavioral anchor, signaling a strong positional stance that inhibits future exploration and problem-solving. The negative relationship between early first offer and joint gains supports this anchoring effect in integrative negotiations, consistent with the anchoring effect of first offers in distributive negotiation (Galinsky & Mussweiler, 2001; Yukl, 1974). Second, negotiators in high context (indirect) communication cultures like Japan do not seem to get anchored on early first offers, perhaps because they engender more offer exchange (Adair et al., 2001) and use the pattern of offers as a source of information (Weingart & Prietula, 2005). For Japanese negotiators, early first offers in integrative bargaining may prompt rather than inhibit information exchange, albeit via different mechanisms (offer exchange versus sharing of preferences and priorities). These findings inform and extend research on offers as anchors by suggesting the anchoring effect of offers may be culturally bound.

Our study also emphasizes the importance of understanding classic negotiation theory within the cultural context in which the theories were developed (Gelfand & Brett, 2004). It is not surprising that the Western view of offers in negotiation is largely distributive given the robust empirical data on anchoring, concessionary behavior, and deadline effects. Hence, for U.S. negotiators, introducing offers early seems to anchor them in distributive negotiation and prevent them from exploring value creating solutions, just as introducing offers later would distribute resources uncovered through prior direct information exchange. What is surprising from a Western, more distributive conceptualization of offers, is that Japanese negotiators appear to use offers to both create and claim value. This is not to say that Japanese negotiators will

never anchor on first offers, but that in integrative negotiations when negotiators need information to generate efficient solutions, Japanese negotiators are able to create value even (especially) when they make early first offers. Future research is needed to further investigate the differential effects of anchoring in distributive versus integrative negotiations across high and low cultural contexts.

Our results also address the problems likely to ensue when negotiators use counter-normative styles. We argued that due to norms for low and high context communication, offers should be a more common mode to initiate information exchange for Japanese negotiators and explicit information should be more common for U.S. negotiators. The results generally supported our theorizing, but some results are particularly enlightening. When Japanese used both an early offer and high information exchange, joint gains were low. We propose two explanations: When Japanese use the two information exchange strategies simultaneously, i.e. both early explicit information exchange and an early offer, there may be information overload. Alternatively, an early offer embedded in the context of explicit information exchange may get interpreted as a positional statement that then becomes an anchor and inhibits subsequent information exchange. Both of these possibilities offer avenues for future research.

The results also reveal the greater communication flexibility of high versus low context communicators (Hall, 1976). Some Japanese negotiators who made a late first offer realized higher joint gains, but this appears to be because they exchanged direct information prior to making that offer. These results support theorizing that high context communicators can engage in low context communication patterns and use them successfully (Hall, 1976). That the U.S. negotiators could not turn early offers into high joint gains, suggests that low context communicators cannot engage in high context communication patterns and use them successfully

The applied implications of this study are important for both high and low context negotiators. First, for low context negotiators our results emphasize the effectiveness of a strategic pattern of information sharing first - offers later. Second, for high context negotiators our results emphasize the effectiveness of using offers early in a negotiation. Third, when negotiating across high-low context cultural boundaries, negotiators must pay attention not just to strategy but also to the timing of offers. A high context negotiator making an early first offer is likely to anchor the low context negotiator. A low context negotiator expecting reciprocity of early information sharing may become frustrated if the other party does not engage in this low context behavior. Fourth, the study suggests how low context negotiators might be able to utilize offers to glean information from other low context negotiators who are reluctant to share information or from high context negotiators who are more comfortable exchanging offers and counter-offers than explicit information. Low context negotiators may need a memory guide to do this, but if they keep track of offers, they should be able to participate fully in an offer-based strategy to generate high joint gains.

As with all studies, there are both limitations and opportunities for further research. Our conclusions are based on our data of first offers or getting information sharing started. There are other strategies that may also account for the generation of joint gains and provide areas for future research, for example, other forms of high context communication such as story telling or nonverbal behaviors. Also, our research involved a multi-issue integrative task. We do not expect our findings to hold for a single-issue or distributive task or when negotiators have primarily competitive goals that might make negotiators more likely to anchor on early offers, although this is of course an empirical question. We tested our hypotheses with managers using a negotiation simulation in a quasi-experimental setting and thus there are limitations in

generalizing to a real world setting. One limitation is that negotiators who lack the real world context, such as previous work relations, may be less likely to use high context communication styles than negotiators in the real world. This suggests that our results may be more pronounced in a real world setting. Another limitation of the experimental setting is there may be an artificial norm of cooperation that inflates joint gain results. This suggests that real world negotiators may behave more competitively and be more likely to anchor on a first offer. Also, we generated these results under dyadic preparation conditions. Other forms of planning that might influence the results and can be tested in future research.

An important extension of this research would be to see if low context negotiators could be taught to glean information from offer patterns. This appears promising because we know that U.S. negotiators provided with instruction on integrative negotiation strategies can successfully implement those strategies (Weingart et al., 1996). The question remains whether negotiators can be trained to use a strategy that is culturally counter normative. If yes, knowing how to use offers would give U.S. negotiators an important strategic tool for negotiations when trust is low and/or the other party is from a high context culture.

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Footnotes

¹ Adair et al.'s (2001) sample consisted of 40 U.S. intra-cultural dyads and 22 Japanese intra-cultural dyads. We chose to analyze 20 of each to maintain an equal sample size across the two conditions.

² Note that we also plotted the 3-way interaction without using a median split following the procedures suggested by Aiken & West (1991), in which the independent variables are centered around the mean and plotted at ± 1 SD. Those graphs illustrated the same relationships that appear in the Figure 3 scatterplots. However, plotting the regression lines at \pm one SD of each continuous independent variable creates regression lines extending outside the allowable range of joint gain making the graphs difficult to interpret. Thus we present the 3-way interaction using a median split on IPFO to ease interpretation.

Table 1

Means, Standard Deviations, and Correlations of Independent and Dependent Variables

Variable	M (SD)	1	2	3	4	5	6
1. Culture	.50 (.51)						
2. Joint gains	4191162.5 (723435.41)	.001					
3. Timing of first offer	27.73 (25.34)	-.67**	.16				
4. Information exchanged prior to first offer	3.93 (4.15)	-.56**	.21	.77**			
5. Overall proportion of offers	-.79 (.34)	.79**	.05	-.67**	-.49**		
6. Overall proportion of information exchange	-.85 (.31)	.09	-.11	-.21	.11	.24	

* = $p \leq .05$. ** = $p \leq .01$.

Table 2

Three-way Interaction between Culture, Timing of First Offer, and Information Exchanged Prior to First Offer on Joint Gains

Variable	Step 1	Step 2	Step 3
Constant	3956388** (679415)	2614304** (716183)	2653355** (666781)
Culture	50965 (406988)	-595016 (391244)	-174321 (403977)
Timing of first offer	2217 (9204)	9026 (9061)	11020 (8474)
Information exchanged prior to first offer (IPFO)	57058 (48716)	73411 (56525)	74829 (52613)
Overall proportion of offers (Control)	575132 (594961)	-637228 (609387)	-636119 (567184)
Overall proportion of information (Control)	-445528 (435018)	-136384 (389876)	-18174 (366188)
Timing x culture		-78232** (24513)	-25782 (31561)
IPFO x culture		-96350 ^a (113874)	155896 (149104)
Timing x IPFO		-677 (1255)	-960 (1174)
Culture x timing x IPFO			24320* (10112)
R ²	.11	.40	.49
F	.89	2.54*	3.25**
(df)	(5,34)	(8,31)	(9, 30)
ΔR^2		.28	.10
F (change)		4.80**	5.79*
(df)		(3,31)	(1,30)

Note: Unstandardized coefficients (B's) and standard errors are reported. Dependent variable is dollars.

Table 2 (continued)

^a This interaction was significant ($B = -207006$, $SE = 97976$, $p \leq .05$) when tested separately from the culture x timing interaction. The lack of significance in the combined model can be attributed to the high correlation between timing and IPFO ($r = .77$).

* = $p \leq .05$. ** = $p \leq .01$.

Figure Captions

Figure 1. Interaction between Culture and Timing of First Offer on Joint Gains.

Figure 2. Graph of Interaction between Culture and Information Exchanged Prior to First Offer on Joint Gains.

Figure 3. 3-way Interaction between Culture, Timing of First Offer, and Information Exchanged Prior to First Offer.





