

Lying, Cheating Foreigners!! Negotiation Ethics across Cultures

Cheryl Rivers*

Faculty of Business, University of the Sunshine Coast, Maroochydore DC, QLD 4558, Australia
(Email: crivers@usc.edu.au)

Anne Louise Lytle**

Australian Graduate School of Management, University of New South Wales, Sydney,
NSW 2052 Australia
(Email: alytle@agsm.edu.au)

Received 23 August 2005; accepted 11 April 2006

Abstract

To be on the receiving end of 'unethical' negotiation tactics is a challenge at any time, but is especially difficult when the other party is from a different culture. A model is presented that demonstrates how culture influences numerous situational variables in a negotiation and, in particular, how culture impacts upon negotiators' ethical decision making. It is posited that culture directly influences the legal environment, organizational code of ethics, organizational goals, and the perception of the other party, and that culture moderates negotiators' understanding of each of these situational variables. The theoretical and practical implications of the model are also discussed.

Keywords

negotiation, ethics, culture, ethically ambiguous negotiation tactics, situational variables.

Introduction

Ply your average international business negotiator with a glass or two of wine, offer a sympathetic ear, and it won't be long before you hear a negotiation story that involves "those lying cheating #*&%\$s!" from one country or another. When foreigners breach ethical expectations, they often elicit potent negative emotions from the other party, who leaves the table appalled, unhappy, angry, and frustrated (McNeil and Pedigo 2001). Such emotions are contradictory to the cultivation of the trust that helps to achieve integrative potential in a negotiation (Brett 2001). Although it is likely that negative emotions could be incited by a

*) Cheryl Rivers is a Senior Lecturer in international business at the School of Management, University of the Sunshine Coast, Queensland, Australia. She received her PhD from Queensland University of Technology in 2004. Her research interests include how culture influences ethical decision making in both the negotiation context and in corporate attitudes toward social responsibility and sustainable development.

**) Anne Lytle is a member of the organizational behavior faculty of the Australian Graduate School of Business, Sydney, Australia. Her research has been published in *Academy of Management Journal* and *Negotiation Journal*. She has served on the board of the International Association of Conflict Management.

local's 'unethical' behavior; arguably it is more difficult to deal with an 'unethical' tactic when it is perpetrated by a foreigner because the negotiator lacks certainty about the rules of negotiation in the foreign land.

It is important for negotiators to be aware of differences in what is perceived to be ethically appropriate, given that ethical dilemmas are an inescapable component of negotiation (Barry and Robinson 2002) and that the use of ethically ambiguous negotiation tactics is commonplace among negotiators (Volkema, Fleck and Hofmeister-Toth 2004). Although there is growing evidence that there are cultural differences in the use and perceived appropriateness of ethically ambiguous negotiation tactics (Elahee, Kirby and Nasif 2002; Triandis et al. 2001; Volkema 1998, 1999, 2004; Volkema and Fleury 2002), this work can be extended by exploring *how* culture influences ethical decision making in negotiation. If negotiators can understand why there are differences in ethical decision making across cultures, they can minimize the feelings of anger and mistrust elicited by the use of ethically ambiguous negotiation tactics, as well as avoid the use of tactics that might jeopardize negotiation with the other party.

The aim of this article is to examine the question: How does culture influence ethical decision making in negotiation? We propose a model that shows how culture influences a negotiator's ethical decisions by affecting how the negotiation situation is understood. A secondary aim is to review the findings of cross-cultural ethics research in negotiation. Although recent volumes have reviewed ethics in negotiation (Menkel-Meadow and Wheeler 2004) and negotiation and culture (Gelfand and Brett 2004), neither addressed the influence of culture on ethics in negotiation, and it is timely that an overview of research in this area is provided.

In this article, we first define ethics, culture, and ethically ambiguous negotiation tactics. We then provide a review of the empirical work on ethics in cross-cultural negotiations and some relevant work on ethics in negotiation. Drawing on research in ethical decision making from beyond the negotiation field, we propose a model of the influence of culture on ethical decisions in negotiation. Finally, we discuss future research directions.

Defining Terms and Approaches

Ethics

Although almost everyone knows that ethics is about doing the 'right thing,' how the term is defined beyond that is important because it influences how ethical decisions are investigated. The dominant view in business ethics literature is that ethical decision making is situationally specific (Randall and Gibson 1990). For example, the situation plays a feature role in the situation-interactionist model

(Trevino 1986) and the issue-contingent model (Jones 1991). In negotiation research, there has also been an acknowledgement that ethical decisions incorporate the understanding of the situation – “ethics are broadly applied social standards for what is right or wrong *in a particular situation*” (Lewicki et al. 2003:236, italics added). However, few empirical studies of negotiation ethics have provided much detail about the situation beyond indicating that ‘the negotiation is important to you’ (e.g. Robinson, Lewicki and Donahue 2000). We agree that situation is important to ethical decision making in negotiation, and we define ethics as the ‘rules, standards, codes or principles which provide guidelines for the morally right behavior and truthfulness in specific situations’ (Lewis 1985). The inclusion of *situation* in the definition of ethics compels us to incorporate a consideration of the negotiation situation in our exploration of the cultural/ethical decision relationship.

Culture

Culture has been defined as the unique character of a social group (Brett 2001). Culture can manifest itself in the values, beliefs, cognitive processes, and overt behaviors at the individual level (Aycaan 2000; Lytle et al. 1995). Like ethics, the way in which culture is defined influences how it is operationalized by researchers. The most common operationalization of culture in negotiation ethics research has been the ‘culture as shared values’ approach, where culture is broken down into one or more cultural value dimensions, such as individualism vs. collectivism (Hofstede 1980; Triandis 1995). An alternative conceptualization of culture that is well suited to ethics research is the ‘culture-in-context’ view, which defines culture through the meanings attributed to the social context (Gelfand and Cai 2004; Gelfand and Dyer 2000). The negotiation social context (or situation) includes the roles, dyadic relationships, group dynamics, and the network of extended relationships among the negotiation parties (Gelfand and Cai 2004). In its original form as articulated by Janosik (1987), context includes both structural and contextual factors such as personality, social context, and environmental factors. In other words, a culture-in-context approach identifies cultural differences in how the situation (in this case, the negotiation situation) is understood.

To define culture as the meanings attributed to the negotiation situation requires researchers to focus on the situation, which ties in nicely with our approach that ethical decisions also are specific to the situation and also requires researchers to identify the situational factors that are salient to negotiators. A situational factor is one that is characteristic of the decision setting or environment (as compared to characteristic of the decision maker) and one that is expected to influence the decision-making process and outcome (after Ross and Robertson 2003). We note that the terms ‘situation’ and ‘context’ have been used interchangeably in the negotiation ethics literature and will use them as such.

Ethically Ambiguous Negotiation Tactics

The meaning of ambiguous is “doubtful, questionable, and open to several possible interpretations” (Oxford English Dictionary 1989). If something is ethically ambiguous, it means that there are multiple understandings of whether it conforms to the standards of what is right or wrong.

Negotiation is an interaction between two or more parties who are working together to resolve incompatible goals (after Pruitt and Carnevale 1993). Negotiations here are defined as deliberate interaction between two or more entities who are attempting to define or redefine the terms of their interdependence in a matter (adapting Walton and McKersie 1991; Weiss 1996). The word tactic is taken from military parlance and it’s the label given to a maneuver in the course of battle. In the negotiation context, it is an action or statement used by a negotiator, usually with the intent to achieve a specific aim.

An ethically ambiguous negotiation tactic is a maneuver used in the course of a negotiation that may be regarded as wrong by at least some individuals who participate in or observe the negotiation. Ethically ambiguous negotiation tactics are referred to as EANTs throughout this article. Some examples of these negotiation tactics are the promise to reward the other party at some future date, even if there is no intent to follow through on the promise, and providing statistical misinformation that supports your case (Rivers 2003).

Research on the Influence of Culture on Negotiation Ethics

Cultural differences create ethical dilemmas between negotiators because negotiators from diverse cultures perceive certain behaviors as either acceptable or unacceptable (Lewicki et al. 2003). This section reviews research that has investigated these cultural differences. The studies have been grouped according to the way in which culture is operationalized: either as comparative studies, culture-as-shared values studies, or studies that include situational variables. In addition, a table is provided with the studies classified according to culture (see Table 1).

Table 1: National Cultural Differences in Perceptions of Ethical Behavior in Negotiation

National Culture	Comparative culture(s)	Finding	Reference
Australia	Greece, Japan, Russia, United Kingdom, United States	<p>Australian negotiators rated misrepresentation EANTs¹ as significantly less appropriate than Greek, Japanese and Russian negotiators.</p> <p>Australians rated the EANT 'making the other party look weak or foolish in front of their boss' as significantly more appropriate than negotiators from the other countries.</p> <p>Australians rated the influence of codes of ethics as more relevant to ratings of appropriateness of EANTs than respondents from other countries.</p>	Zarkada-Fraser and Fraser (2001)
Brazil	Japan, Taiwan, United States	Brazilian bargainers achieved higher profits in a dyadic intra-cultural negotiation game when they rated their bargaining strategies as deceptive. ²	Allerheiligen, Graham and Lin (1985)
Greece	Australia, Japan, Russia, United Kingdom, United States	<p>Brazilian negotiators were more approving of and likely to use information misrepresentation and bluffing EANTs¹ than U.S. negotiators.</p> <p>Greek negotiators rated some misrepresentation EANTs¹ as significantly more appropriate than Australian, U.K. and U.S. negotiators and less appropriate than Japanese negotiators.</p>	Volkema (1999) Zarkada-Fraser and Fraser (2001)

¹ From Lewicki and Robinson's (1998) Incidents in Negotiation scale.² Self-rated on a scale of honest (5) to deceptive (1).

Table 1: (cont.)

National Culture	Comparative culture(s)	Finding	Reference
Japan	Brazil, Taiwan, United States.	Greek negotiators rated the EANT 'threatening to make the other party look weak in front of their boss' as significantly less appropriate than negotiators from the other countries.	Allerheiligen et al. (1985)
	Australia, Greece, Russia, United Kingdom, United States.	Japanese bargainers had higher satisfaction when they rated themselves as using honest bargaining strategies ² in a dyadic intra-cultural negotiation game.	Zarkada-Fraser and Fraser (2001)
		Japanese negotiators rated some misrepresentation EANTs ¹ as significantly more appropriate than other country negotiators.	
		Japanese negotiators rated the EANT 'threatening to harm the other party' as significantly less appropriate than other country negotiators.	
		Japanese negotiators rated involvement of legal issues and legal liabilities as less relevant to, and rated the relationship with the other parties as more relevant to, ratings of appropriateness of EANTs than respondents from other countries.	

Table 1: (cont.)

National Culture	Comparative culture(s)	Finding	Reference
Latin America	Asia Pacific, Asia Other, U.S. and Canada, Western Europeans	Latin American negotiators rated false promises EANTs ³ as significantly more appropriate than negotiators from the U.S. and Canada. Latin American negotiators rated inappropriate information gathering EANTs as significantly less appropriate than negotiators from Western Europe.	Robinson, Lewicki and Donohue (2000)
Mexico	United States	Mexicans were significantly less approving than Americans of 5 EANTs: ¹ exaggerating an opening demand, hiding one's real bottom line, asking others for information, encouraging others to defect, and discrediting an opponent with his or her superiors.	Volkema (1998)
	Canada, United States	Mexican negotiators rated EANTs ¹ as significantly more appropriate in cross-cultural negotiations than for intra-cultural negotiations. Mexican negotiators scored higher than Canadian or U.S. negotiators in their ratings of appropriateness for EANTs.	Elahee, Kirby and Nasif (2002)

³ From Robinson, Lewicki and Donohue's (2000) SINS Scale.

Table 1: (cont.)

National Culture	Comparative culture(s)	Finding	Reference
Russia	Australia, Greece, Japan, United Kingdom, United States.	Russian negotiators rated some misrepresentation EANTs ¹ as significantly more appropriate than Australian, U.K. and U.S. negotiators and less appropriate than Japanese negotiators.	Zarkada-Fraser and Fraser (2001)
Taiwan	Brazil, Japan, United States.	Taiwanese bargainers achieved higher profits in a dyadic intra-cultural negotiation game when they rated themselves as deceptive. ²	Allerheiligen et al. (1985)
United Kingdom	Australia, Greece, Japan, Russia, United States.	Taiwanese bargainers had higher satisfaction when they rated themselves as having used deceptive bargaining strategies.	Zarkada-Fraser and Fraser (2001)
United States	Brazil, Japan, Taiwan.	U.K. negotiators rated misrepresentation EANTs ¹ as significantly less appropriate than Greek, Japanese and Russian negotiators.	Allerheiligen et al. (1985)
	Mexico	American bargainers tend to achieve significantly lower profits and satisfaction when they have a partner who they perceive to be deceptive in a dyadic intra-cultural negotiation game. ²	Volkema (1998)
		American negotiators were significantly more approving than Mexicans of 5 EANTs: ¹ exaggerating an opening demand, hiding one's real bottom line, asking others for information, encouraging others to defect, and discrediting an opponent with his or her superiors	

Table 1: (cont.)

National Culture	Comparative culture(s)	Finding	Reference
Brazil		U.S. negotiators were less approving of and less likely to use information misrepresentation and bluffing EANTs ¹ than Brazilian negotiators.	Volkema (1999)
Brazil		U.S. negotiators significantly increased their willingness to use EANTs ¹ when told their opponent is from a country known for skilled negotiators, where the negotiation was very important, where there is a time deadline, and where the other party had a reputation of being an unethical negotiator.	Volkema and Fleury (2002)
		U.S. negotiators significantly decreased their likelihood of using some EANTs when their colleagues would learn of negotiation details.	
United States and United Kingdom	Australia, Greece, Japan, Russia, United Kingdom.	U.S. negotiators rated some misrepresentation EANTs ¹ as significantly less appropriate than Greek, Japanese and Russian negotiators.	Zarkada-Fraser and Fraser (2001)
United States and United Kingdom	Asia, Eastern European, Latin Americans, Middle Easterners, Western Europeans.	U.S. and U.K. negotiators rated traditional competitive bargaining EANTs ¹ as significantly more appropriate than Asian, Eastern European and Latin American negotiators.	Lewicki and Robinson (1998)

Table 1: (cont.)

National Culture	Comparative culture(s)	Finding	Reference
United States and Canada	Asia Pacific, Asia Other, Latin America, Western Europeans.	<p>U.S. and U.K. negotiators rated misrepresentation to opponent's network EANTs as significantly less appropriate than Middle Eastern negotiators.</p> <p>U.S. and U.K. negotiators rated bluffing EANTs as significantly more appropriate than Eastern European negotiators.</p>	Robinson, Lewicki and Donohue (2000)
United States and Canada	Asia Pacific, Asia Other, Latin America, Western Europeans.	<p>U.S. and Canadian negotiators rated attacking the opponent's network and misrepresentation EANTs³ as significantly less appropriate than negotiators from Western Europe.</p>	Robinson, Lewicki and Donohue (2000)
United States and Canada	Asia Pacific, Asia Other, Latin America, Western Europeans.	<p>U.S. and Canadian negotiators rated false promises EANTs as significantly less appropriate than negotiators from all other cultural groups.</p>	Robinson, Lewicki and Donohue (2000)
United States and Canada	Asia Pacific, Asia Other, Latin America, Western Europeans.	<p>U.S. and Canadian negotiators rated inappropriate information gathering EANTs as significantly less appropriate than negotiators from the Asia Pacific cultural group and Western Europe.</p>	Robinson, Lewicki and Donohue (2000)

Comparative Cross-Cultural Research

Early cross-cultural negotiation research compared 'honesty ratings' across four cultures – the U.S., Japan, Brazil, and Taiwan – and linked these honesty ratings to outcomes (profits in a negotiation game) of intra-cultural dyads (Allerheiligen, Graham and Lin 1985). Negotiators rated their own and their partner's bargaining strategy on a 1 to 5 scale, ranging from honest (5) to deceptive (1). Brazilian and Taiwanese negotiators achieved a better outcome when they rated themselves as deceptive, with only the American bargainers doing better in negotiations when they rated the other side as honest. "Americans who have deceptive bargaining opponents tend to achieve significantly lower profits" (Allerheiligen et al. 1985). This measurement of the differing perceptions of honesty and deception was the first foray into the identification and measurement of cultural differences of what constitutes ethical behavior within a negotiation.

Empirical evidence of cultural differences in the perceived ethicality of tactics emerged in a series of studies beginning in the mid 1990s. While developing a scale to measure perceptions of the appropriateness of EANTs, Lewicki and Robinson (1998) and Robinson et al. (2000) reported that the perceived appropriateness of negotiation tactics is sensitive to cultural differences. There were significant differences in the mean rating of the tactics grouped as 'traditional bargaining' between U.S./U.K. students and Asian students (Lewicki and Robinson 1998), and significant differences between Asian students' ratings and U.S. and Canadian students' ratings of appropriateness in two factors called 'false promises' and 'inappropriate information gathering' (Robinson et al. 2000). Perhaps it is not surprising that Asian students rated 'inappropriate information gathering' tactics as more appropriate than Western students. Included in these tactics is to 'gain information about an opponent's position by cultivating his/her friendship through expensive gifts, entertaining or personal favors,' which are common relationship-building practices in Asian cultures (Yang 1994).

A similar study investigated cultural differences in perceived appropriateness and the likely use of EANTs between U.S. and Mexican negotiators. Volkema (1998) hypothesized that Mexican negotiators would hold a higher standard of ethics due to the importance of face, honor, and relationships in Mexican society, but because of the less favorable economic conditions, Mexicans would be more pragmatic about adherence to ethical standards. Thus, Mexican negotiators were predicted to rate EANTs as less appropriate, but would be more likely to use them. Although Mexicans were found to be less approving of the behaviors overall, there were no significant differences in the likelihood of their use between the U.S. and Mexican negotiators. The principle differences in this study were in the ratings of what was least acceptable. For the Mexicans, discrediting an opponent with his or her superiors was the least appropriate behavior, and for the U.S. respondents, threatening to harm an opponent was the least appropriate behavior.

Zarkada-Fraser and Fraser (2001) also compared negotiators' perceptions of ethicality in a comparative study of the U.S., the U.K., Japan, Greece, Russia, and Australia. They found that there was greater variance between, rather than within, the national groups, with the Japanese rating the tactics as less acceptable than every other nationality but, "generally closer to the Greeks and the Russians in their evaluations than to Americans, British and Australians" (Zarkada-Fraser and Fraser 2001).

Although these findings support the existence of cultural differences in perceptions of ethicality of negotiating tactics, it is hard to compare and generalize their findings because they do not explain *how* culture is causing the difference. However, the second bloc of research, reviewed below, has identified particular cultural dimensions and has proposed their direct relationships to EANTs.

Culture as Shared Values Research

The main cultural value dimension discussed in ethical decision research is individualism and collectivism (I/C) following Hofstede's (1980) argument that I/C is the value dimension most closely associated with judgments of morality, because it reflects an individual's relationship with society (Priem and Shaffer 2001). Although only a few researchers have actually measured I/C to test the link (Armstrong 1996), a number of studies have shown that individualists and collectivists differ in their ethical reasoning (e.g.: Lu, Rose and Blodgett 1999; Tsui and Windsor 2001 and White and Rhodeback 1992).

There are competing views as to how individualism and collectivism influences ethical decision making. One view is that individualists are interested in themselves, so therefore they are more likely to act in a way that supports individual achievement and be less concerned for others (Priem and Shaffer 2001; Robertson and Fadil 1999 and Vitell, Nwachukwu and Barnes 1993). In other words, members of individualistic cultures would find deceptive behavior that promotes self-interest as more acceptable than would members of collectivist cultures (Seiter, Bruschke and Bai 2002). However, this view does not take into account that collectivists are target specific in their decision making (Jackson 2001) and differentiate between members of their in-groups and out-groups. This idea generates the alternate view that collectivists will find deceptive behavior more acceptable than people from individualist cultures when they are negotiating with people who are not part of their in-group, or are acting to benefit their in-group. Although contrary, both perspectives have empirical support from negotiation studies, which makes it difficult to integrate the findings.

Findings from the comparative study mentioned above between Mexico and U.S. support the 'individualists are more approving of EANTs than collectivists' perspective; it was found that collectivistic negotiators (Mexicans) were less approving of EANTs than individualistic (U.S.) negotiators (Volkema 1998).

Collectivists were also less likely than individualists to use tactics classified as ‘influencing another’s professional network’ in a nine country study of Brazil, Chile, Great Britain, India, Mexico, the Netherlands, Norway, Spain, and the United States (Volkema 2004).

Supporting the ‘collectivists are more approving of EANTs than individualists’ perspective are the results of three studies. Collectivists (Mexicans) scored higher than individualists (Canada and the U.S.) in their likelihood to use EANTs (Elahee et al. 2002) and U.S. negotiators (individualists) were less likely to endorse misrepresentation and bluffing EANTs than Brazilian negotiators (collectivists) (Volkema 1999). In a vast eight country study, Triandis et al. (2001) argued and found that vertical collectivists were more likely to lie in a negotiation situation than horizontal individualists, because the collectivists have a greater distance between themselves and the other party.

Because of divergent findings, it is hard to make sense of the relationship between cultural values and the perceived ethicality of EANTs. The nine country study by Volkema (2004) suggested that different cultural values are a salient influence on different categories of EANTs, which may go some way toward unraveling the complex relationship. For example, masculinity was linked to increased likelihood of engagement in ‘questionable information collection’ tactics, power distance was inversely related to perceived appropriateness of ‘traditional competitive bargaining’ tactics – the higher the power distance of the country, the less appropriate and less likely the use of competitive bargaining behaviors – and uncertainly avoidance was inversely related to the likelihood of using ‘traditional competitive bargaining’ tactics (Volkema 2004).

The complex relationship between cultural value dimensions and ratings of appropriateness of EANTs may be unraveled, at least in part, if consideration is given to the situation. The next section looks at the studies that incorporated situational variables into their research design.

Culture – Ethical Decision Making – Situation Interaction Research

In the definition section, it was proposed that culture-in-context, where cultural differences are defined through the different meanings attributed to the social context, marries well with ethical decision making because ethical decisions are subject to the interpretation of the situation. Cultural differences in the way context or situation is viewed across cultures have been identified by the cultural social psychology literature (Markus, Kitayama and Heiman 1996; Smith and Bond 1993). For example, in a review of studies on the *fundamental attribution error* (FAE), Norenzayan, Choi and Nisbett (1999) argued that although both Asians and Westerners make dispositional attributions about behavior, if situational information is present, Asians are more likely than Westerners to use it. Asians are able to avoid the FAE because their theories of social behavior are contextualist or

interactionist compared with Western theories of social behavior (Norenzayan et al. 1999). Further, Gelfand and Dyer (2000) emphasize that “the impact of proximal situational conditions on negotiators’ psychological states is likely to vary depending on the cultural context. . . . The same objective social conditions are expected to be ascribed different meanings and evoke different behaviors across cultures.” These perspectives combine to suggest that situational context is an important, if not vital component of ethical decision making and is likely to be a critical factor in identifying cross-cultural differences in ethical decisions.

A few empirical studies have begun the process of investigating the culture/ethical decision/situation interaction. Acknowledging that individuals will vary their ethical perceptions based on situational contingencies, Volkema and Fleury (2002) argued that culture would moderate this relationship, and measured perceived ethicality and the likely use of EANTs under eight conditions: a) unspecified context; b) where the opponent has a reputation as an unethical negotiator; c) where the country is known for skilled negotiators; d) where it is a very important negotiation; e) where there is a time deadline; f) where the opponent has a reputation as a very good negotiator; g) where there will be future business relations with the opponent; and h) where colleagues will learn negotiation details. In their investigation of negotiators in the U.S. and Brazil, Volkema and Fleury (2002) identified a significant country difference in five of the eight conditions on the likelihood of use. Interestingly, the study also showed that situational factors had a dramatic effect on perceptions of appropriate behavior and the likely use of EANTs (independent of country), which suggests that situational constraints are an integral part of the way negotiation is conceived.

The influence of external environmental factors such as company and professional codes, legality, and short and long term issues for the company represented were included in the six country study by Zarkada-Fraser and Fraser (2001) discussed above. The most important of the external factors was professional norms, while other factors had a small to moderate impact on the moral evaluation and probability of tactics usage. There was divergence between cultural groups on the most influential external factor, as the Japanese negotiators assigned a higher importance to company-related concerns than did the other groups. Short-term issues such as firm workload and market conditions weighed more for the English speaking countries’ managers. This study suggests that not only are there cross-cultural differences in how ethical tactics are perceived, but there are differences in what variables negotiators consider when coming to their decisions about ethicality.

The empirical work reviewed supports the relationship between culture and ethical decision making in negotiation. Although there is acknowledgement that the context is influential in ethical decisions, few studies have specifically looked at the culture/ethical decision/situation interaction.

Culture/Situation/Ethical Decision Making: An Interactionist Model

We have argued that a focus on how culture influences the understanding of the negotiation situation will help to unravel the influence of culture on ethical decision making. In this section, we propose an interactionist model (Figure 1) where culture is shown to have a central effect on negotiators' consideration of an ethical decision; it also indicates where culture has a main and moderating effect on four situational variables salient to ethical decision making in negotiation. Recall that a situational factor has been defined as one that is characteristic of the decision setting (as compared to being characteristic of the decision maker) and that is expected to influence the decision making process and outcome (after Ross and Robertson 2003).

Our model has borrowed from both the current model of the ethical decision making process by Lewicki, Saunders and Barry (2006) and the model of the influence of national culture on negotiation by Gelfand and Dyer (2000). Lewicki et al. (2006) identify eight situational/contextual variables, listed as the following: a) past experiences of the negotiator; b) incentives; c) relationship with the other party; d) the relative power between the negotiators; e) mode of communication; f) whether or not the negotiator is acting as an agent; g) the norms of the group and the organization; and h) the national cultural norms. Gelfand and Dyer (2000) identify four variables as important situational variables in cross-cultural negotiations, as follows: a) negotiator role; b) constituencies' influence; c) relationships between negotiators; and d) deadlines or time pressure on the negotiation.

Our model shares Gelfand and Dyer's (2000) culture-in-context perspective that culture is a sticky entity. We show that culture has a direct effect on a negotiator's consideration of an ethical decision (analogous to the negotiator's psychological state in the Gelfand and Dyer (2000) model) and that culture also influences situational factors both directly and through moderating their influence on the negotiator's consideration of the ethical decision.

Culture is manifested in a constellation of cultural dimensions at different levels of analysis (Lytle et al. 1995); in our model, culture is operationalized through cultural value dimensions. Cultural values are the shared view of desirable goals that serve as guiding principles in people's lives (Schwartz and Bardi, 2001). The most popular cultural dimensions used in cross-cultural negotiation research are individualism and collectivism (Hofstede 1980; Markus and Kitayama 1991; Schwartz 1994; Triandis 1995), high/low context (Hall 1959), and power distance (Hofstede 1980).

The direct effect of culture on consideration of the ethical decision is consistent with findings that there are cultural differences in negotiation schema or implicit theories (Brett and Okumura 1998). In ethical decision making in negotiation, these schema are likely to include the range of tactics that negotiators think are ethically ambiguous. For example, in the gift-giving cultures of Asia, the tactic of

offering gifts to the other party is unlikely to be considered ‘ethically ambiguous,’ whereas in many Western countries this tactic is considered an EANT. Future research is needed to identify cultural differences in the tactics that negotiators retain in their repertoire and also other differences in their ethical decision-making schema.

As seen in our model, culture is expected to directly influence four groups of situational variables and to moderate the influence of these variables on negotiators’ consideration of the ethical decision. The situational variables are: a) organizational goals (into which we have incorporated incentives and rewards, deadlines, and negotiator role); b) organizational codes of ethics; c) the legal environment; and d) perception of the other party (including the closeness of the relationship, the relative power of the two parties, their expectation of future interaction, and the reputation of the other party).

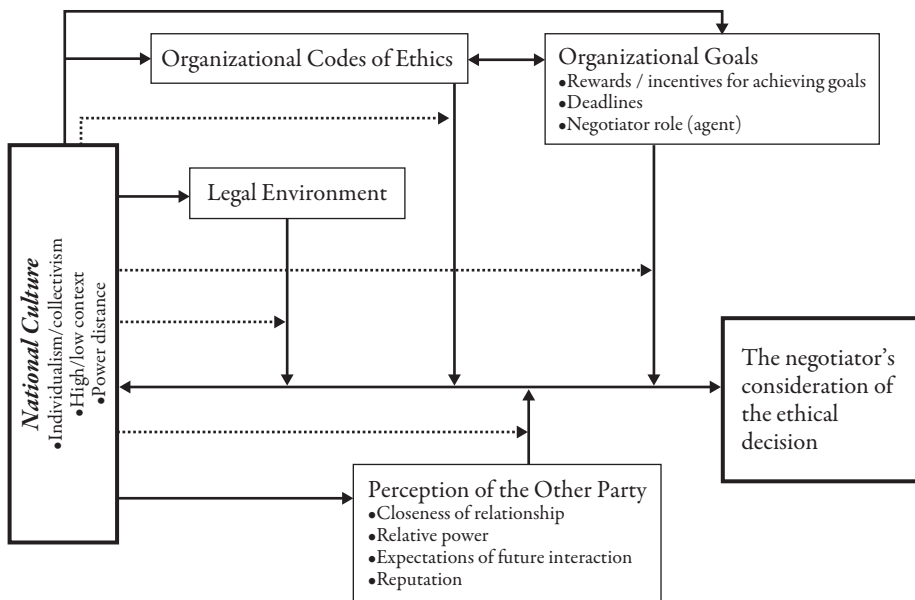


Figure 1: Culture – Situation – Ethical Decision Making in Negotiation: An Interactionist Model

Organizational Goals

Lewicki et al. (2006) have included ‘past experience’ as a situational influence on ethical decision making. They argue that “the simple impact of past experience – particularly failure – can increase the likelihood that a negotiator might attempt to use unethical tactics” (Lewicki et al. 2006) drawing on a study about the role of goal setting as a motivator of unethical behavior (Schweitzer, Ordóñez and Douma 2004). Arguably, it would be more appropriate to label past experience as

an individual difference, because a negotiator takes past experiences to all negotiations and it is not characteristic of the decision setting of any one negotiation. However, we agree with the idea that goals influence a negotiator's view of ethicality of tactics, although there are surprisingly few studies have investigated the effect of goals on ethical decision making.

Acknowledging that goals are motivational (Locke and Latham 1990), we propose that negotiators are likely to find organizational goals influential in their ethical decision making. If a company is desperate to get a sale in a new market because profits have been weak, the negotiator may be more inclined to use EANTs if they help them achieve the goal. In support of this idea, research has found that the strategic objectives of the firm are a factor of considerable impact in decisions about collusive tendering (Zarkada-Fraser 2000). This study showed that the desirability and utility of an organizational goal were considered in the decision. Similarly, Volkema and Fleury (2002) showed that for high priority negotiations, U.S. negotiators are more likely to use some EANTs, and O'Connor and Carnevale (1997) found that negotiators are more likely to engage in deception if personal gain was emphasized over joint gain.

Organizational goals will vary with each negotiation and are expected to be directly influenced by culture, as shown in Figure 1. In the situation described above, where a company is keen to make the sale because of weak profits, the organizational goals of an Indian company may be more long-term and relationship oriented compared to the goals of a U.S. company, which may be focused on short-term profits and not care as much about the relationship with the buyer.

Our model also shows how culture moderates the influence of the organizational goals. According to a Western ethicist, "most folks believe that employees have a prima facie duty of loyalty to their companies" (Corvino 2002). In some cultures, however, social obligations are very complex and negotiators may not support the organizational goals. For example, because of cultural differences in social obligations to family and friends, a Chinese negotiator may be obligated to social goals other than his or her organizational goals, and so be less affected by organizational goals than a negotiator from Germany.

Further research is needed to identify cultural differences in the types of organizational goals that are imposed on negotiators and then explore how these goals influence negotiators' perception of what is ethical in negotiation. Extending the idea that organizations in collectivist cultures are more likely to pursue relationship or respect goals, which may in turn influence their negotiators' tactic choice (Gelfand and Dyer, 2000), it may be that when negotiators from collectivist cultures are pursuing relationship goals, they consider EANTs (such as threats) that can damage their relationship or face with the other party as less appropriate than in other negotiation situations.

Research is also needed to understand how the importance of the negotiation influences perceptions of EANTs in different cultures. Do negotiators from collectivist cultures respond differently to negotiators from individualist cultures

when they are told that an outcome is very important for their company? Does this knowledge increase or decrease their judgments of perceived appropriateness for EANTs? Japanese and Greek negotiators rated direct orders from their boss as more important to their perceptions of tactic ethicality than did negotiators from Australia, the U.S., the U.K., and Russia (Zarkada-Fraser and Fraser 2001). Future research can examine whether there are cultural differences in ratings of EANTs according to situational variables such as directions from the boss or the information that the negotiation is very important to the company.

In our model we show that ‘organizational goals’ incorporate the incentives and rewards offered to a negotiator for achieving a particular outcome. Incentives have been included in the Lewicki et al. (2006) model based on findings that greater incentives influenced a negotiator’s tendency to misrepresent (Tenbrunsel 1998). Results in business ethics research also suggest that rewards can influence ethical decision making (Loe, Ferrell and Mansfield 2000; O’Fallon and Butterfield 2005). With substantial differences in compensation across borders (Hill, 2006), it is logical that the type of incentive offered to a negotiator will also vary according to the culture. We posit that culture moderates the influence of rewards and incentives – we think negotiators will be motivated differently by rewards depending on whether they are from individualistic or collectivist cultures. Providing incentive by offering public acknowledgement of a negotiator’s performance may be more motivating for a negotiator from a face sensitive culture than for a negotiator from a culture where face is less important, and this may influence the use of EANTs differently across the cultures.

Deadlines have also been included as a component of organizational goals in our model because the timing of a negotiation is likely to be part of the outcome sought. Deadlines were included in Gelfand and Dyer’s (2000) model, and they argue that there may be cultural differences in how time pressure influences negotiation schemas. They give the example that a U.S. negotiator under time pressure might become more competitive, whereas a Scandinavian negotiator under time pressure might become more cooperative. U.S. negotiators have indeed been measured to be influenced by deadlines – when told there is a deadline, their ratings of likelihood of use of the EANT ‘promise good things will happen’ is significantly higher than in an unspecified negotiation situation (Volkema and Fleury 2002). We posit that there are cultural differences in how time pressure influences the use or perceived appropriateness of EANTs and that this area warrants further investigation. Whether or not deadlines are imposed is also likely to differ across cultures. Organizations that belong to long-term cultures (e.g. China or Taiwan) (Chinese Cultural Connection 1987) often have long-range goals and may not set strict deadlines, while an organization from a short-term culture like the U.S. will probably have a definite deadline to achieve its goals.

Elahee and Brooks (2004) provided the example of Mexican negotiators making a false promise or misrepresenting their position (which may be considered an

EANT) because time is perceived fluidly in Mexico. They quote a Mexican negotiator, who stated that a “Deadline is something unknown in Mexico... saying ‘yes’ and ‘no’ does not necessarily mean yes and no... ‘Yes’ does not necessarily mean a commitment.” (Elahee and Brooks 2004). Future research would benefit from the exploration of how deadlines impact on negotiators’ perceptions of ethical decision making.

Negotiator role and the use of agents are also shown as components of organizational goals. It is proposed that the organizational goals, such as a desire to break into a new international market, will determine the role of the person sent to do a negotiation or whether an agent is appointed. A small U.S. company with the goal of selling products into South Korea will lead to the appointment of an agent if the company doesn’t have appropriate personnel to develop the market. Similarly, if an Australian company has had a team of negotiators in China negotiating a joint venture deal, and the deal is being finalized, the Australian company is likely to send a senior negotiator or the CEO to finalize the deal. Culture is likely to influence the seniority of representatives, dependent on whether the culture favors autonomy or hierarchy (Gelfand and Dyer 2000).

There are cultural differences in how influential the negotiation role is to the outcomes, with negotiators in some countries such as the U.S., China, and Germany showing no differences, but buyers outperforming sellers in Japan, Korea, Britain, France, and Mexico (see Gelfand and Dyer 2000 for a review). We posit there will be cultural differences in how the negotiator role influences ethical decision making in a negotiation. It has been argued that negotiators from high-power distance cultures will place more emphasis on role-relations (Graham, Mintu and Rodgers 1994), and it follows that negotiators from high-power distance countries will perceive EANTs as less appropriate when they are negotiating with someone whom they consider to be in a more important role.

Lewicki et al. (2006) follow Bowie and Freeman’s (1992) work to propose that when people act as agents, they may be more willing to violate personal ethical standards and do whatever is necessary, particularly when the goal for the agent is to get the best possible agreement. Future research can examine cultural differences in how negotiator and agent roles influence negotiators’ perceptions of appropriateness and likely use of EANTs.

Organizational Codes of Ethics

Figure 1 illustrates the influence given and received by the organizational codes of ethics on organizational goals, as described in our model. Codes of ethics are the “visible and public statement of ostensible organizational values, duties and obligations” and these codes help create “homogeneity of behavior within an organization” (Carroll 1978). Codes of ethics influence both the recognition of an ethical dilemma and the acceptable process through which the dilemmas are

resolved (Barnett and Vaicys 2000). They are analogous to the group and organizational norms included in the Lewicki et al. (2006) model and the influence of constituents shown in Gelfand and Dyer's (2000) model. Organizational codes of ethics are one of the most widely incorporated variables in business ethics research and are included in most of the ethical decision models (e.g. Ferrell and Gresham 1985; Hunt and Vitell 1986; Stajkovic and Luthans 1997).

There is, however, debate about the efficacy of codes of ethics in influencing behavior (Schwartz 2001). The effect of salient corporate codes of ethics in negotiation has been tested in an experiment by Aquino (1998), who presented negotiators with advice about the cultural practices (fairness and honesty in business dealings) of the company they were representing. His data showed that in an organizational climate where ethical standards were highly salient, negotiators were significantly less likely to use deception even when there were strong individual incentives to act otherwise.

It is anticipated that there will be cross-cultural differences in how codes of ethics are understood as a function of familiarity with codes in organizations. For instance, codes of ethics have been commonplace since the late 1980s and 1990s in Western businesses (Brief et al. 1996); an Australian study showed the median date of introduction of codes of ethics in Australia was 1992 (Farrell and Cobbin 1996). However, in other cultural contexts, codes of ethics do not have such a long history, such as in China where the pace of introduction is slower and more recent (Tam 2002).

With so little research on the influence of codes of ethics on negotiators' perceptions of EANTs, this area is ripe for investigation. Future research should investigate whether there are cultural differences in the nature of codes of ethics, and then explore how these codes influence negotiators' perception of what is ethical in negotiation. For example, researchers could control the imposed code to see if there are changes in how negotiators rate the appropriateness of EANTs with and without the code and compare such differences across cultures.

The Legal Environment

Our model shows the legal environment is a salient situational factor for negotiators' ethical decision making. The legal environment is widely considered the first hurdle to be cleared in ethical decision making (Bagley, 2003; Cullen 2002) and has been included in ethical decision making models (Hunt and Vitell 1986; Stajkovic and Luthans 1997; Zarkada-Fraser 2000).

There are national differences in legal systems (Beamer and Varner 2001), and cross-cultural research shows that managers differentially apply rules according to whether they believe in applying a rule uniformly to all situations or applying a rule according to the particular circumstances (Trompenaars and Hampden-Turner 1998). Zarkada-Fraser and Fraser (2001) found that Japanese negotiators

rated the involvement of legal issues and legal liabilities as less relevant to their ratings of appropriateness of EANTs than respondents from other countries (from the UK, Australia, the U.S., Greece, and Russia).

We know there are cultural differences in the legal environment (e.g. in the legality of accepting money for services rendered), so the important question is, what are the cultural differences in how negotiators take the legal environment into account? Future research will benefit from an examination of how negotiators in different cultures rate the appropriateness of, or willingness to use EANTs under different legal scenarios.

Perception of the Other Party

The final situational variable in our model is the perception of the other party. The perception of the other party includes the nature and closeness of the relationship with the other party, the relative power of the negotiators, expectations of a future interaction with the other party, and perceptions of the reputation of the other party. There is a sizable body of research on how relationships with the other party affect the negotiation process (see Valley, Neale and Mannix 1995 for a review); however, most of this research has taken place in the U.S. and has implicit in it a Western understanding of what a 'relationship' is. Yet, key differences exist between cultures in how the self and the other are understood (Markus and Kitayama 1991), and therefore how relationships are defined. Worm and Frankenstein (2000) note that:

in the guilt-focused religions of the... West, deception is considered immoral. In particularistic cultures, honesty is only a norm that concerns the in-group or people with whom one has established personalized relations... According to Chinese morals it's not wrong to lie, or a more nuanced view would be that the Chinese are honest and loyal to persons they know, not toward people in general (Worm and Frankenstein 2000).

When there is the likelihood of a future long-term relationship with the other party, negotiators are less likely to endorse EANTs (Lewicki and Spencer 1991 cited in Lewicki et al. 2003; Volkema and Fleury 2002). Similarly, people are more likely to deceive a stranger than a friend (Schweitzer and Croson 1999). This finding may be related to the level of trust between the negotiating parties – Mexican negotiators show a strong negative relationship between trust and the likelihood of using EANTs (Elahee and Brooks 2004). Even when the negotiating parties do not know each other, perceptions about the other party's benevolence (being good, helpful, well intentioned, and reliable) can influence a negotiator's use of deceptive tactics with those less likely to engage in deceptive behavior when they perceive the other party to be benevolent (Olekalns and Smith 2005). There is also a link between the relative power of negotiators and the expectation of undesirable behavior (Tenbrunsel and Messick 2001); however, the direction of

that influence is unclear because there are conflicting findings. On one hand, there is empirical evidence that negotiators with more power will use EANTs (bluffing) more than their counterparts with less power (Crott, Kayser and Lamm 1980), but on the other hand, there is evidence that when the negotiator knows there is a power imbalance, they will be more open and provide information (Tenbrunsel and Messick 2001). There is also research that shows power has no effect (Aquino 1998).

Another component of the perception of the other party – their reputation – was identified as influential on the perception of ethicality in a negotiation (Volkema and Fleury 2002); U.S negotiators were more likely to use some EANTs when the other party had a reputation as unethical negotiators.

The perception of the relationship with the other party has been described as the second pivotal judgment in negotiation (after judgment about the type of conflict) (Morris and Fu 2001), and we posit that it is also a pivotal issue for negotiators evaluating the appropriateness of EANTs. Much more research is needed on this issue and should examine which dimensions of relationships (the closeness of the relationship, amount of trust, expectation of future interaction, or the perceived reputation of the other party) contribute to the perceived appropriateness of EANTs and identify the cultural differences in how negotiators perceive these dimensions.

Implications

We have proposed that organizational goals, organizational codes of ethics, the legal environment, and the perception of the other party are salient situational variables that negotiators take into account when making ethical decisions. The national culture of a negotiator is posited to influence both the nature of these situational variables (e.g. the exact goal that is sought in a negotiation) and how the situational variables are understood (e.g. how committed a negotiator is to the organizational goals). We conclude with some remarks about how our model contributes to theory and what it means for negotiators and for future research endeavors in cross-cultural negotiation ethics.

Although the Lewicki et al. (2006) model of ethical decision making proposed the influence of situational variables such as the relationship with the other party and cultural norms, it did not propose an interaction between culture and the situation. By responding to recent calls in the literature to investigate culture-in-context (notably Gelfand and Cai 2004; Gelfand and Dyer 2000), the model here has extended the current model of ethical decision making in negotiation by proposing an interaction between culture and situational variables. Integrating the findings from the business ethics literature has led to a slight shift in emphasis away from negotiation-specific situational variables such as ‘relative power’

toward more generic variables that many business people consider (such as ‘organizational codes of ethics’) and therefore broadened the model.

The ultimate test of negotiation theory is perhaps whether it makes any sense and is of any use to the negotiation practitioners who have to craft deals across cultures. A raft of research has succeeded in identifying cultural differences in perceived appropriateness of ethicality of tactics, yet none has succeeded in explaining why there are differences. By adopting a culture-in-context perspective and identifying situational variables that are likely to be understood differently, the model here has sought to do just that.

In practice, a negotiator might not be aware that there are cultural differences in how relationships with other parties are understood. A Chinese negotiator may not realize that a Western counterpart does not share their view of the importance of obligation to a friend and may be perplexed to be labeled ‘unethical’ when they are acting honorably within their ethical principles, and offer gift money to establish a stronger relationship. The model here can be used to explain to negotiators that there are differences in how a relationship with the other party is defined and understood. Judging actions used by a culturally different other party as ‘unethical’ can elicit potent negative responses in a negotiator. Because this model can help explain why there are cultural differences in what is deemed ethical, it can be used to better equip practitioners to better understand the actions they deem inappropriate and why.

The model here has opened a number of interesting avenues for future research. Given the embryonic state of research into the interaction of culture, situational variables, and ethical decision making, it is necessary to test the proposed interactions in multiple cultures, as discussed in the previous section. The call for negotiation research to move out of the laboratory and into the field has gained considerable support of late, and it is proposed that this model is well suited to testing by qualitative or ethnographic methods such as interviews, in which negotiators are prompted to discuss ethical decision making according to different scenarios. In-person interviews, which provide detailed descriptions of ethical decision making, are one of the most common techniques used in ethics research, because alternatives such as observations of ethical decisions in negotiation are almost impossible to predict or set up. Ethnographic techniques may also help to identify situational variables that negotiators consider in their ethical decision making. Discovery of such variables can help to expand the model and our understanding of why, in negotiation, there are cultural differences in ethical decision making.

Empirical tests of how each of the situational variables influence ratings of appropriateness of EANTs will also help to illuminate the nature of the relationships proposed in the model. The existing scale of EANTs (the SINS II scale) (Lewicki et al. 2003), can be modified by prefacing it with a scenario in which the situational variable is manipulated and can also be administered in multiple cultures

to test the culture-situational variable interaction. There is some concern that the SINS scale is not completely free of Western bias and it may require some modification before being used in multiple cultures.

The next step for researchers is to start with how negotiators think about an ethical decision and move towards understanding how they enact those thoughts. Identifying cultural differences in how negotiators use EANTs is a challenging area for researchers to explore but essential if we are to understand cultural differences in ethical decision making in negotiation. It is also important to explore how negotiators respond to the use of EANTs. Numerous questions exist about whether mismatched ethical behavior results in changes in ethical behavior of the negotiating parties. Does the use of an EANT that is deemed inappropriate by the receiver elicit a tit-for-tat response or does the receiving negotiator refuse to engage in what they perceive as 'unethical' tactics and instead hope that the other party will follow their lead?

This article began with a reference to 'lying, cheating foreigners!' Unraveling how culture influences ethical decision making is an important endeavor, especially to help international negotiators understand the behavior of culturally different parties whose behavior is labeled 'unethical.' Few researchers have entered the fray to find the answers. It is hoped that this model might serve as a stimulant for future research and as a starting point for looking into cultural differences of negotiators' ethical decision making.

Acknowledgments

The authors wish to thank *International Negotiation* reviewers for their comments and suggestions and the reviewers of an earlier version of this paper presented to the 2004 International Association of Conflict Management conference. This research was facilitated by the Australian Research Council, Department of Education, Training and Youth Affairs in the form of Australian Postgraduate Award (Industry) grant as a PhD scholarship to the first author and by ENS International as industry partner.

References

- Allerheiligen, R., J. L. Graham, and, C.-Y. Lin (1985) "Honesty in Interorganizational Negotiations in the United States, Japan, Brazil and the Republic of China", *Journal of Macromarketing*, 5: 4–16.
- Aquino, K. (1998) "The Effects of Ethical Climate and the Availability of Alternatives on the Use of Deception During Negotiation", *The International Journal of Conflict Management*, 9(3): 195–217.
- Armstrong, R. W. (1996) "The Relationship Between Culture and Perception of Ethical Problems in International Marketing", *Journal of Business Ethics*, 15(11): 1199–1208.
- Aycan, Z. (2000) "Cross-cultural Industrial and Organizational Psychology: Contributions, Past Developments, and Future Directions", *Journal of Cross-Cultural Psychology*, 31(1): 110–129.

- Bagley, C. E. (2003) "The Ethical Leader's Decision Tree", *Harvard Business Review*, 81(2): 18–19.
- Barnett, T., and C. Vaicys (2000) "The Moderating Effect of Individuals' Perceptions of Ethical Work Climate on Ethical Judgments and Behavioral Intentions", *Journal of Business Ethics*, 27(4): 351–362.
- Barry, B., and R. J. Robinson (2002) "Ethics in Conflict Resolution: The Ties that Bind", *International Negotiation*, 7(2): 137–142.
- Beamer, L., and I. Varner (2001) *Intercultural Communication in the Global Workplace*. (2nd ed.). Boston: McGraw Hill Irwin.
- Bowie, N., and R. E. Freeman (1992) *Ethics and Agency Theory*. New York: Oxford University Press.
- Brett, J. M. (2001) *Negotiating Globally. How to Negotiate Deals, Resolve Disputes and Make Decisions Across Cultural Boundaries*. San Francisco: Jossey-Bass.
- Brief, A. P., J. M. Dukerich, P. R. Brown, and J. F. Brett (1996) "What's Wrong with the Treadway Commission Report? Experimental Analysis of the Effects of Personal Values and Codes of Conduct on Fraudulent Financial Reporting." *Journal of Business Ethics*, 15(2): 183–198.
- Carroll, A. B. (1978) "Linking Business Ethics to Behaviour in Organisations", *SAM Advanced Management Journal*, 43: 4–11.
- Chinese Cultural Connection. (1987) "Chinese Values and the Search for Culture-free Dimensions of Culture", *Journal of Cross-Cultural Psychology*, 18(2): 134–164.
- Corvino, J. (2002) "Loyalty in Business?" *Journal of Business Ethics*, 41(1/2): 179–185.
- Crott, H., E. Kayser, and H. Lamm (1980) "The Effects of Information Exchange and Communication in an Asymmetrical Negotiation Situation", *European Journal of Social Psychology*, 10: 149–163.
- Cullen, J. (2002) *Multinational Management: A Strategic Approach*. (2nd ed.). Australia: Thomson Learning, Southwestern.
- Elahee, M. N., and C. M. Brooks (2004) "Trust and Negotiation Tactics: Perceptions about Business-to-business Negotiations in Mexico", *Journal of Business and Industrial Marketing*, 19(6): 397–404.
- Elahee, M. N., Kirby, S. L., and Nasif, E. (2002) "National Culture, Trust and Perceptions about Ethical Behavior in Intra- and Cross-cultural Negotiations: An Analysis of the NAFTA Countries", *Thunderbird International Business Review*, 44(6): 799–818.
- Farrell, B. J., and D. M. Cobbin (1996) "A Content Analysis of Codes of Ethics in Australian Enterprises", *Journal of Managerial Psychology*, 11(1): 37–55.
- Ferrell, O. C., and L. G. Gresham (1985) "A Contingency Framework for Understanding Ethical Decision Making in Marketing", *Journal of Marketing*, 49(3): 87–96.
- Gelfand, M., and D. A. Cai (2004) "Cultural Structuring of the Social Context of Negotiation." In M. Gelfand and J. Brett (Eds.), *The Handbook of Negotiation and Culture* (pp. 238–257). Stanford, Ca: Stanford Business Books.
- Gelfand, M., and N. Dyer (2000) "A Cultural Perspective on Negotiation: Progress, Pitfalls and Prospects", *Applied Psychology: An International Review*, 49(1): 62–99.
- Gelfand, M. J., and J. M. Brett (Eds.). (2004) *The Handbook of Negotiation and Culture*. Stanford, California: Stanford University Press.
- Graham, J. L., A. T. Mintu, and W. Rodgers (1994) "Explorations of Negotiation Behavior in Ten Foreign Cultures Using a Model Developed in the United States", *Management Science*, 40(1): 72–95.
- Hall, E. T. (1959) *The Silent Language*. Garden City, New York: Doubleday and Company Inc.
- Hill, C. W. L. (2006) *Global Business Today*. New York: McGraw-Hill Irwin.
- Hofstede, G. (1980) *Culture's Consequences – International Differences in Work-Related Values*. Beverly Hills: Sage Publications.
- Hunt, S. D., and S. J. Vitell (1986) "A General Theory of Marketing Ethics", *Journal of Macromarketing*, 6(1): 5–16.

- Jackson, T. (2001) "Cultural Values and Management Ethics: A 10 Nation Study", *Human Relations*, 54(10): 1267–1302.
- Janosik, R. J. (1987) "Rethinking the Culture-negotiation Link", *Negotiation Journal*, 3: 385–395.
- Jones, T. M. (1991) "Ethical Decision Making by Individuals in Organizations: An Issue-contingent Model", *Academy of Management Review*, 16(2): 366–395.
- Lewicki, R. J., B. Barry, D. M. Saunders, and J. W. Minton (2003) *Negotiation*. (4th ed.). Boston: McGraw Hill Irwin.
- Lewicki, R. J., and Robinson, R. J. (1998) "Ethical and Unethical Bargaining Tactics: An Empirical Study", *Journal of Business Ethics*, 17(6): 665–682.
- Lewicki, R. J., D. M. Saunders, and B. Barry (2006). *Negotiation*. (5th ed.). Boston: McGraw Hill Irwin.
- Lewicki, R. J., and G. Spencer (1991) *Ethical Relativism and Negotiating Tactics: Factors Affecting their Perceived Ethicality*. Paper presented at the Academy of Management, Miami, Florida.
- Lewis, P. V. (1985) "Defining Business Ethics: Like Nailing Jello to a Wall", *Journal of Business Ethics*, 4(5): 377–383.
- Locke, E. A., and G. P. Latham (1990) *A Theory of Goal Setting and Task Performance*. Upper Saddle River, NJ: Prentice Hall.
- Loe, T. W., L. Ferrell, and P. Mansfield (2000) "A Review of Empirical Studies Assessing Ethical Decision Making in Business", *Journal of Business Ethics*, 25(3): 185–204.
- Lu, L., G. M. Rose, and J. G. Blodgett (1999) "The Effects of Cultural Dimensions of Ethical Decision Making in Marketing: An Exploratory Study", *Journal of Business Ethics*, 18(1): 91–105.
- Lytle, A. L., J. M. Brett, Z. I. Barsness, C. H. Tinsely, and M. Janssens (1995) "A Paradigm for Confirmatory Cross-cultural Research in Organizational Behavior." In L. L. Cummings and B. H. Staw (Eds.), *Research in Organizational Behavior* (Vol. 17, pp. 167–214). Greenwich, CT: JAI Press.
- Markus, H. R., and S. Kitayama (1991) "Culture and the Self: Implications for Cognitions, Emotion and Motivation", *Psychological Review*, 98: 224–253.
- Markus, H. R., S. Kitayama, and R. J. Heiman (1996) "Culture and 'Basic' Psychological Principles." In E. T. Higgins and A. W. Kruglanski (Eds.), *Social Psychology Handbook of Basic Principles* (pp. 857–913). New York: The Guilford Press.
- McNeil, M., and K. Pedigo (2001) "Western Australian Managers Tell their Stories: Ethical Challenges in International Business Operations", *Journal of Business Ethics*, 30(4): 305–317.
- Menkel-Meadow, C., and, M. Wheeler (Eds.). (2004) *What's Fair. Ethics for Negotiators*. San Francisco: Jossey-Bass.
- Morris, M., and H.-Y. Fu (2001) "How does Culture Influence Conflict Resolution? A Dynamic and Constructivist Analysis", *Social Cognition*, 19(3): 324–349.
- Norenzayan, A., I. Choi, and R. E. Nisbett (1999) "Eastern and Western Perceptions of Causality for Social Behavior: Lay Theories about Personalities and Situations." In D. A. Prentice and D. T. Miller (Eds.), *Cultural Divides. Understanding and Overcoming Group Conflict* (pp. 239–272). New York: Russell Sage Foundation.
- O'Connor, K., and Carnevale, P. (1997) "A Nasty but Effective Strategy: Misrepresentation of a Common-value Issue", *Personality and Social Psychology Bulletin*, 23(5): 504–515.
- O'Fallon, M. J., and K. D. Butterfield (2005) "A Review of the Empirical Ethical Decision-making Literature: 1996–2003", *Journal of Business Ethics*, 59(4): 375–413.
- Olekalns, M. and, P. L. Smith (2005) *Loose with the Truth: Predicting Deception in Negotiation*. Paper presented at the International Association of Conflict Management, Seville, Spain.
- Oxford English Dictionary. (1989) *OED Online*. (2nd ed.). Oxford: Oxford University Press.
- Priem, R. L., and M. Shaffer (2001) "Resolving Moral Dilemmas in Business: A Multi-country Study", *Business and Society*, 40(2): 197–219.
- Pruitt, D. G., and P. J. Carnevale (1993) *Negotiation in Social Conflict*. Buckingham: Open University Press.

- Randall, D. M., and A. M. Gibson (1990) "Methodology in Business Ethics Research: A Review and Critical Assessment", *Journal of Business Ethics*, 9(6): 457–471.
- Rivers, C. J. (2003) *Ethical Decision Making in Negotiation: A Sino-Australian Study of the Influence of Culture*. Unpublished PhD Thesis, Queensland University of Technology, Brisbane.
- Robertson, C., and P. A. Fadil (1999) "Ethical Decision Making in Multinational Organizations: A Culture-based Model", *Journal of Business Ethics*, 19(4): 385–392.
- Robinson, R. J., R. J. Lewicki, and E. M. Donahue (2000) "Extending and Testing a Five Factor Model of Ethical and Unethical Bargaining Tactics: Introducing the SINS Scale", *Journal of Organizational Behavior*, 21(6): 649–664.
- Ross, W. T., and D. C. Robertson (2003) "A Typology of Situational Factors: Impact on Salesperson Decision-making about Ethical Issues", *Journal of Business Ethics*, 46(3): 213–234.
- Schwartz, M. (2001) "The Nature of the Relationship Between Corporate Codes of Ethics and Behavior", *Journal of Business Ethics*, 32(3): 247–262.
- Schwartz, S. H. (1994) "Beyond Individualism /Collectivism – New Cultural Dimensions of Values." In U. Kim, H. C. Triandis, C. Kagitcibasi, S. C. Choi and G. Yoon (Eds.), *Individualism and Collectivism – Theory, Method and Applications* (Vol. 18, pp. 85–119). London: Sage.
- Schwartz, S. H. and A. Bardi (2001) "Value Hierarchies Across Cultures: Taking a Similarities Perspective". *Journal of Cross-Cultural Psychology*, 32(3): 268–90.
- Schweitzer, M. E. and, R. Croson (1999) "Curtailing Deception: The Impact of Direct Questions on Lies and Omissions", *The International Journal of Conflict Management*, 10(3): 225–248.
- Schweitzer, M. E., L. Ordonez, and B. Douma (2004) "Goal Setting as a Motivator of Unethical Behavior", *Academy of Management Journal*, 47(3): 422–432.
- Stajkovic, A. D., and F. Luthans (1997) "Business Ethics across Cultures: A Social Cognitive Model", *Journal of World Business*, 32(1): 17–35.
- Tam, O. K. (2002) "Ethical Issues in the Evolution of Corporate Governance in China", *Journal of Business Ethics*, 37(3): 303–320.
- Tenbrunsel, A. E. (1998) "Misrepresentation and Expectations of Misrepresentation in an Ethical Dilemma: The Role of Incentives and Temptation." *Academy of Management Journal*, 41(3): 330–339.
- Tenbrunsel, A. E., and D. M. Messick (2001) "Power Asymmetries and the Ethical Atmosphere in Negotiations". In J. M. Darley, D. M. Messick and T. R. Tyler (Eds.), *Social Influences on Ethical Behavior in Organizations* (pp. 201–216). Mahwah, NJ: Lawrence Erlbaum Associates.
- Trevino, L. K. (1986) "Ethical Decision Making in Organizations: A Person-situation Interactionist Model", *Academy of Management Review*, 11(3): 601–617.
- Triandis, H. C. (1995) *Individualism and Collectivism*. Boulder, CO: Westview Press.
- Triandis, H. C., P. Carnevale, M. Gelfand, C. Robert, S. A. Wasti, T. Probst, et al. (2001) "Culture and Deception in Business Negotiation: A Multi-level Analysis", *International Journal of Cross-Cultural Management*, 1(1): 73–90.
- Trompenaars, F., and C. Hampden-Turner (1998) *Riding the Waves of Culture. Understanding Cultural Diversity in Business*. (2nd ed.). London: Nicholas Brealey.
- Tsui, J., and C. Windsor (2001) "Some Cross-cultural Evidence on Ethical Reasoning", *Journal of Business Ethics*, 31(2): 143–150.
- Valley, K. L., M. A. Neale, and E. A. Mannix (1995) "Friends, Lovers, Colleagues, Strangers: The Effects of Relationships on the Process and Outcome of Dyadic Negotiations". In R. J. Bies, R. J. Lewicki and B. H. Sheppard (Eds.), *Research on Negotiation in Organizations* (Vol. 5, pp. 65–93). Greenwich, CT: JAI Press.
- Vitell, S. J., S. J. Nwachukwu, and J. J. Barnes (1993) "The Effect of Culture on Ethical Decision-making: An Application of Hofstede's Typology", *Journal of Business Ethics*, 12(10): 753–760.
- Volkema, R. J., D. Fleck, and A. Hofmeister-Toth (2004) "Ethicality in Negotiation: An Analysis of Attitudes, Intentions and Outcomes", *International Negotiation*, 9(2): 315–339.

- Volkema, R. J. (1998) "A Comparison of Perceptions of Ethical Negotiation Behavior in Mexico and the United States", *The International Journal of Conflict Management*, 9(3): 218–233.
- (1999) "Ethicality in Negotiations: An Analysis of Perceptual Similarities and Differences between Brazil and the United States", *Journal of Business Research*, 45(1): 59–67.
- (2004) "Demographic, Cultural, and Economic Predictors of Perceived Ethicality of Negotiation Behavior: A Nine-country Analysis", *Journal of Business Research*, 57: 69–78.
- Volkema, R. J., and M. T. L. Fleury (2002) "Alternative Negotiating Conditions and the Choice of Negotiation Tactics: A Cross-national Comparison", *Journal of Business Ethics*, 36(4): 381–398.
- Walton, R. E., and R. B. McKersie (1991) *A Behavioral Theory of Labor Negotiations An Analysis of a Social Interaction System*. (2nd ed.). Ithaca, New York: ILR Press.
- Weiss, S. E. (1996) "International Business Negotiations: Bricks, Mortar and Prospects." In B. J. Punnett and O. Shenkar (Eds.), *Handbook for International Management Research*. Cambridge, MA: Blackwell.
- White, L. P., and Rhodeback, M. J. (1992) "Ethical Dilemmas in Organization Development: A Cross-cultural Analysis", *Journal of Business Ethics*, 11: 663–670.
- Worm, V., and J. Frankenstein (2000) "The Dilemma of Managerial Cooperation in Sino-Western Business Operations", *Thunderbird International Business Review*, 43(3): 261–283.
- Yang, M. M.-H. (1994) *Gifts, Favors and Banquets. The Art of Social Relationships in China*. Ithaca: Cornell University Press.
- Zarkada-Fraser, A. (2000) "A Classification of Factors Influencing Participating in Collusive Tendering Agreements", *Journal of Business Ethics*, 23(3): 269–282.
- Zarkada-Fraser, A., and C. Fraser (2001) "Moral Decision Making in International Sales Negotiations", *Journal of Business & Industrial Marketing*, 16(4): 274–293.