

Starting Out on the Right Foot: Negotiation Schemas When Cultures Collide

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Abstract

We investigate the intercultural negotiation schemas of 100 experienced Japanese and U.S. negotiators. Specifically, we examine the assumptions negotiators make about appropriate behavior when primed to negotiate with an intercultural (vs. intracultural) counterpart. We find that intercultural negotiation schemas clash on six of nine elements, meaning U.S. and Japanese negotiators have significantly different expectations about what it is like to negotiate with the other. This clash occurs not because negotiators stay anchored on their own cultural assumptions about negotiating, but rather because they try to adjust to their counterpart's cultural assumptions about negotiating. But negotiators adjust their schemas by thinking about how their counterpart negotiates in an intracultural rather than intercultural setting. That is, they fail to account for the fact that their counterpart would also adjust expectations for the intercultural context. The phenomenon we uncover is one of schematic overcompensation, whereby negotiators' intercultural schemas do not match because each negotiator expects the encounter to be just like the counterpart's within-culture negotiations. Our theory of schematic overcompensation receives some support, and negotiators' perceived knowledge and experience with the other culture somewhat attenuates the phenomenon. Implications for negotiator cognition, intercultural negotiation, and global management are discussed.

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When people from one culture negotiate with people from another culture, members of both groups bring to the table a set of culturally grounded assumptions about the negotiation process (Brett & Okumura, 1998; Brett, Shapiro, & Lytle, 1998). Although incompatibility in the content of these assumptions, which we will call “negotiation schemas,” has been identified as a predictor of culture clash and poor negotiation outcomes (Brett & Okumura, 1998; Graham, 1985; Rosenbaum, 2003), we propose that this content has not been adequately specified. In this paper, we argue that schemas for negotiators entering an intercultural context are less likely to reflect their own cultural assumptions about negotiating and more likely to reflect their expectations of the other party’s assumptions about negotiating. We test whether intercultural negotiators come to the negotiation table with schemas that clash, and, importantly, whether this clash arises not because negotiators are grounded in their own cultural assumptions about negotiating but because they are focused on the other party’s cultural assumptions about negotiating.

This line of inquiry challenges a common presumption of cross-cultural research, namely, that the relatively poor quality of intercultural (compared with intracultural) negotiation outcomes can be attributed to the fact that negotiators from different cultures bring to the table discrepant ideas about how to negotiate the exchange (Brett & Okumura, 1998; Graham & Sano, 1989; Rosenbaum, 2003; Sebenius, 2002; Tinsley, Curhan, & Kwok, 1999). For example, consider the case Rosenbaum (2003, p. 3) tells of Henry from Los Angeles and Hiroshi from Tokyo. For several days, they negotiated over apparently compatible issues and, in the process, learned of their shared affinities for Armani suits, baseball, Mozart, and good Bordeaux. Nonetheless, they failed to reach an agreement. “Despite similar tastes,” Rosenbaum concludes, “Henry and Hiroshi each approach negotiation in a way heavily conditioned by his national culture. Because they sat down at the table without understanding the other’s assumptions about the negotiation process, all they ended up with was an impasse.” Clearly, both negotiation schemas and negotiation processes may have been at fault here. But while intercultural negotiation behaviors have been studied extensively (e.g., Adair & Brett, 2005; Adair, Okumura, & Brett, 2001), schemas activated in an intercultural negotiation context have not. And, contrary to the idea that cross-cultural negotiators come to the table with a schema that is relevant only within their own cultural context, we propose that they come to the table with a schema that addresses the intercultural context and reflects a relatively good understanding of the other-culture counterpart’s assumptions about the negotiation process.

We introduce the construct “intercultural negotiation schema,” which we define as the assumptions about appropriate negotiation behaviors that a negotiator makes when negotiating with someone from another culture. By contrast, we use the term “intracultural negotiation schema” to refer to the assumptions about appropriate negotiation behaviors that a negotiator makes when negotiating with someone from the same culture. Comparing American and Japanese negotiators specifically, we predict that the intracultural negotiation schemas of American and Japanese negotiators will differ in culturally characteristic ways, but that these schemas are not what negotiators bring to an intercultural encounter. On the contrary, we believe that when negotiators are primed to imagine an other-culture counterpart, they will come to the table with an *intercultural* negotiation schema that reflects how they anticipate this counterpart to

negotiate. That is, negotiators will adjust their negotiation schemas to the intercultural context.¹ However, if each side makes such adjustments without realizing (*prior* to the negotiation) that the other is similarly adjusting, these intercultural negotiation schemas that negotiators bring with them to the table could clash.

In line with the saying, “When in Rome, do as the Romans do,” we suggest that people who know they will be negotiating with a “Roman” adjust their negotiation schema according to their expectations of the Roman’s assumptions about negotiation. Such an adjustment might result in schematic matching if Romans maintained their own within-culture negotiation assumptions when they negotiate interculturally. But if Romans similarly adjusted their schema to match their expectations of a non-Roman’s assumptions about negotiation, then the parties’ negotiation schemas will clash.

We use the term “schematic overcompensation” to describe this process, in which negotiators thwart schema matching by adjusting to match each other’s assumptions about negotiating. However, negotiators try to match the counterpart’s *within-culture* ways of negotiating, because the information that is promulgated about other cultures generally highlights within-culture dynamics (Ehrlich, 1973). Anchoring on a counterpart’s within-culture assumptions about negotiating encourages schematic overcompensation, which, if it occurs, will lead to schematic clash even before an intercultural negotiation begins. Knowing that this clash arises because negotiators anticipate and adjust to each other’s cultural assumptions, rather than because they remain fixed in their own cultural assumptions, allows us to generate different ideas about how to attenuate the clash. One proposition, which we explore, is that negotiators who think they have above average cultural knowledge and experience negotiating with the counterpart’s culture are less likely to succumb to schematic overcompensation.

Therefore, the purpose of this study is to test (a) whether negotiators have an *intercultural* as well as an *intracultural* negotiation schema; (b) whether the intercultural negotiation schemas of two negotiators from different cultures are likely to clash; (c) whether an intercultural schema clash can be explained by schematic overcompensation, meaning that both negotiators’ intercultural negotiation schemas reflect their counterpart’s intracultural negotiation schema; and (d) whether perceived cultural knowledge of and negotiation experience with the other culture attenuates the schematic overcompensation. We test these propositions with a sample of U.S. and Japanese negotiators who have experience negotiating both within their own culture and with the other culture.

This inquiry has theoretical importance. For too long, researchers and practitioners have assumed *only one explanation* for the challenge of intercultural negotiations—namely, that difficulties arise primarily because negotiators are anchored in their own culturally normative ways when they come to the table (see, e.g., Brett &

¹This is a cognitive, schematic adjustment that happens before negotiators begin the exchange. Schematic adjustment is distinct from, but may be antecedent to, the type of behavioral adjustment that occurs during the negotiation process, such as reciprocity (Brett, Adair, et al., 1998; Putnam & Jones, 1982; Weingart, Prietula, Hyder, & Genovese, 1999), since cognitive schemas direct behavior (Fiske & Taylor, 1991).

Okumura, 1998; Gelfand et al., 2001; Graham & Sano, 1989; Rosenbaum, 2003; Sebenius, 2002; Tinsley et al., 1999).² This view has extended to writing on intercultural teams (Govindarajan & Gupta, 2001; Iles & Paromjit, 1997; Lewis, 2006) and international management in general (Ricks, 2006). Moreover, if, as we theorize, the substance of negotiators' intercultural negotiation schemas reflects their counterparts' intracultural schemas, then negotiators' schemas are less fixed than previously assumed. The study also has a direct practical implication, as it suggests that intercultural training for managers and employees should move beyond awareness of cultural differences to highlight the *dynamic* nature of the schemas that negotiators bring to the table.

Literature Review and Hypotheses

Distinct Intra- and Intercultural Negotiation Schemas

In virtually all negotiations, people think about how their counterparts approach the encounter (Rubin & Brown, 1975; Thompson, 2005) and tend to adjust their approach accordingly (Tinsley, O'Connor, & Sullivan, 2002). Negotiators make such adjustments because they know that to get a good deal they must coordinate with their counterparts (Raiffa, 1982). For example, Tinsley et al. (2002) found that when negotiators anticipated a tough, "value-claiming" counterpart, they adjusted their approach to be tougher and to claim more value themselves. We propose that this type of behavioral adjustment is preceded by a similar anticipatory cognitive adjustment in negotiators' negotiation schemas.

We use the term "negotiation *schema*" to describe culturally based assumptions about the negotiation process that people bring with them to an exchange. This term reflects our choice to emphasize the perceptual dynamics that occur *prior* to social interaction rather than the communication-related dynamics associated with research on framing (Dewulf et al., 2005). Our use of the term "schema" originates with Fiske and Taylor (1991), who identify the tendency for people in social exchanges to rely on mental models to organize assumptions about appropriate behaviors. Because the content of schemas is gained from personal experiences, Brett and Okumura (1998) predicted that negotiators from differing nationalities would have culturally guided and, hence, different schemas regarding negotiation dynamics. They found that the negotiation schemas held by U.S. negotiators differed from those held by Japanese negotiators and argued that these differences led to the lower joint gains achieved in the negotiators' intercultural, compared with intracultural, negotiations. Yet their mediation analysis did not support this claim, which they suggest may be due to small sample size and low test power.

²Even if scholars allow that negotiators can adjust their schemas (cf. Graham & Sano, 1989), the assumption is still that lower joint gains are caused by *negotiators' failure to adjust sufficiently*, rather than by overcompensation.

We propose, on the other hand, that Brett and Okumura's methodology captured intracultural rather than intercultural negotiation schemas, which explains why these schemas are poor mediators of joint gains. Brett and Okumura asked participants, before they arrived at the negotiating table, to rate the appropriateness of various negotiation behaviors. Without making salient any particular counterpart, these researchers, we believe, measured negotiators' *intracultural* negotiation schemas (i.e., assumptions about appropriate behavior when negotiating with a same-culture counterpart). Because a salient cultural prime was absent, it is unlikely that negotiators would think intercultural, as the everyday experiences that are the foundation of schemas generally do *not* involve intercultural exchange (Fiske & Taylor, 1991).

Other research reporting culturally consistent cognitive representations of conflict likewise used a methodology that we believe elicited participants' intracultural rather than intercultural schemas. For example, Gelfand et al. (2001) asked participants in the U.S. and Japan to recount recent conflict episodes from their own lives. Similarly, Tinsley (1998) asked participants to "imagine you are working on a project with a group of colleagues, and you encounter a problem that must be solved." Because Americans living in the U.S. and Japanese living in Japan are most likely to have had recent interactions at home and at work that were intracultural rather than intercultural, the conflict episodes elicited in these studies were most likely same-culture encounters. Thus, the existing research on culture and negotiation schemas has not explored the mindsets with which negotiators approach intercultural encounters.

Schema research leads us to propose that, when cued to anticipate a counterpart from another culture, negotiators will adjust their negotiation schema from an intra- to an intercultural schema. For any domain (such as negotiations), our minds house multiple schemas (Fiske & Taylor, 1991). Context activates schemas, whereby context-specific schemas come to mind more easily than context-free schemas (Fiske & Taylor, 1991; Noseworthy & Lott, 1984). Moreover, culture is an important contextual cue for schema activation (Gelfand & Realo, 1999; Morris & Gelfand, 2004).³ Thus, when primed to think about a same-culture counterpart, negotiators should activate an intracultural negotiation schema that reflects their cultural background.⁴ Yet, when primed to think about an other-culture counterpart, negotiators should activate an intercultural negotiation schema that is distinct from their intracultural negotiation schema (and, as we explain below, this intercultural negotiation schema should reflect their understanding of their counterpart's culture). Thus, we predict:

Hypothesis 1: When negotiators are primed to think about a same-culture counterpart, an intracultural schema will be activated that is distinct from the intercultural schema that is activated when negotiators are primed to think about an other-culture counterpart.

³The other person does not have to physically look different, but the negotiator must have knowledge that the other party is from a different national culture.

⁴While prior research has focused on specific cultural differences in schema content, our study focuses on schema matching and we do not offer hypotheses about specific schema content. Therefore, we discuss the specific content of the schemas we measure in the methods section.

The Clash of Intercultural Schemas

An intercultural negotiation schema is activated when negotiators think about negotiating with someone from a *different* culture and anticipate how that counterpart will behave in the upcoming negotiation. When anticipating how the counterpart will behave, negotiators are likely to anchor on culture-level stereotypic knowledge of the counterpart because initial schemas tend to relate to diffuse categories such as social membership (Brewer, 1989) and stereotypes that make up generalized beliefs about a social group and its members (Hamilton, Sherman, & Ruvolo, 1990). Thus, thinking about a counterpart from another culture will evoke an intercultural negotiation schema that will reflect negotiators' stereotypic knowledge of their counterparts' culture.

The problem we believe exists, however, is that this stereotypical information will reflect primarily the counterpart's behavior in an *intracultural*, rather than an intercultural, negotiation context. This is because cultural stereotypes, many of which are formed early in life, are based on processes of categorization that highlight differences between "us" and "them" (Ehrlich, 1973), differences that are most salient when observing "them" in a native culture context. Thus, when reviewing the sources of Japanese cultural stereotypes, Matsumoto (2002) finds that many publications widely read in the U.S., such as Benedict's (1946) *The Chrysanthemum and the Sword* or Nakane's (1970) *Japanese Society*, exclusively portray Japanese *domestic* society. Even those books that offer case studies of U.S.–Japanese business negotiations typically begin with a primer on domestic Japanese negotiations (e.g., Graham & Sano, 1989; March, 1989). Likewise, the literature promulgating U.S. cultural stereotypes in Japan portrays primarily U.S. domestic society (e.g., Graham & Sano, 1987; Hashiwatashi, 2002). Hence, when negotiators adjust their negotiation schema to the intercultural context, they rely on information that reflects how their counterparts behave in intracultural rather than intercultural negotiations.

The result of this process we call *schematic overcompensation*, whereby each negotiator adjusts their negotiation schema "too far" by adjusting towards their counterpart's intra- rather than intercultural schema. We believe this occurs because negotiators fail to realize that the intercultural context cues an adjustment in the counterpart's schema. Thus, negotiators overcompensate when adjusting their own negotiation schemas. Ironically, the result is precisely the type of negotiation schema clash that negotiators may have thought they were minimizing when they adjusted their own thinking to account for the other party's culture.

Hypothesis 2a: U.S. and Japanese negotiators' intercultural negotiation schemas will be significantly different from each other.

Hypothesis 2b: U.S. and Japanese negotiators' intercultural negotiation schemas will be anchored on the other party's intracultural negotiation schema rather than on their own intracultural negotiation schema.

The Role of Perceived Knowledge and Experience With the Other Culture

Experienced negotiators who feel they understand the other culture and are confident in their experiences negotiating with members of that culture should feel more at ease about an upcoming negotiation than those who feel less sure of their knowledge and experience. When negotiators are at ease and do not feel uncertainty, they should have more cognitive resources available when preparing for negotiation (Gudykunst, 1995). These cognitive resources should enable negotiators to individuate (Britton & Tesser, 1982; Devine, 1989)—that is, consider that their future counterpart may be more than simply a stereotype (Fiske & Neuberg, 1990; Fiske & Taylor, 1991), and instead characterize the counterpart as an individual who might also be adjusting his or her thinking at an intercultural negotiation table.

To the extent that negotiators are able to individuate their other culture counterpart, they may be less anchored on the other culture's intracultural negotiation schema when anticipating how the other culture counterpart will behave. In other words, they may consider that their counterpart will also adjust expectations and assumptions to the intercultural context. The implications for intercultural schema matching may be best illustrated with our Roman example. If I expect my Roman counterpart to approach our negotiation thinking not just like a Roman but also a bit like me, then I can adjust my own expectations for our encounter to be somewhat like my culture and somewhat like the Roman culture. If my counterpart also adjusts expectations moderately, not expecting the upcoming negotiation to be just like my culture but a bit like each of our cultures, then our intercultural negotiation schemas should match. In other words, the less negotiators are anchored on their counterpart's intracultural schema, the more likely it is that negotiators' schemas will match. Hence, negotiators who perceive they have more negotiation experience and knowledge of the other culture are more likely to have intercultural schemas that match, compared with negotiators who perceive they have less negotiation experience and cultural knowledge.

Hypothesis 3: U.S. and Japanese negotiators who perceive they have more negotiation experience and knowledge of the other culture will have intercultural negotiation schemas that match more closely than those negotiators who perceive they have less negotiation experience and knowledge of the other culture.

Method

Sample

We tested our hypotheses with a survey of experienced U.S. and Japanese negotiators. We began by mailing surveys to the full membership of the New York and Tokyo alumni clubs of a Northeastern U.S. University. Alumni included graduates of

business administration, hotel administration, and engineering. Alumni were asked to complete the survey if they had experience negotiating in a business context both with people from their own culture and with people from the other culture (U.S. or Japanese). Thirty managers responded from the New York alumni club, and all respondents were U.S. nationality. Fifty managers responded from the Tokyo club, and all respondents were Japanese nationality. Because members of the Tokyo alumni club were educated in the U.S., we also wanted to sample Japanese nationals who were educated in Japan to eliminate potential sample bias. Therefore, we sampled an additional 20 Japanese participants who were not educated in the U.S. and were identified by asking existing participants to identify colleagues who had the requisite experience negotiating in a managerial context and were not educated in the U.S. Thus, our total sample included 70 Japanese nationals and 30 U.S. nationals. All respondents were professionals with no prior contact with researchers and minimal anticipated future contact (a final survey question asked if they wanted to be contacted with the results). Of the Japanese respondents, 85.7% were male, with a mean age of 50 years ($SD = 12.26$ years) and an average of 5.07 years of negotiation experience ($SD = 1.41$ years). The U.S. sample was 93.3% male, with a mean age of 44.4 years ($SD = 9.4$) and an average of 5.2 years of negotiation experience ($SD = 1.3$ years).

Survey Design

Consistent with prior research (Brett & Okumura, 1998), our measures of negotiation schemas asked participants to rate the appropriateness of certain negotiation behaviors on a 7-point Likert-type scale anchored by “not at all” and “very much.” Because schemas capture assumptions about what behaviors are appropriate for a given domain (Fiske & Taylor, 1991), they are aptly measured by questions about the appropriateness of certain negotiation behaviors. There were three meaningful differences between our methods and those of Brett and Okumura (1998). First, our participants completed a survey in which they were asked to recall both their intra- and intercultural negotiation experience and respond to questions about their expectations for both intra- and intercultural negotiations. In this within-subjects design, participants engaged in two recall primes that were counterbalanced and instructed: “Please take a moment to recall some of your experiences negotiating with someone from your own culture (or the other culture: the U.S./Japan) in a business context. Perhaps you were representing your company in contract negotiation with another company. Or, perhaps you negotiated with someone from another department for resources within your company. Take a moment to think about how you typically prepare for such negotiations and how the negotiation typically plays out. Now, please describe the negotiation situation with someone from your own culture (or the other culture: the U.S./Japan) for two of your experiences (1–2 sentences each).” After the recall exercises, participants responded to a series of questions (again,

counterbalanced) eliciting their schema elements for an intra- and intercultural context.⁵ As noted above, Brett and Okumura did not ask participants to imagine any particular counterpart.

Second, we also measured negotiators' stereotypic expectations of the other culture by asking them to rate the degree to which they thought negotiators from the other culture would deem each behavior to be appropriate in a negotiation. We do this because our theory of schematic overcompensation is based on negotiators adjusting their negotiation schema to match their expectations of how the other party will negotiate in an intracultural context. This presupposes negotiators have a fairly accurate understanding of the other party's intracultural schema. If, on the other hand, negotiators do not have an accurate understanding of the other party's intracultural schema, the focal negotiators' intercultural schema will match their stereotype of the other-culture counterpart's schema rather than that counterpart's actual intracultural schema.

Third, our methodology also differed from Brett and Okumura (1998) in that we measured more schema elements to reflect recent advances in the study of culture and negotiation; where they measured self-interested behaviors (getting a good deal for oneself), we added the other-interested behaviors of equality (getting a good deal for both parties) and altruism (getting a good deal for the other party), as an "other focus" is important in shaping cognitions in collective cultures (Triandis, 1995).⁶ Further, Brett and Okumura measured two types of persuasion, power (such as bluffs and threats) and hierarchical persuasion (based on title, status, or company prestige); we added informational persuasion (based on facts or logic) because it has subsequently been found to be an important persuasion strategy in the U.S. (Adair et al., 2004; Tinsley, 2001). And where Brett and Okumura measured one type of information sharing, problem solving (revealing underlying interests, sharing information when the other party does so, and so on), we added a distinction between direct information sharing and indirect information sharing (offers), as this distinction since has been found to be important in discriminating Japanese from U.S. negotiating behaviors (Adair et al., 2001, 2004).

Measures

We measured the nine theoretically determined elements for our negotiation schemas with 33 items (see Appendix 1 for scale items and reliabilities). Results of exploratory

⁵To reduce concerns about common methods bias, we later collected additional Japanese data using a between-subjects design. Participants engaged in the recall exercise and responded to questions that addressed either the intracultural or the intercultural context only. These data were compared to our within-subjects Japanese data and no significant differences were observed. However, these data were not included in the present analyses because of the difficulty in recruiting additional experienced U.S. cross-cultural negotiators and our already unbalanced sample sizes (U.S. = 30, Japanese = 70).

⁶An "other-focus" can either mean other-favoritism (usually among in-group members) or other-discrimination (usually among out-group members). Either way, though, the presence of the other is more important in shaping the cognitions of collectivists (Triandis, 1995).

factor analysis showed the data falling into eight factors (with a loading cutoff of .40) represented by 32 items plus a single-item measure for indirect information sharing (making multiple offers), which we will call Offers.⁷ Factors (i.e., schema elements) included Self Interest, Equality, Altruism, Hierarchical Persuasion, Informational Persuasion, Power Persuasion, Direct Information Sharing, and Problem Solving.

To test for discriminant validity among the factors, we divided the schema elements into conceptually similar groups, as is recommended when sample-size-per-item ratios are less than five (Gorsuch, 1983), to run a series of nested confirmatory factor analyses (CFAs) in AMOS 6.0. The groups of factors we tested separately were persuasion elements, information elements, and self/other-focus elements. For each group, we ran CFA models first with the intracultural data and then with the intercultural data. To assess model fit, we report the root-mean-square-error of approximation (RMSEA), for which a value of .05 represents a good fit, values closer to .10 represent mediocre fit, and values above .10 indicate a poor fit (Byrne, 2001; Steiger, 1990). We also report the comparative fit index (CFI), for which a value above .10 represents a good fit, with values closer to 1.0 representing an even better fit (Byrne, 2001).⁸

To test the 11 items comprising the three persuasion elements (Hierarchical Persuasion, Information Persuasion, Power Persuasion), we fit a three-factor model that yielded a good fit (intracultural data: CFI = .99, RMSEA = .03; intercultural data: CFI = .99, RMSEA = .03), with all indicators loading significantly on their respective constructs, suggesting convergent validity (Joreskob & Sorbom, 1982). Importantly, the three-factor model offered a better fit for our data than alternative models that combined any two of the constructs, indicating discriminant validity (Bagozzi, Yi, & Phillips, 1991). To test the 12 information-sharing items (Direct Information Sharing, Problem Solving), we fit a two-factor model that also yielded a good fit (intracultural data: CFI = .97, RMSEA = .06; intercultural data: CFI = .96, RMSEA = .08), with all items loading significantly on the intended construct. Again, the two-factor model offered a better fit than an alternative one-factor model, which indicates discriminant validity. We analyzed the 10 items relevant to the self/other-interest elements (Self Interest, Equality, and Altruism) with a three-factor model. All items loaded significantly on their intended construct, and the model fit was good (intracultural data: CFI = .98, RMSEA = .05; intercultural data: CFI = .95, RMSEA = .06). The fit indicators for this three-factor model were stronger than alternative models that combined any two of the constructs, indicating discriminant validity. Having confirmed convergent and discriminant validity, we created scales for each schema element by averaging the relevant items. Thus, we have nine schema elements (Equality, Altruism, Self Interest, Power Persuasion, Informational Persuasion, Hierarchical Persuasion, Direct Information Sharing, Problem Solving, and Offers) as our dependent measures.

To measure perceived negotiation experience and cultural knowledge, we used two self-report items ($\alpha = .85$): “The degree to which you understand the other culture”

⁷Results of this factor analysis are available from the authors.

⁸Since Chi Squares are not generally an accurate fit indicator when sample size is <200, we do not report them here (Byrne, 2001; Marsh, Balla, & MacDonald, 1988).

and “Your competency with the other culture’s negotiation style.” We then used a median split based on the full sample to create a low-experience ($n = 55$) and high-experience ($n = 45$) population.

Results

Preliminary Analyses

Because we have survey data across more than one cultural group, we did some preliminary tests for method biases. First, we ran an exploratory factor analysis as a one-factor test for common method variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). An unrotated factor solution showed the first factor accounting for only 11.82% of the total explained variance, suggesting that scale covariation is not likely to be an artifact of common method. Second, we averaged all survey items by cultural group to determine whether there was any mean or variance difference across our two cultural groups (Leung & Bond, 1989). The U.S. average of all items was 4.61, SD , .40; the Japanese average was 4.50, SD , .44; these were not significant differences ($F = .01$, $p = .91$, $\eta^2 = 0$), suggesting that any mean differences found during hypothesis testing are not a function of cultural differences in how participants responded to surveys.

Finally, to explore our presumption that prior U.S./Japanese negotiation schema differences are actually U.S./Japanese *intracultural* schema differences, we tested whether our U.S./Japanese intracultural schema differences mirrored Brett and Okumura’s (1998) differences. We used MANOVA with culture as the independent variable and schema elements as the dependent variables. Our results almost exactly replicate those of Brett and Okumura. Overall, we found a significant difference between U.S. and Japanese schema elements [Wilks’ lambda = .40, $F(74, 9) = 12.35$, $p < .01$]. Replicating Brett and Okumura, our results indicate that (a) U.S. schemas had higher levels of Self Interest ($M = 5.88$, $SD = 0.73$) than Japanese schemas ($M = 4.34$, $SD = 0.91$; univariate $F = 58.12$, $p < .01$, $\eta^2 = .42$); (b) U.S. schemas had higher levels of power that makes references to alternatives (our study: Power Persuasion; their study: References to Alternatives) ($M = 4.21$, $SD = 1.03$) than Japanese schemas ($M = 2.63$, $SD = 0.93$; univariate $F = 48.23$, $p < .01$, $\eta^2 = .37$); and (c) there were no cultural differences in levels of status persuasion (our study: Hierarchical Persuasion; their study: Role of Status) (U.S. $M = 4.67$, $SD = 0.94$; Japanese $M = 4.47$, $SD = 1.37$, $F = 0.46$, ns , $\eta^2 = .01$) nor problem solving (our study: Problem Solving; their study: Information Sharing) (U.S. $M = 4.98$, $SD = 0.90$, Japanese $M = 5.34$, $SD = 0.90$, $F = 2.74$, ns , $\eta^2 = .03$). The only place where our results did not exactly replicate was in Brett and Okumura’s measure of Distributive Tactics, which also corresponds to our Power Persuasion, but which they found emphasized more in Japanese than U.S. negotiators’ schemas. These tests largely support our assumption that prior documented negotiation schema differences are indeed differences in *intracultural* schemas.

Table 1
Correlations for Intercultural Negotiation Schema Elements

Variable	1	2	3	4	5	6	7	8	9
Equality									
Altruism	.129								
Self interest	.255*	-.007*							
Power persuasion	.015	-.083	.329*						
Informational persuasion	.101	.006	.339**	.169					
Hierarchical persuasion	.261**	.151*	-.02	.076	-.148				
Direct information sharing	.022	-.149	.336**	.232*	.418**	-.393**			
Problem solving	.169	.248*	.161	-.032	.523**	-.079	.480**		
Offers	.047	.022	.103	.176	.205*	-.312**	.491**	.307**	

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

Hypothesis 1: Distinct Intra- and Intercultural Schemas

To illustrate the relationship between the different schema elements, Table 1 provides a correlation table for intercultural schema elements. Hypothesis 1, that U.S. and Japanese negotiators have distinct negotiation schemas for intra- and intercultural negotiation, was tested using a two-way repeated measures MANOVA, with Culture (U.S. vs. Japan) as the between-subjects factor, Schema Type (intra- vs. intercultural schemas) as the within-subjects factor, and schema elements (Equality, Altruism, Self Interest, Power Persuasion, Informational Persuasion, Hierarchical Persuasion, Direct Information Sharing, Problem Solving, and Offers) as the dependent variables. Supporting Hypothesis 1, the overall F for schema type was significant, indicating that negotiators have different intra- and intercultural negotiation schemas [$F(9, 65) = 2.55, p \leq .05$, Wilks' lambda = .74]. The effect for culture was significant [$F(9, 65) = 5.06, p \leq .01$, Wilks' lambda = .59], indicating that U.S. and Japanese negotiators have a different set of negotiation schemas in general. The significant overall interaction effect [$F(9, 65) = 15.22, p \leq .01$, Wilks' lambda = .32] suggests that U.S. and Japanese negotiators have distinct patterns of intra/intercultural schema differences.

To test which schema elements drive the overall MANOVA differences supporting Hypothesis 1, we wanted to look at the univariate F statistics for each element, yet the significant Culture \times Schema Type interaction required separate MANOVA's within each culture. These results are reported in Table 2. Within the U.S. sample, there is a significant overall F between intra- and intercultural negotiation schemas [$F(9, 13) = 6.09, p \leq .01$, Wilks' lambda = .19]. Univariate tests for the U.S. MANOVA show U.S. negotiators significantly distinguished between the intra- and intercultural context for seven of nine schema elements [Equality ($F = 3.38, p \leq .1, \eta^2 = .14$, marginally significant), Altruism ($F = 11.13, p \leq .01, \eta^2 = .35$), Self Interest ($F = 12.05, p \leq .01, \eta^2 = .36$), Hierarchical Persuasion ($F = 4.60, p \leq .05, \eta^2 = .18$), Power Persuasion ($F = 35.10, p \leq .01, \eta^2 = .63$), Direct Information Sharing ($F = 33.71, p \leq .01, \eta^2 = .62$), Offers ($F = 10.22, p \leq .01, \eta^2 = .33$)]. Within the Japanese sample, there was again an overall effect for intra- versus intercultural negotiations [$F(9, 44) = 12.89, p \leq .01$, Wilks' lambda = .28], and univariate

Table 2

Hypothesis 1: MANOVA Univariate Tests for Intra- Versus Intercultural Negotiation Schemas for U.S. and Japan

	U.S. (n = 30)			Japan (n = 70)		
	Intra mean (SD)	Inter mean (SD)	Within subjects, F	Intra mean (SD)	Inter mean (SD)	Within subjects, F
Equality	4.47 (.99)	4.72 (.95)	3.38 [†]	4.81 (1.10)	4.36 (.88)	7.72**
Altruism	3.83 (1.01)	4.48 (1.07)	11.13**	4.36 (1.14)	4.02 (1.23)	9.90**
Self interest	5.93 (.71)	4.81 (1.28)	12.05**	4.30 (.94)	5.01 (.96)	22.65**
Power persuasion	4.31 (1.08)	2.89 (.90)	35.10**	2.58 (.93)	3.34 (1.25)	26.25**
Informational persuasion	5.76 (.70)	5.50 (1.01)	.09	5.83 (.99)	6.36 (.82)	20.91**
Hierarchical persuasion	4.64 (1.01)	5.26 (1.04)	4.60*	4.43 (1.37)	3.55 (1.36)	25.62**
Direct information sharing	5.60 (0.80)	3.42 (1.29)	33.71**	3.91 (1.30)	5.83 (0.89)	97.44**
Problem solving	4.96 (.87)	5.08 (.86)	.44	5.34 (.87)	5.54 (.86)	2.32
Offers	4.23 (1.48)	3.17 (1.47)	10.22**	4.29 (1.46)	4.89 (1.63)	7.29**

[†] $p \leq 0.1$, * $p \leq 0.05$, and ** $p \leq 0.01$.

tests showed that Japanese negotiators significantly distinguished between intra- and intercultural contexts for eight of nine schema elements [Equality ($F = 7.72, p \leq .01, \eta^2 = .13$), Altruism ($F = 9.90, p \leq .01, \eta^2 = .16$), Self Interest ($F = 22.65, p \leq .01, \eta^2 = .30$), Hierarchical Persuasion ($F = 25.62, p \leq .01, \eta^2 = .33$), Power Persuasion ($F = 26.25, p \leq .01, \eta^2 = .36$), Informational Persuasion ($F = 20.91, p \leq .01, \eta^2 = .29$), Direct Information Sharing ($F = 97.44, p \leq .01, \eta^2 = .65$), and Offers ($F = 7.29, p \leq .01, \eta^2 = .12$)]. Overall, these results provide good support for Hypothesis 1; U.S. negotiators' intercultural schemas were distinct from their intracultural schemas for seven out of nine schema elements (including results from Equality, which was marginally significant), and Japanese negotiators' intercultural schemas were distinct from their intracultural schemas for eight out of nine schema elements.

Hypothesis 2: The Clash of Intercultural Schemas

Hypothesis 2a, that U.S. and Japanese intercultural negotiation schemas would not be matched, was tested using MANOVA with culture as the independent variable and intercultural schema elements as the dependent variables. The overall F was significant [$F(9, 70) = 16.78, p \leq .01, \text{Wilks' lambda} = .32$], confirming Hypothesis 2a. Follow-up univariate tests (Table 3) showed that U.S. and Japanese intercultural schemas differed in six of the nine elements [Equality ($F = 6.05, p \leq .05, \eta^2 = .07$), Altruism ($F = 3.01, p \leq .1$, marginally significant), Informational Persuasion ($F = 11.09, p \leq .01, \eta^2 = .12$), Hierarchical Persuasion ($F = 22.53, p \leq .01, \eta^2 = .22$), Direct Information Sharing ($F = 77.33, p \leq .01, \eta^2 = .50$), and Offers ($F = 18.50, p \leq .01, \eta^2 = .19$)]. U.S. and Japanese negotiators' intercultural schemas did not differ on levels of Self Interest, Power Persuasion, and Problem Solving.

To test Hypothesis 2b, that negotiators' intercultural schemas would be anchored on the other party's intracultural negotiation schema, we examined whether the six

Table 3

Hypothesis 2: MANOVA for Intercultural Negotiation Schema Differences Between U.S. and Japan

Variable	U.S. (<i>n</i> = 30) Mean (<i>SD</i>)	Japan (<i>n</i> = 70) Mean (<i>SD</i>)	<i>F</i>
Equality	4.72 (.95)	4.36 (.88)	6.05*
Altruism	4.48 (1.07)	4.02 (1.23)	3.01 [†]
Self interest	4.81 (1.28)	5.01 (.96)	0.54
Power persuasion	2.89 (.90)	3.34 (1.25)	1.58
Informational persuasion	5.50 (1.01)	6.36 (.82)	11.09**
Hierarchical persuasion	5.26 (1.04)	3.55 (1.36)	22.53**
Direct information sharing	3.42 (1.29)	5.83 (.89)	77.33**
Problem solving	5.08 (.86)	5.54 (.86)	1.84
Offers	3.17 (1.47)	4.89 (1.63)	18.50**

[†] $p \leq .1$, * $p \leq .05$, and ** $p \leq .01$.

intercultural negotiation schema elements that were mismatched (Equality, Altruism (marginal), Hierarchical Persuasion, Informational Persuasion, Direct Information Sharing, and Offers) were mismatched because negotiators anchored on *the other party's intracultural negotiation schemas* instead of on their own intracultural schemas. To first disconfirm that parties' intercultural schemas were anchored on their *own* intracultural schemas, we refer to Hypothesis 1 tests that demonstrated that Japanese negotiators had distinct intra- versus intercultural schemas for all six schema elements where U.S. and Japanese intercultural schemas mismatched (Equality, Altruism, Hierarchical Persuasion, Informational Persuasion, Direct Information Sharing, and Offers), and U.S. negotiators had distinct intra- versus intercultural schemas for all six elements (Equality was marginally different) except Informational Persuasion. Second, to investigate whether negotiators' intercultural negotiation schemas are anchored on the other party's intracultural schema, we looked at the significant interaction of Culture (U.S., Japanese) and Schema Type (intra-, intercultural) that was reported when testing Hypothesis 1 and plotted these interactions for the six schema elements where we found significant differences in intercultural schemas.

The plots for Equality, Altruism, Informational Persuasion, and Direct Information Sharing directly supported our prediction in Hypothesis 2b that intercultural negotiation schemas are anchored on the other party's intracultural negotiation schema (Figure 1A–D). As these figures show, U.S. intercultural negotiation schemas are significantly different from those of the Japanese. This is true primarily because the Japanese intercultural negotiation schemas are equal to, or not significantly different from, the U.S. intracultural negotiation schemas. Individual *t*-tests for Equality, Altruism, and Direct Information Sharing show that Japanese intercultural negotiation schemas are anchored on U.S. intracultural schemas. Informational Persuasion shows a similar pattern, though Japanese intercultural negotiation schemas somewhat exaggerate U.S. intracultural negotiation schemas. Similarly, the U.S. intercultural negotiation schemas are anchored on the Japanese intracultural negotiation schemas for Equality, Altruism, and Informational Persuasion. Direct Information Sharing shows a similar pattern, though U.S. intercultural negotiation schemas somewhat exaggerate Japanese intracultural negotiation schemas.

For Hierarchical Persuasion and Offers, negotiators again showed intercultural mismatch, but as Figure 1E,F illustrate, the mismatch occurs not because negotiators anchor on the other party's *actual* intracultural schemas, but rather on their perceptions of the other party's intracultural schemas (recall that we measured perceptions in case negotiators' expectations of the other-culture counterpart's schema proved to be inaccurate). Negotiators' actual intracultural schemas were surprisingly similar for these schema elements. However, rather than anchoring on these similarities, negotiators' intercultural schemas appear to depend more on what negotiators *believe* their counterparts' intracultural schemas to be (Figure 1E,F). The intercultural negotiation schemas of Japanese negotiators were not significantly different from their perceptions of the U.S. intracultural schemas, and the intercultural negotiation schemas of U.S. negotiators were not significantly different from their perceptions of the Japanese intracultural schemas. Thus, the spirit of Hypothesis 2b is supported for these two elements; U.S. and Japanese intercultural schemas do not match, and this mismatch occurs because negotiators anchor on their *perceptions* of the other's intracultural schema.

Hypothesis 3: The Role of Perceived Experience and Knowledge With the Other Culture

Hypothesis 3 predicted that negotiators who feel experienced with cross-cultural negotiations and knowledgeable about the other culture will have more similar intercultural negotiation schemas than those who think they have less experience and knowledge. MANOVA of the intercultural negotiation schema elements showed a significant effect for Culture for both negotiators with less perceived experience [$F(9, 35) = 9.66, p \leq .01$, Wilks' lambda = .29] and negotiators with more perceived experience [$F(9, 25) = 7.23, p \leq .01$, Wilks' lambda = .28]. As reported in Table 4, follow-up univariate F tests within each population showed that, for negotiators with less perceived experience, U.S. and Japanese intercultural negotiation schemas differed on six elements: Equality ($F = 5.04, p \leq .05, \eta^2 = .11$), Direct Information Sharing ($F = 36.19, p \leq .01, \eta^2 = .46$), Offers ($F = 27.21, p \leq .01, \eta^2 = .39$), Hierarchical Persuasion ($F = 10.24, p \leq .01, \eta^2 = .19$), Informational Persuasion ($F = 4.90, p \leq .05, \eta^2 = .10$), and marginally on Altruism ($F = 3.56, p \leq .1, \eta^2 = .08$). For negotiators with more perceived experience, U.S. and Japanese intercultural negotiation schemas differed only on three elements: Direct Information Sharing ($F = 41.14, p \leq .01, \eta^2 = .56$), Hierarchical Persuasion ($F = 13.00, p \leq .01, \eta^2 = .28$), and Informational Persuasion ($F = 5.80, p \leq .05, \eta^2 = .15$). Hence, Hypothesis 3 is partially supported, in that the intercultural negotiation schemas matched more for those with a high level of perceived experience than for those with a low level of perceived experience.

Discussion

Our results demonstrate that a counterpart's culture is an important contextual cue in activating adjustment in negotiators' schemas. Although other studies have speculated that negotiators may make some behavioral adjustment to the intercultural context

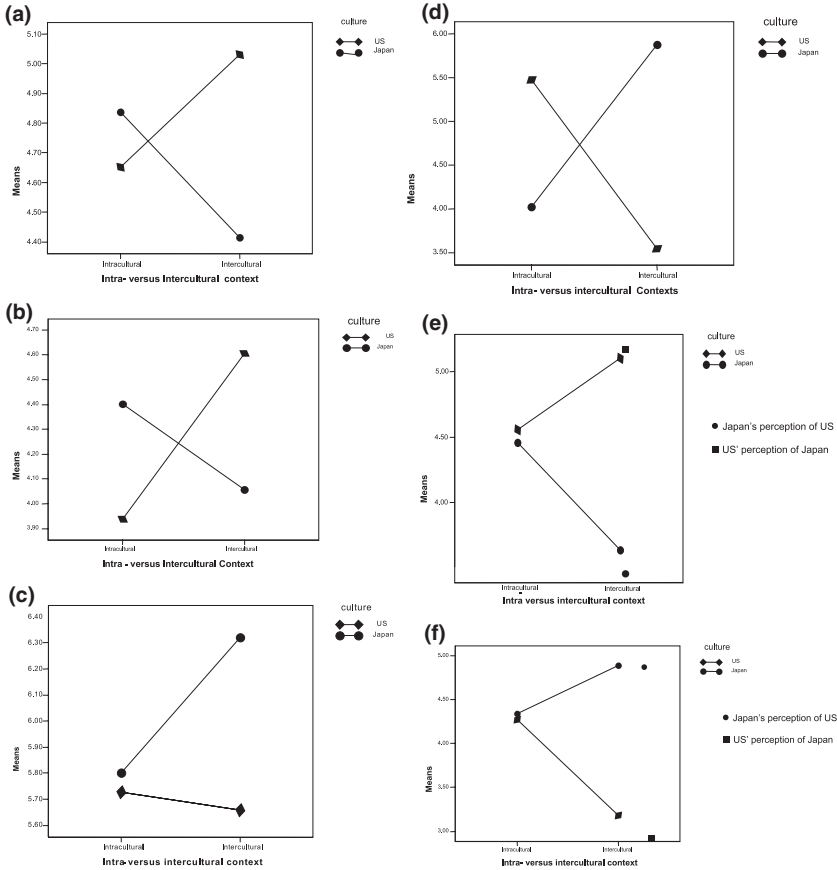


Figure 1. (a) Means of Equality. U.S. inter is significantly different from Japanese inter (Hypothesis 2, $F = 6.05, p < .05$). It is anchored on Japanese intra ($t = .40, ns$). Similarly, Japanese inter is anchored on U.S. intra ($t = .51, ns$). (b) Means of Altruism. U.S. inter is marginally different from Japanese inter (Hypothesis 2, $F = 3.01, p < .1$), and is anchored on Japanese intra ($t = .49, ns$). Similarly, Japanese inter is anchored on U.S. intra ($t = .79, ns$). (c) Means of Informational Persuasion. U.S. inter is significantly different from Japanese inter (Hypothesis 2, $F = 11.09, p < .01$), and is anchored on Japanese intra ($t = 1.53, ns$). Japanese inter is higher than U.S. intra ($t = 3.53, p < .01$). (d) Means of Direct Information Sharing. U.S. inter is significantly different from Japanese inter (Hypothesis 2, $F = 77.3, p < .01$), and is slightly lower than Japanese intra ($t = 1.75, p < .05$). Similarly, Japanese inter is anchored on U.S. intra ($t = 1.21, ns$). (e) Means of Hierarchical Persuasion. U.S. inter is significantly different from Japanese inter (Hypothesis 2, $F = 22.53, p < .01$). It is anchored on their perception of Japanese intra ($t = .79, ns$). Similarly, Japanese inter is anchored on their perception of U.S. intra ($t = .56, ns$). (f) Means of Offers. U.S. inter is significantly different from Japanese inter (Hypothesis 2, $F = 18.5, p < .01$). It is anchored on their perception of Japanese intra ($t = .14, ns$). Similarly, Japanese inter is anchored on their perception of U.S., intra ($t = .96, ns$).

(e.g., Adair et al., 2001; Graham & Sano, 1989), this is the first to document that negotiators make cognitive adjustments prior to an encounter, which are evident in the activation of distinct intra- versus intercultural negotiation schemas. This distinction

was supported with respect to eight of nine schema elements for Japanese negotiators and with respect to seven of nine schema elements for U.S. negotiators (including the marginally significant results for Equality) (Hypothesis 1). More importantly, for the six schema elements that supported our prediction of intercultural schema mismatch (including the marginally significant results for Altruism) our results support the theorized mechanism of schematic overcompensation (Hypothesis 2). Specifically, we found that when negotiation schemas were mismatched, it was not because negotiators were anchored on their *own* intracultural negotiation schemas (as presumed by prior research), but because negotiators were anchored on their expectations about the *counterpart's* intracultural negotiation schema. We saw evidence of this anchoring both on the counterparts' intracultural negotiation schemas, as was the case for Equality, Altruism (marginally significant), Direct Information Sharing, and Informational Persuasion, and on the target negotiator's *perceptions of* the other party's intracultural negotiation schemas, as was the case for Hierarchical Persuasion and Offers. Perceived cultural knowledge and negotiation experience only partially attenuate this schematic overcompensation, leading to slightly improved intercultural negotiation schema matching (Hypothesis 3).

Implications for Theory and Research

Our study identifies some examples of a schematic overcompensation that both challenge the conclusions of prior research and begin to build new theory of culture and cognition in four ways. First, our results challenge prior assumptions and conclusions that intercultural interaction difficulties arise when people stay anchored in their own culturally based assumptions rather than adjusting their schema to the intercultural context (see, e.g., Brett & Okumura, 1998; Gelfand et al., 2001; Graham, 1985; Graham &

Table 4
Hypothesis 3: MANOVA Univariate Tests for U.S.–Japanese Intercultural Negotiation Schema Differences for High and Low Levels of Perceived Experience

Variable	Low experience (n = 55)			High experience (n = 45)		
	U.S. Mean (SD)	Japan Mean (SD)	F	U.S. Mean (SD)	Japan Mean (SD)	F
Equality	4.78 (.90)	4.29 (.86)	5.04*	4.64 (1.05)	4.44 (.91)	1.52
Altruism	4.43 (1.02)	3.91 (1.24)	3.56†	4.56 (1.18)	4.15 (1.23)	0.42
Self interest	5.08 (1.31)	4.92 (.99)	2.05	4.40 (1.16)	5.11 (.93)	0.40
Power persuasion	2.95 (.87)	3.43 (1.02)	1.04	2.79 (.97)	3.23 (1.47)	0.72
Informational persuasion	5.50 (.89)	6.28 (.87)	4.90*	5.50 (1.21)	6.41 (.75)	5.80*
Hierarchical persuasion	4.98 (1.08)	3.60 (1.26)	10.24**	5.67 (.85)	3.48 (1.47)	13.00**
Direct information sharing	3.44 (1.28)	5.65 (.99)	36.19**	3.38 (1.35)	6.03 (.73)	41.14**
Problem solving	4.86 (.83)	5.43 (.92)	1.54	5.46 (.81)	5.68 (.79)	0.13
Offers	2.94 (1.16)	5.08 (1.42)	27.21**	3.50 (1.83)	4.67 (1.83)	1.66

†*p* ≤ .1, **p* ≤ .05, and ***p* ≤ .01.

Sano, 1989; Rosenbaum, 2003; Sebenius, 2002; Tinsley et al., 1999). We show that negotiators actually do adjust cognitively to the intercultural context and that a negotiation schema mismatch can arise when negotiators anchor on their counterparts' culturally based assumptions. We found compelling evidence of this mismatch in the primary negotiation domains of goals [Equality and Altruism (marginally significant)], persuasion (Informational and Hierarchical Persuasion), and information exchange (Direct Information and Offers).

Second, our results advance prior theory on culture and cognition that has focused primarily on identifying cultural variation in judgment biases (for a review, see Morris & Gelfand, 2004). These authors note that social context may play an important role in cognitive construct activation. Our study not only illustrates this phenomenon, but also shows how complex the process of construct activation can be. That negotiators anchor on some elements of their counterparts' intracultural negotiation schema and apparently do not consider their counterparts' similar cognitive adjustment shows that, although schema activation is triggered by context and schema content is flexible, schemas nevertheless may be inaccurate due to cognitive shortcuts such as stereotype reliance. It also shows how pervasive and "sticky" cultural stereotypes can be. By relying too heavily on cultural stereotypes based on behavior in a domestic setting, negotiators may fail to anticipate that their counterparts will also adjust their negotiation schemas to the intercultural context.

Third, our results develop culture and cognition theory by suggesting an important modification to existing intercultural negotiation theory. Models of third culture and cross-cultural synergy (e.g., Adair, Tinsley, & Taylor, 2006; Brannen, 2004; Weiss, 1994) suggest that parties can mutually adjust to create an understanding and interaction that is greater than the sum of its parts. Our results show, however, that even when both parties mutually adjust their schemas, this mutual adjustment will not necessarily create an understanding that is greater than the sum of its parts, but rather can result in schema mismatch. The key is for actors to understand that the intercultural context might cue a cognitive adjustment in *all* parties; then, perhaps, more moderate mutual adjustment can generate a schematic match.

Finally, our findings also inform theories of culture and cognition by offering an explanation for prior findings that suggest people do not always behave consistently with their own culturally based way of doing things (Adair et al., 2001; Morris & Gelfand, 2004). Biculturalism is one area of research that has tried to explain the influence of cultural context on how people think. This work shows, for example, that bicultural Chinese-Americans will make collectivist attributions when primed with Chinese cultural icons (e.g., the Great Wall) and individualist attributions when primed with U.S. cultural icons (e.g., Superman) (Hong, Morris, Chiu, & Benet-Martinez, 2000). Our research shows that even monocultural individuals (those who have not lived extensively in another country and internalized its culture) adjust their mindset in response to cultural cues. Of course, it remains an empirical question as to how negotiation schemas translate into behavior and whether intercultural negotiators narrow the negotiation schema gap over the course of the negotiation. General reciprocity research suggests that negotiators will eventually match their behaviors to each other (Brett, Shapiro, et al., 1998; Donohue, 1981; Putnam,

1983), yet schema research shows that negotiators will selectively attend to those behaviors that fit their predetermined schema about the other party (Tinsley et al., 2002), which may impede the development of reciprocity.

Caveats, Limitations, and Future Directions

Not all of our results supported the hypothesized schema adjustment and mismatch, indicating that negotiators may not adjust all elements of their negotiation schemas to the intercultural context. Exploring why negotiators do not adjust all aspects of their schemas to the intercultural context is an important area for future research. For example, our data show that Problem Solving is a highly activated schema element for both U.S. and Japanese negotiators, regardless of cultural context. This suggests there may be some universal schema elements that negotiators do not adjust in response to cultural cues. Although we tried to measure a very broad range of schema elements, there may be schema elements we did not measure that also fall into this universal category. Along these same lines, ratings of Equality and Informational Persuasion were invariant across cultural context for the U.S. sample. This suggests there may also be some schema elements that, for a particular culture, are central in the negotiator's mind and therefore fixed and resistant to contextual variation. Together, these results suggest that, when examining both intra- and intercultural negotiation schemas, future research should examine not only schema composition, but also the strength of various schema elements.

Hypothesis 2, which proposed that U.S. and Japanese intercultural schemas would be significantly different from each other, was not supported by Problem Solving, Self Interest, and Power Persuasion (recall the difference in Altruism was marginally significant in support of the hypothesis). As noted above, Problem Solving may be such a universally important element that negotiators demonstrate high ratings of it in their negotiation schemas regardless of context. The other elements that match interculturally (Self-Interest and Power Persuasion) are more competitive in nature than the other schema elements (e.g., Equality, Altruism, Informational Persuasion, Direct Information Sharing, Offers). Perhaps negotiators have an easier time anticipating each other's competitive, rather than cooperative, behavior and adjusting their schemas accordingly. This might happen if, in prior negotiation experiences, negotiators were more attuned to their counterparts' competitive behaviors than cooperative behaviors, a prediction that is consistent with the fixed-pie bias (Thompson & Hastie, 1990) and could be tested empirically in future research.

Although we expanded upon Brett and Okumura's (1998) original measurement of negotiation schemas, we still measured a finite number of schema elements, which limits the generalizability of our findings for any unmeasured schema elements. For example, nonverbal communication may be an indirect information exchange strategy that could be measured in future research. Likewise, other contextual effects such as role (buyer vs. seller) (Leung, 1997) or relationships (friend vs. stranger) (Valley, Neale, & Mannix, 1995) were beyond the scope of this study but offer an interesting avenue for future research. In addition, we explored negotiators' perceptions of their experience and

knowledge as a predictor of schema matching; future research should test other indicators of experience and also investigate other factors that may affect schema adjustment such as other-awareness, openness to change, or cultural intelligence (Earley & Ang, 2003).

As with any survey data, social desirability concerns are always present (Podsakoff & Organ, 1986), but are minimized by our field sample of professionals who had little reason to try to impress us and by our minimal social contact with them. We also note that our findings are based on a small sample size and may warrant tentative conclusions; however, the findings are relatively robust across a number of different schema elements. Also, our sample was comprised, on average, of highly experienced negotiators; less-experienced negotiators might display more or less schematic overcompensation. Future research might be able to tease apart the effects of experience more clearly if it examines truly novice versus experienced negotiators and takes direct measures of seasoned negotiators' possible individuating processes.

Finally, some contextual cues might discourage negotiators from adjusting their negotiation schemas to the intercultural context. For example, negotiators with a lot of power might stay anchored in their own culturally determined negotiation schema. Because they are less dependent on their counterpart than vice versa (Thompson, 2005), powerful parties have low motivation to anticipate how people from their counterpart's culture typically negotiate to reach a settlement; instead, they can coerce one. In addition, people may anchor on their own culturally based negotiation schema when they think it is most appropriate for the situation—as in an intercultural negotiation that takes place within a multinational company that has one clear dominant culture across its various locations.

Implications for Practice

Sensitivity training designed to heighten awareness of “cultural differences” is only a partial solution to the problem of increasing the efficiency of intercultural interactions, as such training tends to focus on the other's behavior in an intracultural context (e.g. Acuff, 1997; Lewis, 2006; Morrison, Conaway, & Borden, 1994). Doing as the Romans do is only appropriate if the Romans themselves are going to think and behave as they would normally, which is unlikely when they are meeting with non-Romans. For example, during a training program for diplomats, one participant told a story about a time when his team was scheduled to meet with a team of academic advisers. Relying on the stereotype that academics are informal, he expected the advisers to conceptualize the meeting as an informal gathering, and so he told his team to “dress down” in jeans and oxfords. The advisers, relying on the stereotype that diplomats follow strict formal protocols, evidently were told to “dress up” in suits and ties. The result was a classic behavioral mismatch that occurred when both sides overcompensated in anticipation of what the other would do. Our study shows that this type of mismatch can occur at the cognitive level, as well, when negotiators overcompensate in adjusting certain elements of their negotiation schemas. Thus, in addition to understanding cultural differences, negotiators can

learn to manage intercultural interactions by understanding how cultural differences activate schematic adjustments before anticipated intercultural encounters.

Our results suggest that learning to adjust and understand expectations in cross-cultural negotiation may require multiple interventions. First, asking negotiators how they plan to negotiate differently given the intercultural setting should prompt them to think about how their counterparts might similarly adjust their negotiation schema to the intercultural setting. Then, the challenge of coming to the intercultural negotiation table with a shared set of expectations can be illustrated with the different patterns of schema adjustment we uncovered in our study, using the Japanese and U.S. data as examples. For example, distinct patterns of adjustment include (a) areas where negotiators' schemas already match, no adjustment is necessary, and negotiators' tendency is not to adjust; (b) areas where negotiators' schemas already match, no adjustment is necessary, yet negotiators' tendency is to adjust their schema and cause an intercultural schema mismatch; (c) areas where negotiators' schemas do not match and the tendency is to overcompensate for expected differences and adjust too much towards the other party's intracultural negotiation schema; and (d) areas where negotiators' schemas do not match, yet negotiators adjust their expectations moderately such that their intercultural schemas match. Along with knowledge of one's own and the other culture's stereotypical negotiation norms, understanding these different adjustment patterns should help managers anticipate parties' intercultural negotiation schemas and nurture a shared understanding when parties come to the table.

Moreover, interventions that cue negotiators to look for individuating, stereotype-disconfirming evidence during the negotiation process (e.g., "In what ways did your counterpart surprise you?") may lead them to store less stereotype-based information in their intercultural negotiation schema, thereby decreasing schematic overcompensation for their next negotiation. In this respect, negotiators can also benefit from situation-specific training that allows them to practice the individuating process.

Conclusion

Negotiators have distinct intra- versus intercultural negotiation schemas that are cued by the culture of their counterpart and can result in schematic overcompensation. Our results show that a U.S. and Japanese intercultural negotiation schema mismatch can arise from negotiators overcompensating when adjusting certain elements of their negotiation schema to the intercultural context. Namely, negotiators adjusted parts of their schema to match how they anticipated their counterpart would behave, which generally matched how their counterpart behaves in an intracultural setting. Hence, negotiators fail to realize that, prior to an encounter, their counterpart may make similar schematic adjustments. Perceived knowledge and experience only partially corrects the mismatch, but we suggest that training focused on raising awareness of counterparts' likely cognitive adjustment, prior to an encounter, could help to reduce schematic overcompensation.

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Appendix 1: Scale Items for Schema Elements with Alpha Reliabilities

Schema elements	Scale items	α Intercultural	α Intracultural
Equality	Give in if the other party meets you half way	.70	.73
	Meet the other party at the mid-point of the bargaining range		
	Go 50-50 with the other party to reach agreements		
Altruism	Maximize the other's material gain	.72	.67
	Yield to the other's demands		
Self interest	Satisfy the other party's demands	.60	.70
	Maximize your own material gain		
	Make strong arguments to support your position		
	Satisfy your own needs		
Power persuasion	Set high goals for your own outcome	.80	.85
	Be firm in pursuing position		
	Threaten to walk away		
	Bluff or give misleading information		
	Resist making concessions		
	Threaten to withdraw previous offer		
Informational persuasion	Reveal your emotions to influence the other party	.79	.73
	Display frustrations to influence the other party		
	Persuade with facts		
Hierarchical persuasion	Persuade with logic	.76	.73
	Use company's name or status to persuade		
	Use your title or status to persuade		
Direct information sharing	Use requirements from your interest group to persuade	.73	.67
	Directly say what you want		
Problem solving	Directly sway 'no' to the other party's suggestions or offers	.85	.84
	Openly share information		
	Reveal your underlying information		
	Share information with other party		
	Cooperate with the other party		
	Engage in give-and-take exchange		
	Share information when other party shares		

Appendix 1 (Continued)

Schema elements	Scale items	α Intercultural	α Intracultural
	Try to build relationship with the other party		
	Blend your ideas with other party to create a novel agreement		
Offers	Make a lot of offers	Not applicable	Not applicable

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