THE INFLUENCE OF CULTURE ON THE PROCESS OF BUSINESS NEGOTIATIONS: AN EXPLORATORY STUDY

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Abstract. The processes of business negotiations in three countries, the United States, Japan, and Brazil, are compared and contrasted. Three dyads from each country were videotaped during a buyer-seller negotiation simulation. Both verbal behaviors and nonverbal behaviors were observed and recorded. Observed differences provide the basis for hypothesized differences which might be tested in future work.

Despite the increasing importance of cross-national commercial relationships, business negotiations in different countries have received little attention. During the 1970s a few articles appeared in business journals (for example, Van Zandt, 1970; Jastram 1974; Kapoor 1974; and Wells 1977), but they are primarily descriptive and often anecdotal. Recently, more systematic studies of negotiations in foreign countries have been undertaken. Tung (1982) considered business negotiations between American and Chinese (that is, People’s Republic of China) executives. Harnett and Cummings (1980) compared bargainers’ characteristics and behaviors across several cultural groups (1980). Graham (1983) investigated the determinants of business negotiation outcomes in the United States, Japan, and Brazil. These latter studies have proven valuable, but limited in their use of questionnaire items as measures of negotiation processes. In this study simulated business negotiations in three countries—the United States, Japan, and Brazil—are analyzed using observational methods. That is, exploratory methods are employed in which negotiation processes are recorded on videotape and both verbal and nonverbal behaviors during negotiations are compared across the three cultures.

The remainder of this paper is organized into 5 sections. First, the theoretical perspective is briefly discussed. Next, methods of data collection are described. Third, the results of the analyses of verbal behaviors are presented. The fourth section consists of the analyses of nonverbal behaviors. Finally, the results are summarized, conclusions are drawn, and hypotheses for future testing are suggested.

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Date Received: June 7, 1983; Revised: February 22, 1984; Accepted: April 10, 1984.
THEORETICAL PERSPECTIVE

Here the theoretical perspective of the research is briefly discussed to provide a context for the presentation of the exploratory methods used and the results reported in later sections. (For a comprehensive review of the relevant literature see Graham 1980.) Most recently, the outcomes of business negotiations have been hypothesized to be the result of several factors which can be classified into 3 categories or kinds of theoretical constructs—individual characteristics, situational constraints and process measures (see Sawyer and Guetzkow 1965, Rubin and Brown 1975). Many empirical measures of both individual characteristics and situational constraints have been tested in previous research. Examples of such individual characteristics might be intelligence, self-esteem, credibility, attractiveness, and power. Examples of situational constraints might include company goals, time limitations, or unequal power relations.

Process Measures

A few studies have focused on the process of business negotiations (for example, Pennington 1968; Pruitt and Lewis 1975; Lewis and Fry 1977; Dwyer and Walker 1981). Graham (1983) has defined process measures as “qualitative and quantitative descriptions of the activities involved in a business negotiation—for example, bargaining strategies used” (page 47). Based on an extensive review of the negotiation literature, Rubin and Brown (1975) conclude that the behaviors of bargainers during the negotiation process affect negotiation outcomes. The kinds of behaviors listed are opening moves, countermoves, types of appeals, demands, and the like. But little work has been done to investigate relationships among process measures and negotiation outcomes, individual characteristics and situation constraints.

Moreover, because researchers have only recently turned their attention to process measures, concepts and operational definitions remain vague and relations not adequately specified. The present study focuses on the development of operational definitions of process measures using observational methods. Further, special attention is given to cultural differences in these process measures.

Cultural Differences in Business Negotiation Processes

Culture has been a difficult concept to deal with in any consistent way. Anthropologists and sociologists have been arguing over definitions for years. Culture has appeared in the marketing literature primarily as a determinant of buyer behavior (for example, Engel and Blackwell 1982), but operational definitions seem to have varied from study to study. Perhaps the most widely accepted definition is that proposed by Linton: “A culture is a configuration of learned behaviors and results of behavior whose component parts are shared and transmitted by members of a particular society” (1945). The important part of the definition for the present research is the idea that behaviors are shared by members of a particular