Culture and accountability in negotiation: Recognizing the importance of in-group relations

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Abstract
We extend Gelfand and Realo’s (1999) argument that accountability motivates negotiators from relationally-focused cultures to use a more pro-relationship approach during negotiations. Our research shows that the effect they predict is found only when the other negotiating partner is an in-group member. Specifically, in two studies involving participants from China (a relationally-focused culture) and the US (a less relationally-focused culture), we found that only when negotiating with an in-group member are Chinese participants under high accountability more likely to use a pro-relationship approach than those under low accountability. Consequently, the differences between Chinese and American participants in the use of a pro-relationship approach occur only when they negotiate with an in-group member under high accountability. The strong attention to relationships, however, results in higher fixed-pie perceptions and lower joint gains. The implications of our findings for theory and practice are discussed.

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Introduction
The role of constituent relations—the relationship between negotiators and those they represent—has continuously received attention from negotiation researchers. Research on constituent pressures has been conducted in the field (e.g., Behfar, Friedman, & Brett, 2008; Walton & McKersie, 1965) and laboratories in Western countries (e.g., Ben-Yoav & Pruitt, 1984; Carnevale, Pruitt, & Seilheimer, 1981; Pruitt & Rubin, 1986). One predominant finding of these studies is that negotiators become more competitive when held accountable (Pruitt & Carnevale, 1993; c.f. Enzle, Harvey, & Wright, 1992). However, Gelfand and Realo (1999) found that accountability does not necessarily always lead to competitive behavior. Rather, its effects depend on the culture of the negotiators. Accountability, defined as “the condition of being answerable for conducting oneself in a manner that is consistent with relevant prescriptions for how things should be” (Schlenker & Weingold, 1989, p. 24), motivates negotiators to conform more strongly to socially accepted norms of behavior. As some cultures emphasize maintaining interpersonal harmony and making a large relational investment in one’s own community, accountability can thus motivate people from such relationally-focused cultures to be even more cooperative in negotiations. Gelfand and Realo’s (1999) study highlights that accountability, as a social norm enforcer (Tetlock, 1992), motivates people to comply with social interaction norms in their own culture.

This insight is important, but incomplete. It leaves the impression that if negotiators are from relationally-focused cultures (that is, cultures with strong relational models for social interactions, Markus & Kitayama, 1991; Sanchez-Burks, 2005; Singelis, 1994) such as India, China, or Japan, being held accountable will lead to harmonious interactions in negotiations. Yet there is no lack of anecdotal evidence that negotiators from Asian cultures can be extremely aggressive in negotiations, even when under pressure from constituents (Lam, 2000; Pye, 1986). To think that Asian negotiators are always driven to be more cooperative or pro-relationship when held accountable could lead to naive predictions. What is missing in the existing literature, as we argue in this paper, is the awareness that people from relationally-focused cultures often do not advocate undiscriminating cooperativeness. They are cooperative only for a specific group of people—those who are within their immediate social circle. Indeed, this concern was recognized by Gelfand and Realo (1999) in the Discussion section of their paper. The norms that govern negotiation cognitions and behaviors in
relationally-focused societies are very sensitive to who the other party is (Gelfand & Cai, 2004; Markus & Kitayama, 1991). Even though accountability may motivate people to be more inclined to abide by established social norms of interaction, the specific content of these norms, i.e. whether to be more pro-relationship or less so, depends on who the other negotiating party is. We therefore propose that more nuanced and accurate predictions of the effects of accountability require an awareness of in- and out-group effects. Extending the norm-based approach suggested by Gelfand and Realo (1999), we argue that accountability drives negotiators from relationally-focused cultures (e.g., Chinese negotiators) to use a pro-relationship approach in negotiations only when the other party is an in-group member (c.f. Wong & Hong, 2005). When the other party is an out-group member, however, social norms in such cultures often prescribe less pro-relationship approaches. As a result of having a better understanding of when accountability really leads negotiators to be more pro-relationship in relationally-focused cultures, we can make more careful predictions for when cross-cultural differences in negotiation cognitions and outcomes are most likely to occur.

We refer to a pro-relationship approach in negotiations as having a pro-relationship mindset and engaging in relationship-build- ing behavior during negotiations (Gelfand, Nishii, & Raver, 2006). In the present study, we choose two specific indicators to represent the use of a pro-relationship approach in negotiations. One is called as “pro-relationship mindset”. A negotiation mindset is the lens through which negotiators define negotiation situations (Pinkley, 1990; Pinkley & Northcraft, 1994). A pro-relationship mindset views negotiation as an opportunity to develop or strengthen a relationship through cooperation (Gelfand, Major, Raver, Nishii, & O’Brien, 2006; Gelfand, Nishii, et al., 2006; Pinkley, 1990; Pinkley & Northcraft, 1994). It is the opposite of a task negotiation mindset, which emphasizes the material aspects of the negotiation, such as property settlement and resource allocation (Pinkley, 1990; Pinkley & Northcraft, 1994). The other indicator is known as “perceived interest compatibility,” defined as the subjective perception of the extent to which the other party’s interests are compatible with one’s own (Thompson, 1993). People usually perceive more inter-est compatibility with those with whom they have a close relationship (Eggin, Haslam, & Reynolds, 2002; Harinick & Ellemers, 2006).

We choose to compare negotiators from China and the United States, two countries with distinctive relational orientations (e.g., Hofstede, 1980; Leung & Bond, 1984; Markus & Kitayama, 1991; Triandis, 1995). Existing literature has suggested that the Chinese feel more obligated to cooperate with in-group members than do the Americans, but they are as competitive as, or possibly even more competitive than, the Americans when interacting with out-group members (Markus & Kitayama, 1991; Triandis, 1989; Yamagishi, 2003). Incorporating the idea that accountability drives negotiators to adhere to social norms of interaction in negotiations, we predict that the differences between Chinese and American negotiators in the use of a pro-relationship approach appear only under the high-accountability/in-group condition and not under any other social conditions. Furthermore, as negotiation approaches are connected with negotiation performance (Pinkley & Northcraft, 1994), we argue that the use of a pro-relationship approach influences negotiation outcomes, including fixed-perceptions and joint gains.

We test these predictions in two studies, both with Chinese and American participants. Study 1 is a comparative cross-cultural sce- nario study examining how accountability and group membership together influence perceived social norms of negotiation in these two very different cultures. Study 2 is a comparative cross-cultural simulated negotiation study that extends Study 1 by examining not only whether culture, accountability, and group membership together influence negotiation norms, but also whether these factors affect negotiation outcomes via negotiation norms.

Theory and hypothesis development

Culture and social norms of managing relations

There has been a long-standing interest in how culture shapes social norms in interpersonal relationships (Geertz, 1973; Gelfand, Major, et al., 2006; Gelfand, Nishii, et al., 2006). According to Kitayama and Markus (1999, p. 250), a culture consists of a set of practices and meanings that have been created, maintained, and laid out for generations. More importantly, “(t)he engage in culturally patterned relationships and practices and to become mature, well-functioning adults in the society, new members of the culture must come to coordinate their responses to their particular social milieu.” In other words, culture influences the norms for social interactions.

For example, people from interdependent cultures, such as the Chinese and Japanese, emphasize norms of maintaining harmony and satisfying others’ needs in social interactions, especially when dealing with in-group others, whereas people from independent cultures, such as the Americans, emphasize one’s own needs (Markus & Kitayama, 1991). Research within the individualism-collectivism tradition similarly argue that people from collectivistic cultures, such as the Chinese, make high relational investments for in-group members and stress not just self-esteem but also the esteem of other group members (e.g., Ting-Toomey, 1988; Triandis, 1994). By contrast, people from individualistic cultures, such as the Americans, usually prefer to enhance self-esteem or self-image. More recently, Sanchez-Burks (2005) proposed that due to the strong influence of ascetic Protestantism, Americans have a deep-ly-held belief that having affective and relational concerns are inappropriate, especially in work settings; in other cultures however, such as the Chinese culture, having affective and relational concerns is regarded as normative and appropriate. In summary, these different perspectives have generally suggested that relationally-focused cultures, such as the Chinese culture, highlight interpersonal relationships, harmony, and concern for others; whereas less relationally-focused cultures, such as the American culture, emphasize individual achievement, self-esteem, and self-interests.

Group membership and culture

Previous cross-cultural literature has further suggested that people from relationally-focused cultures, such as the Chinese, are very sensitive to the group membership (i.e., in-group vs. out-group) of the other party in social interactions (Markus & Kitayama, 1991; Triandis, 1989; Yamagishi, 2003). In-group members usually feel connected by common traits, common goals, a common fate, or the presence of similar external threats; out-group members are those with whom one has no connection or nothing in common (Campbell, 1958; Tajfel & Turner, 1986). According to Markus and Kitayama (1991), the notion of group membership is related to the psychological boundaries between self and others. East Asians, who have interdependent self-contruals, draw a clear line between in-group and out-group members; Americans, who have independent self-contruals, are less sensitive to such distinctions (Markus & Kitayama, 1991; Triandis, 1989, 1995).

Indeed, in reward allocation experiments (Leung & Bond, 1984) and social dilemma games (Chen & Li, 2005), scholars reported that Chinese are more likely to cooperate with in-group members than with out-group members. By contrast, Americans do not make distinctions between in- and out-group members in these situations (Leung & Bond, 1984). According to Brewer and Chen (2007), what really differentiates Chinese from Americans is “relational collectivism”—a high concern for those with whom one has relational connections. Unlike Americans, Chinese pay particular
attention to the needs of and relationships with in-group members, but not those of out-group members.

Negotiation is a social interaction process in which parties constantly define and redefine their interdependence (Walton & McKersie, 1965). People are likely to negotiate with out-group members as well as with in-group members to coordinate effort, manage interdependencies and settle conflicts (Hui & Graen, 1997; Lewicki, Saunders, & Barry, 2009; Xin & Pearce, 1996). It is thus valid and important to study how people negotiate with in-group and out-group members. We infer from the above discussions that for Chinese negotiators, group membership is a critical social condition that determines which social norms come into play in negotiations. Only when the other party is an in-group member will pro-relationship norms drive Chinese negotiators to show pro-relationship orientation in negotiations. When the other party is an out-group member, Chinese negotiators will be much less pro-relationship, or even competitive (Gelfand & Cai, 2004; Markus & Kitayama, 1991; Triandis, 1989). By contrast, Americans tend to use competitive norms in social interactions, regardless of whether the party is an in-group member or an out-group member.

Accountability, group membership, culture, and negotiation norms

Accountability is the social pressure to justify one’s views and decisions to others (Semin & Manstead, 1983). In the context of negotiation, accountability requires negotiators to justify negotiation processes and outcomes to constituents, who have the power to allocate rewards to negotiators (Carnevale et al., 1981). To gain social approval from their constituents, negotiators are motivated to achieve what the constituents are after from the negotiation (Pruitt & Carnevale, 1993). When there is a clear understanding of constituent preferences, negotiators will know how to proceed in negotiations (Ben-Yoa & Pruitt, 1984; Benton & Druckman, 1974; Carnevale, Pruitt, & Selbheimer, 1981). But when there is no clear information about constituent preferences, negotiators will find themselves in an ambiguous situation with high accountability pressure. What should negotiators do in such a situation?

Existing literature has suggested that when people are aware that they need to justify their decisions or behaviors to others, they tend to decide or behave in ways that they think are socially acceptable (Briley, Morris, & Simonson, 2000). When negotiators are required to report and to justify their negotiation tactics and outcomes, they are likely to choose the most common and acceptable approach known to them (Gelfand & Realo, 1999). Therefore, the effects of accountability on negotiation depend on the social context, which provides cues for how negotiators should act. This argument is consistent with that of Tetlock and colleagues who propose that accountability is a social mechanism enforcing social norms and motivating people to follow those social norms required by the social context (Lerner & Tetlock, 1999; Tetlock, 1992).

As both the culture and group membership of the other party provide guidance for social interaction norms, we predict that the effect of accountability on negotiation depends on these two factors. Specifically, we argue that when negotiating with an in-group member under high accountability (i.e., the high-accountability/in-group condition), Chinese negotiators will show a greater pro-relationship orientation than American negotiators. This is because when the other party is an in-group member, the social norms in Chinese culture generally encourage cooperation (Chen & Li, 2005; Wong & Hong, 2005), accommodation (Leung & Bond, 1984), and harmony in social interactions (Leung, 1988); accountability, as a social norm enforcer, will enforce this pro-relationship approach for Chinese negotiators when they negotiate with in-group members. By contrast, Americans consider themselves unique and autonomous individuals who are distinct from others, regardless of whether those others are in-group or out-group members (Markus & Kitayama, 1991). They tend to focus on self-enhancement and self-interest, and feel less obligated toward in-group members (e.g., Markus & Kitayama, 1991; Thompson, 1993). Consequently, accountability will trigger competition even when they negotiate with in-group members, not just out-group members.

For example, researchers have reported that Americans show in-group favoritism only when common group membership can enhance their self-image (Chen, Brockner, & Katz, 1998). When in-groups perform poorly, Americans show less in-group favoritism than when in-groups perform well (Chen et al., 1998; Crocker & Luhtanen, 1990; Seta & Seta, 1992, 1996). In other words, Americans tend to keep a psychological distance between themselves and in-group members when that group membership threatens their own self-image. The Chinese, however, are less motivated by the desire to self-enhance; they tend to maintain in-group favoritism regardless of the performance of the in-group members (Chen et al., 1998). In short, the above discussion suggests that when the other party is an in-group member, high accountability drives Chinese to endorse cooperative or pro-relationship norms but Americans to use a self-focused approach. The differences between Chinese and American negotiators thus occur under the high-accountability/in-group condition.

But under the other three conditions (high-accountability/out-group, low-accountability/out-group, and low-accountability/in-group), both Chinese and American negotiators will use a less pro-relationship approach and differ less from each other in terms of which social interaction norms to follow. In particular, when the other party is an out-group member, using competing styles is the expected social norm, and Chinese negotiators may be as competitive as American negotiators (Gelfand & Cai, 2004; Leung & Bond, 1984). High accountability may drive both Chinese and American negotiators to be less pro-relationship. In other words, Chinese and American negotiators will not differ much from each other in the use of a pro-relationship approach under this condition. Under the low-accountability/out-group condition, we predict that again Chinese and American negotiators will not differ much from each other as both are expected to use a self-focused approach in negotiations (Leung & Bond, 1984).

Under the low-accountability/in-group condition, negotiators interact with an in-group member without having to justify negotiation processes or outcomes to a constituent. Although previous cross-cultural literature has suggested that when interacting with in-group members, Chinese are more likely to endorse pro-relationship norms than Americans in general (Chen & Li, 2005; Wong & Hong, 2005), the dynamics may be different when a social sanction system is unavailable (Yamagishi, 1988, 2003). When people are aware that their behaviors are not under social monitoring, their cognitions or behaviors may be weakly guided by social norms (Ajzen & Fishbein, 1980; Gelfand, Nishii, et al., 2006). Yamagishi (1988), for example, reported that if people know their behaviors are not observed by others, those from relationally-focused cultures may not necessarily trust or cooperate more with team members than those from less relationally-focused cultures. Based on this view, we expect that under the low-accountability/in-group condition, Chinese negotiators do not necessarily use a more pro-relationship approach than American negotiators. In summary, we predict that the differences between Chinese and American negotiators in their use of a pro-relationship approach will be significant only in the high-accountability/in-group condition, but not in the other three conditions.

As mentioned before, we choose two specific indicators of a pro-relationship approach in negotiations: one is “pro-relationship mindset”, the mindset emphasizing negotiation as an opportunity to develop or strengthen a relationship through cooperation (Gelfand, Major, et al., 2006; Gelfand, Nishii, et al., 2006; Pinkley,
Hypothesis 1. There is a three-way interaction effect between culture, accountability, and group membership on pro-relationship mindset; Chinese negotiators will have greater pro-relationship mindset than will American negotiators only in the high-accountability/in-group condition.

Hypothesis 2. There is a three-way interaction effect between culture, accountability, and group membership on perceived interest compatibility; Chinese negotiators will perceive more compatibility of interest than will American negotiators only in the high-accountability/in-group condition.

Accountability, group membership, culture, and negotiation outcomes

Culture, accountability, and group membership may interact to affect not only the use of a pro-relationship approach in negotiation (negotiation norms), but also negotiation outcomes, such as fixed-pie perceptions and joint gains. Furthermore, we argue that the use of a pro-relationship approach may mediate the effect of culture, accountability, and group membership on these negotiation outcomes.

Fixed-pie perceptions

Fixed-pie perception is defined as the belief that the other party's interests are compatible with one's own (Thompson, 1993). It is one of the cognitive biases that present a challenge to reaching optimal solutions for integrative negotiations, where negotiators do not necessarily have completely opposite interests (Thompson, Neale, & Sinaceur, 2004). Investigating fixed-pie perceptions after negotiations as a negotiation outcome is meaningful because it reflects the effectiveness of information processing during negotiations (De Dreu, Beersma, & Stroebe, 2006; De Dreu, Koole, & Steinel, 2000).

As discussed in our theory leading to Hypotheses 1 and 2, Chinese negotiators under the high accountability/in-group condition are significantly more pro-relationship. At first thought, these negotiators, who take an especially strong pro-relationship approach, should exchange information more honestly, making it easier for them to reduce fixed-pie perceptions during the negotiation process than for those who take a less pro-relationship approach. However, existing literature has suggested that if negotiators emphasize relationships too much, they may be unable to effectively reduce fixed-pie perceptions (e.g., Curhan, Neale, Ross, & Rosencranz-Engelmann, 2008; Fry, Fireston, & Williams, 1983). First, according to the dual concern model (Pruitt & Rubin, 1986), negotiators with a pro-relationship orientation are likely to adopt an accommodating strategy in negotiation. Instead of being selfish and self-interest focused, they tend to place high value on the other party's interests (Bolton & Ockenfels, 2000; Gelfand, Major, et al., 2006; Gelfand, Nishii, et al., 2006). For example, Morgan and Sawyer (1967) reported that when allocating awards, friends were willing to take less and give the other party more, whereas strangers usually required mutual benefits. While the accommodating strategy may reduce tension in negotiation, negotiators may not be able to exchange enough useful information to make tradeoffs, thus failing to gain the information needed to adjust their fixed-pie perceptions (Fry et al., 1983). In addition, consonant with the predictions of the dual concern model, negotiators with a pro-relationship mindset are less aggressive in their aspirations, making lower opening offers and less aggressive counteroffers (Barry & Friedman, 1998; Ben-Yoav & Pruitt, 1984; Liu, Friedman, & Chi, 2005). Consequently, they tend to accommodate the other party's needs so quickly that information needed for integrative results cannot be fully exchanged. De Dreu, Weingart, and Kwon (2000) conducted a meta-analysis which showed that in integrative negotiations, negotiators who paid too much attention to the other party's interests (prosocial negotiators) sometimes obtained worse negotiation outcomes than those who focused only on their own interests (egoistic negotiators), especially when the willingness to yield was high. These researchers explained that when the willingness to yield is high, prosocial negotiators may not be able to process information comprehensively because they are so keen on cooperating that they fail to take their own interests into consideration (De Dreu & Carnevale, 2003).

Moreover, negotiators who have a pro-relationship mindset may focus too much on building or maintaining a good relationship with the other party, so that they are distracted from problem solving (Fry et al., 1983). Given that there are time constraints in most negotiations, the more time that is devoted to relationship building, the less time that is devoted to problem solving, which leads to less effective reduction of the fixed-pie bias. In summary, we predict that when the other party is an in-group member, Chinese negotiators in the high accountability condition will have more post-negotiation fixed-pie perceptions than those in the other three conditions because of the pro-relationship mindset. Furthermore, difference between Chinese and American negotiators in fixed-pie perceptions will occur in the high-accountability/in-group condition, but not in the other three conditions.

Joint gains

Negotiators with strong fixed-pie perceptions are less likely to have learned enough through the negotiation process so they are less able to strike optimal deals (De Dreu, Beersma, et al., 2006; De Dreu, Koole, et al., 2000; De Dreu, Weingart, et al., 2000). Joint gains should therefore mirror the dynamics of fixed-pie perceptions just discussed. Specifically, negotiation dyads who place too much emphasis on relationship may not achieve optimal outcomes from negotiation. That is, when Chinese negotiators are under accountability, they will be under pressure to cooperate fully with in-group others and thus achieve less joint gains. A classical study conducted by Fry et al. (1983), for example, showed that dating couples achieved much less joint gains than stranger dyads in negotiation because dating couples focused too much on maintaining a good relationship. This can also be seen in recent studies of “relational accommodation”, where negotiators gave up joint economic outcomes, either consciously or unconsciously, for the sake of pursuing relational goals or following relational norms (Amanatullah, Morris, & Curhan, 2008; Curhan, Neale, Ross, & Rosencranz-Engelmann, 2008; Gelfand, Major, et al., 2006; Gelfand, Nishii, et al., 2006).

Based on these observations, we expect that joint gains exhibit similar patterns to pro-relationship mindset and fixed-pie perceptions. In addition, as discussed above, the major driving force behind the patterns of fixed-pie perceptions and joint gains is pro-relationship mindset. We therefore hypothesize the following:

Hypothesis 3. There is a three-way interaction effect between culture, accountability, and group membership on fixed-pie perceptions; Chinese negotiators will have greater fixed-pie perceptions than will American negotiators only in the high-accountability/in-group condition.
Hypothesis 4. There is a three-way interaction effect between culture, accountability, and group membership on joint gain; Chinese negotiators will achieve lower joint gain than will American negotiators only in the high-accountability/in-group condition.

Hypothesis 5. Pro-relationship mindset mediates the three-way interaction effect between culture, accountability, and group membership on fixed-pie perceptions and joint gain.

Overview of current research

Two studies, a scenario-based experiment and a negotiation simulation, were conducted to examine how culture, accountability, and group membership influence negotiation norms and outcomes. Both studies involved Chinese and American participants. Study 1 examines how accountability and group membership influence perceived social interaction norms for Chinese and American participants, including the use of pro-relationship mindset (Hypothesis 1) and the perception of interest compatibility (Hypothesis 2) as indicators of a pro-relationship approach. To replicate the results with a different sample and method, we conducted Study 2, in which Chinese and American students participated in an integrative negotiation. Study 2 also investigated whether culture, accountability, and group membership influence negotiation outcomes, including fixed-pie perceptions (Hypothesis 3) and joint gains (Hypothesis 4). Whether a pro-relationship mindset plays a mediating role (Hypothesis 5) was further tested in Study 2.

Study 1

Method

Participants

The Chinese sample was drawn from a part-time MBA program offered by a university in southern China. We invited 141 students to take part in this study, with 120 finally agreeing to participate and completing all the survey items (response rate = 85.1%). The American sample was drawn from an electronic subject pool at a university in southeastern US. We sent out email invitations to the working adults with Bachelor’s degree or above in the subject pool. During the 2-week data collection period, 102 out of 130 participants completed all of the survey items (response rate = 78.5%), with the rest responding to only part of the survey.

The final sample size of Study 1 was 222 (120 Chinese and 102 Americans). The Chinese and American samples were similar in terms of educational level ($t(220) = 1.02$, n.s.). The average age of participants was 29.7 ($M_{CH} = 30.4$, $M_{AM} = 28.8$), and was not significantly different between Chinese and American participants ($t(220) = 1.31$, n.s.). The overall gender composition was 51% female ($M_{CH} = .51$, $M_{AM} = .37$). The items for the group membership manipulation check were as follows: (1) Chris needs to justify the negotiation process and outcomes to his/her manager; and (2) The manager will evaluate how Chris negotiates. The Cronbach’s alpha was .87 ($z_{CH} = .81$, $z_{AM} = .90$).

Measures

Since we are interested in people’s norm perceptions in their own culture, we asked all participants the following questions: “From your experience, how would you expect a typical American who is in Chris Johnson’s situation to respond? How likely would he or she have the following goals and concerns during the negotiation?” This instruction ensured that the response reflected not each individual’s own personal reaction, but rather his or her understanding of how people are expected to act in the culture from which he or she comes.

We measured pro-relationship mindset with five items designed specifically for this study (Alpha = .73, $z_{CH} = .70$, $z_{AM} = .79$). These items were “Intends to develop a good relationship with the other party,” “Focuses on relationship development during negotiation”, “Believes this negotiation is an opportunity to develop a long term relationship”, “Is willing to adjust his/her own behavior to have a good relationship with the other party during negotiation.”, and “Is willing to compromise his/her own interests to foster a harmonious relationship with the other party.”

Perceived interest compatibility was measured with four items (Alpha = .81, $z_{CH} = .83$, $z_{AM} = .80$). These items were “Regard the
other party’s interests as opposite to his/her own interests” (reversed), “Regards the other party’s loss as his/her gain” (reversed), “Feels that there is a way for both sides to achieve more value”, and “The negotiation process usually means that one side’s gain comes at the expense of the other side.” (reversed).

We conducted confirmatory factor analysis (CFA) with nine items (five for pro-relationship mindset and four for perceived interest compatibility) for the Chinese and American samples separately. The CFA results showed that for each sample the two-factor model fitted the data well (for the Chinese sample, NNFI = .99, CFI = .99, RMSEA = .03; for the American sample, NNFI = .92, CFI = .94, RMSEA = .07). In cross-cultural studies, it is also important to examine measurement equivalence (Van de Vijver & Leung, 1997). To do so, we conducted multiple-group CFAs by constraining the item-parameters and item-variance to be equal across the two groups to check if the same factor model holds for both samples. First, a multi-group CFA was conducted without any constraints on item loadings to test the configural invariance. We found evidence supporting configural equivalence (NNFI = .95, CFI = .96, RMSEA=.06). The factor loadings were then constrained so that they are equal to test the metric invariance. We found evidence supporting metric equivalence also (NNFI = .93, CFI=.93, RMSEA=.08). Therefore, we concluded that the two scales were equivalent for these two samples.

Manipulation checks

The manipulation check of ingroupness revealed a significant main effect of the group membership condition (F(1,214) = 708.8, p < .0001), with participants agreeing that the focal actor was more likely to regard the other party as an in-group member under the in-group conditions than under the out-group conditions. Culture, accountability, and their interactions did not have any significant effects. The manipulation check of accountability revealed a significant main effect of the accountability condition (F(1,214) = 327.3, p < .0001), with participants agreeing that the focal actor was held more accountable under the high accountability condition than the low accountability condition. Culture, group membership, and their interactions did not have any significant effects. The manipulations of accountability and group membership were therefore successful.

Results

Pro-relationship mindset

Hypothesis 1 predicted that there is a three-way interaction effect between culture, accountability, and group membership on pro-relationship mindset because Chinese negotiators are more pro-relationship than American negotiators only under the high-accountability/in-group condition. We tested this hypothesis by conducting a three-way ANOVA with culture (Chinese vs. American), accountability (low vs. high), and group membership (in-group vs. out-group) as three between-subjects factors. The results revealed that there was significant two-way interaction between culture and group membership (F(1,116) = 8.94, p < .01). Specifically, when negotiating with an in-group member, the Chinese participants in the high-accountability condition had a considerably more pro-relationship mindset than those in the low-accountability condition; however, such a pattern did not manifest when the other party was an out-group member. By contrast, within the American sample, the two-way interaction effect between accountability and group membership was not significant, with F(1,98) < 1.

Perceived interest compatibility

Hypothesis 2 predicted that there is a three-way interaction effect between culture, accountability, and group membership on perceived interest compatibility because Chinese participants perceive more interest compatibility than American participants only under the high-accountability/in-group condition. We tested this hypothesis by conducting a three-way ANOVA with culture (Chinese vs. American), accountability (low vs. high), and group membership (in-group vs. out-group) as three between-subjects factors. The results revealed that there was significant two-way interaction between culture and group membership (F(1,124) = 7.84, p < .01, Δμg2 = .03). More importantly, there was also significant three-way interaction between culture, group membership, and accountability (F(1,124) = 9.32, p < .001, Δμg2 = .04). As Fig. 2 shows, when negotiating with an in-group member under high accountability, Chinese participants (M = 3.81) expected negotiators to perceive more interest compatibility with the other party than did American participants (M = 3.02, t(57) = 3.58, p < .01). Interestingly, under the high-accountability/out-group condition, Chinese participants (M = 3.11) perceived less interest compatibility than did American participants (M = 3.72, t(62) = 2.71, p < .01). In the other two conditions, the Chinese and American participants did not differ from each other (t-values < 1). Therefore, Hypothesis 2 was partially supported.

To state the three-way interaction effect differently, within the Chinese sample there was a significant two-way interaction between accountability and group membership (F(1,116) = 5.24, p < .05). Specifically, when negotiating with an in-group member, the Chinese participants in the high-accountability condition perceived more interest compatibility than those in the low-accountability condition; however, such a pattern did not manifest when the other party was an out-group member. Within the American sample, the two-way interaction effect between accountability and group membership was also significant (F(1,98) = 5.73, p < .05), but the pattern was reversed. Specifically, when negotiating with an out-group member, the American participants in the high-accountability condition perceived more interest compatibility than those in the low-accountability condition; however, such a pattern did not manifest when the other party was an in-group member.3

Discussion

Study 1 showed that Chinese and American participants differed significantly from each other in social interaction norms,

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3 Another interesting pattern was that when accountability was high American participants perceived less interest compatibility under the in-group condition (M = 3.01) than under the out-group condition (M = 3.81). One potential explanation for this finding is that Americans define in- and out-group members in a fluid way. Accountability might drive them to regard a colleague in the same company (an in-group member) as a potential competitor for limited resources whereas a stranger from another company (an out-group member) as a potential collaborator who brings external resources. Note, however, that this pattern did not occur in Study 2 involving simulated negotiations.
especially under the high-accountability/in-group condition. Under this condition, Chinese participants expected negotiators to have a more pro-relationship mindset (Hypothesis 1), and perceived more interest compatibility (Hypothesis 2) than did American participants. These findings were consistent with our argument that when negotiating with in-group members under the high-accountability conditions, Chinese negotiators would endorse a relationship-focused approach, while American negotiators would endorse a self-focused approach. However, being a scenario study, Study 1 could not tell us whether in real negotiations Chinese and American negotiators would be influenced differently by group membership and accountability. To address this limitation, we conducted Study 2.

**Study 2**

Study 2 used a $2 \times 2 \times 2$ factorial design, with culture (Chinese vs. American), accountability (high vs. low), and the other party’s group membership (in-group vs. out-group) as between-dyads factors. The dependent variables were pro-relationship mindset, fixed-pie perceptions, and joint gains (Hypotheses 1, 3, and 4). In addition, we also tested whether pro-relationship mindset mediates the effect of culture, group membership, and accountability on fixed-pie perceptions and joint gains (Hypothesis 5).

**Method**

**Participants**

We invited 228 undergraduate students (108 from China and 120 from the US) to participate in this study. The Chinese students were from a university in eastern China, and the American students were from a university in southeastern US. These participants were recruited through posters on an online bulletin board system, flyers on campus, as well as from a psychology subject pool. All materials for the Chinese participants were in Chinese, whereas all materials for the American participants were in English. The materials, which were originally in English, were translated and back-translated to ensure equivalence between the two language versions (Brislin, 1970).

Four students who did not finish the negotiation within the given time limits and ten students who did not report on the key dependent variables were excluded from further analysis in this study. The final sample size was 214 (104 from China and 110 from the US). Among the 214 participants, 61% were females (55.6% female in the Chinese sample and 66.4% female in the American sample). Consistent with the findings from past research (Schwartz, 1992), the Chinese participants placed more value on power ($M = 3.83$), conformity ($M = 4.82$), and security ($M = 4.97$) than did the American participants (power mean = 3.38, conformity mean = 4.50, and security mean = 4.50). All of these t-tests were significant at the .05 level. Therefore, it is reasonable to believe that the Chinese and American students who participated in this study were representative of their own cultural groups.

**Negotiation task**

An integrative negotiation task used in a previous study (Gelfand & Realo, 1999) was modified to serve the purpose of the present study. The negotiation concerned a brochure printing contract. To meet a client’s urgent demand for advertising brochures, a client services manager (the buyer) and a production manager (the seller), must reach agreement on four issues before those brochures can be printed (see Appendix A for payoff schedules). For each of the four issues there are five alternatives for negotiators to choose from, with each alternative representing a certain value (in terms of points) for negotiators. Two of the issues—paper quality and the number of color pages—are distributive (i.e., one party’s gain is the other party’s loss), on which buyers and sellers have perfectly opposite interests. The other two issues—the number of copies and the billing date—have integrative potential, on which both negotiation parties can be better off if they make tradeoffs. Failure to reach agreement would result in zero points for each negotiation party.

**Procedures**

The participants were invited to the laboratory in groups of eight. Upon arrival at the laboratory, they were asked to fill out a short grouping survey, which they were told was the basis upon
which the grouping decisions were made for the next step of the study (see details in the Manipulations section below). Then the participants were separated into two groups with four members in each group. Both groups were in full view of one another, but they were not allowed to communicate with each other. Each group then worked on a brainstorming task, after which the participants drew lots to decide on their roles (representative or manager) in the negotiation task that followed (again see details in the Manipulations section). Finally, the participants negotiated either with a member of their own group or a member of the other group. After reading the negotiation scenario but before negotiating, the participants filled out a pre-negotiation survey; after the negotiation, they filled out a post-negotiation survey.

Manipulations

As recent studies have suggested that simply using the minimal group paradigm may not work successfully for East Asians (e.g., Buchan, Croson, & Dawes, 2002; Buchan, Johnson, & Croson, 2006), we manipulated group membership in multiple ways, using a modified version of the minimal group paradigm employed in previous studies (Chen et al., 1998; Wright, Aron, McLaughlin-Volpe, & Ropp, 1997). First, in the short grouping survey, we asked the participants to report their hometown, their personal hobbies, and their majors in college. Then we randomly assigned participants into two groups, but told them that their assignment to different groups was based on the information they provided in the grouping survey, and that they were more similar to in-group members than out-group members (Chen et al., 1998). Second, the boundary between groups was made clear by having the participants sit with their fellow group members but away from those in the other group, and having the two groups use stationery of distinct colors (red for one group and blue for the other). Third, before the negotiations, the participants were asked to complete a group brainstorming task which served to reinforce the boundary between groups (Wright et al., 1997). After the three manipulation steps, the participants under the in-group conditions negotiated with a person from their own group. By contrast, those under the out-group conditions negotiated with a person from the other group.

We used two procedures together to manipulate accountability (Carnevale et al., 1981; Gelfand & Realo, 1999). First, all participants were assigned the representative (rather than the manager) role. Under the high-accountability conditions, the participants were asked to write and submit a report to their “managers” after the negotiation to justify their negotiation process and outcomes. The participants under the low-accountability conditions were told that their “managers” would evaluate their report and allocate points to them based on that report and the negotiation results. By contrast, the participants under the low-accountability conditions were told that their manager would not evaluate their negotiation performance—the negotiation processes and outcomes were to be kept confidential, and that the number of points they get was independent of the managers’ judgments.

Measures

The items for the group membership manipulation check were as follows: (1) The one I will negotiate with is an in-group member, and (2) The one I will negotiate with is an out-group member (reversed). The Cronbach’s alpha was .91 (αCH = .84, αAM = .94). The items for the accountability manipulation check were as follows: (1) After negotiation, my manager will formally evaluate me based on the agreements I reach; (2) My manager will scrutinize the negotiation process after the negotiation; (3) I need to justify the negotiation process and outcomes to my manager, and (4) I feel that my manager is more powerful than me. The Cronbach’s alpha was .82 (αCH = .84, αAM = .84).

We measured pro-relationship mindset in the pre-negotiation survey with an 8-item scale in this study (Alpha = .72, αCH = .73, αAM = .72). In addition to the five items used in Study 1, we added three questions, which were “It is important for me to develop a good relationship with the other party”, “I do not care much about relation development with the other party” (reversed), and “I would not reveal important information of mine to the other party in the negotiation” (reversed).

Fixed-pie perceptions were assessed in the way suggested in previous research (De Dreu, Koole, et al., 2000; De Dreu, Weingart, et al., 2000; Thompson & Hastie, 1999). After each negotiation, participants were presented with a blank profit schedule and were asked to fill in the points they thought the other party would get for each of the contract levels specified. They could use their own profit schedules to make inferences. Fixed-pie perceptions were measured as the sum of absolute differences between estimates of the other party’s real payoff points and the negotiators’ estimated points for two integrative issues (the number of copies and the billing date). Fixed-pie perceptions ranged from 0 to 14,000 points, with 0 referring to perfectly integrative perceptions and 14,000 referring to perfect fixed-pie perceptions. In other words, the larger the number, the greater the fixed-pie perception one has. Finally, joint gains were calculated as the sum of individual gains within each dyad.

Control variables

Previous research has suggested that gender may influence relationship orientation in negotiation (e.g., Curhan et al., 2008; Kray, Thompson, & Galinsky, 2001), so we controlled for gender at the dyad level by generating two dummy variables—“dyad gender male” (1 = both parties were male, 0 = otherwise) and “dyad gender female” (1 = both parties were female, 0 = otherwise).

Manipulation checks

For both the Chinese and American samples, the participants under the in-group conditions (Chinese mean = 4.70; American mean = 4.87) were significantly more inclined than those under the out-group conditions to consider the other party as in-group members (Chinese mean = 2.54, F(1,104) = 74.61, p < .001; American mean = 2.09, F(1,106) = 112.70, p < .001). Neither accountability nor the interaction between group membership and accountability had any significant effects on the score for each sub-sample.

For both the Chinese and American samples, the participants under the high-accountability conditions were significantly more inclined to believe that they were held accountable (Chinese mean = 5.08; American mean = 5.02) than those under the low-accountability conditions (Chinese mean = 3.61, F(1,104) = 58.16, p < .001; American mean = 3.35, F(1,106) = 87.70, p < .001). Neither group membership nor the interaction between group membership and accountability had any significant effects on the score for each sub-sample. In summary, the manipulations of accountability and group membership were successful.

Results

Pro-relationship mindset

Hypothesis 1 predicted that there is a three-way interaction effect between culture, accountability, and group membership on
pro-relationship mindset because Chinese negotiators will be more pro-relationship than American negotiators only in the high-accountability/in-group condition. We tested this hypothesis by conducting hierarchical regressions with culture (Chinese vs. American), accountability (low vs. high), group membership (in-group vs. out-group), and their two-way and three-way interactions as predictors and with dyadic gender characteristics as the control variables (column 1 in Table 1). The results revealed that there was significant three-way interaction between culture, group membership, and accountability ($b_{.45}$, $p < .01$, $\Delta R^2 = .06$). As Table 2 (row 1) and the right side of Fig. 3 show, when negotiating with an in-group member under high accountability, Chinese dyads ($M = 4.18$) had a more pro-relationship mindset than did American dyads ($M = 3.85$, $t(27) = 2.18$, $p < .05$), which echoes the findings made by Gelfand and Realo (1999). Under the other three conditions, the Chinese and American negotiators did not differ from each other in pro-relationship mindset ($t$-values < 1). Therefore, Hypothesis 1 was supported.

To state the three-way interaction effect differently, within the Chinese sample there was a significant two-way interaction between accountability and group membership ($b_{.88}$, $p < .05$). Specifically, when negotiating with an in-group member, the Chinese negotiators in the high-accountability condition had a more pro-relationship mindset than those in the low-accountability condition; however, such a pattern did not manifest when the other party was an out-group member. By contrast, within the American sample, the two-way interaction effect between accountability and group membership was not significant, with $b = .30$, $p > .20$.

Fixed-pie perceptions

Hypothesis 3 predicted that there is a three-way interaction effect between culture, accountability, and group membership on dyadic fixed-pie perceptions and Chinese negotiators will have greater fixed-pie perceptions than American negotiators only in the high-accountability/in-group condition. We tested this hypothesis by conducting hierarchical regressions with culture (Chinese vs. American), accountability (low vs. high), group membership (in-group vs. out-group) and their two-way and three-way interactions as predictors and with dyadic gender characteristics as the control variables (column 2 in Table 1). The results revealed that none of the main effects or two-way interactions was significant. There was however significant three-way interaction between culture, group membership, and accountability ($b_{.71}$, $p < .01$, $\Delta R^2 = .04$). As Table 2 (row 2) and Fig. 4 show that, when negotiating with an in-group member under high accountability, Chinese dyads ($M = 11.091$) had more fixed-pie perceptions than did American dyads ($M = 5.513$, $t(27) = 3.54$, $p < .01$). Under the other three conditions, the Chinese and American negotiators did not differ from each other in fixed-pie perceptions ($t$-values < 1). Therefore, Hypothesis 3 was supported.

To state the three-way interaction effect differently, within the Chinese sample there was a significant two-way interaction between accountability and group membership ($b_{.69}$, $p < .01$). Specifically, when negotiating with an in-group member, the Chinese negotiators in the high-accountability condition had more fixed-pie perceptions than those in the low-accountability condition; however, such a pattern did not manifest when the other party was an out-group member. By contrast, within the American sample, the two-way interaction effect between accountability and group membership was not significant, with $b = .27$, $p > .30$.

Joint Gains

Hypothesis 4 predicted that the Chinese negotiation dyads would achieve less joint gain than would the American dyads only in the high-accountability/in-group condition but not in other three conditions. As expected, there was significant three-way interaction between culture, group membership, and accountability (column 4 in Table 1, $\beta = -.59$, $p < .05$, $\Delta R^2 = .04$). As Table 2 (row 3) and Fig. 4 show, when negotiating with an in-group member under high accountability, the Chinese made less joint gains ($M = 10.311$) than did the Americans ($M = 11.375$, $t(27) = 2.99$, $p < .01$), while there were no differences in the joint gains between the Chinese and American negotiation dyads under the other three conditions. Therefore, Hypothesis 4 was supported.

### Table 1

<table>
<thead>
<tr>
<th>Study 2: Hierarchical regression results.1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Predictors</strong></td>
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<tr>
<td></td>
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<tr>
<td><strong>Controls</strong></td>
</tr>
<tr>
<td>Dyad gender male</td>
</tr>
<tr>
<td>Dyad gender female</td>
</tr>
<tr>
<td><strong>Main effects</strong></td>
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<td>Chinese</td>
</tr>
<tr>
<td>In-group</td>
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<tr>
<td>Accountability</td>
</tr>
<tr>
<td><strong>Two-way interactions</strong></td>
</tr>
<tr>
<td>Chinese x in-group</td>
</tr>
<tr>
<td>Chinese x Accountability</td>
</tr>
<tr>
<td>In-group x Accountability</td>
</tr>
<tr>
<td><strong>Three-way interactions</strong></td>
</tr>
<tr>
<td>Chinese x In-group x Accountability</td>
</tr>
<tr>
<td><strong>Mediators</strong></td>
</tr>
<tr>
<td>Pro-relationship mindset</td>
</tr>
<tr>
<td>Fixed-pie perceptions</td>
</tr>
</tbody>
</table>

Note: 1. $n = 107$. In the table, standardized coefficients are presented. 2. For “Dyad Gender Male”, 1 = both parties were male, 0 = otherwise; for “Dyad Gender Female”, 1 = both parties were female, 0 = otherwise; for “Chinese”, 1 = Chinese dyads, 0 = American dyads; for “In-group”, In-group condition = 1, Out-group condition = 0; for “Accountability”, high accountability = 1, low accountability = 0.

* $p < .10$.  
** $p < .05$.  
*** $p < .01$ two-tailed.

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To state the three-way interaction effect differently, within the Chinese sample there was a significant two-way interaction between accountability and group membership (β = -.73, p < .01). Specifically, when negotiating with an in-group member, the Chinese negotiators in the high-accountability condition achieved less joint gain than those in the low-accountability condition; however, such a pattern did not show when the other party was an out-group member. By contrast, within the American sample, the two-way interaction effect between accountability and group membership was not significant, with β = .11, p > .50 (see Fig. 5).

Hypothesis 5 argued that a pro-relationship mindset mediates the three-way interaction effect between culture, accountability, and group membership on fixed-pie perceptions and joint gain. MacKinnon, Lockwood, Hoffman, West, and Sheets (2002) recommended that researchers use a bootstrapping strategy and a product of coefficients test for indirect effects. Compared with other mediation tests such as the method proposed by Baron and Kenny (1986), this test possesses a good balance of small Type I error and high statistical power, and at the same time generates an estimate of the magnitude and statistical significance of the indirect effect. Accordingly, we tested Hypothesis 5 using the PRODCLIN program developed by MacKinnon, Fritz, Williams, and Lockwood (2007) for the product of coefficients test. The PRODCLIN program produces asymmetric confidence intervals for the indirect effect using the respective distributions of the three regression coefficients for the relationship between independent variables and pro-relationship mindset, the relationship between pro-relationship mindset and fixed-pie perceptions, and the relationship between fixed-pie perceptions and joint gains. It is therefore able to generate a more accurate estimate of the indirect effect than traditional methods, such as the Sobel test (MacKinnon et al., 2007).

Specifically, our testing of Hypothesis 1 showed that the coefficient for the three-way interaction predicting pro-relationship mindset was .45 (p < .01); another regression showed that the

Table 2
Study 2: Pro-relationship mindset, fixed-pie perceptions, and joint gains as a function of culture, group membership and accountability.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Out-group</th>
<th>In-group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low accountability</td>
<td>High accountability</td>
</tr>
<tr>
<td>Pro-relationship mindset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese</td>
<td>3.75 (32)</td>
<td>3.50 (39)</td>
</tr>
<tr>
<td>American</td>
<td>3.75 (43)</td>
<td>3.70 (53)</td>
</tr>
<tr>
<td>Fixed-pie perceptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese</td>
<td>7813 (4827)</td>
<td>6686 (4699)</td>
</tr>
<tr>
<td>American</td>
<td>5783 (4681)</td>
<td>5773 (5088)</td>
</tr>
<tr>
<td>Joint gains</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese</td>
<td>10973 (641.8)</td>
<td>11250 (608.8)</td>
</tr>
<tr>
<td>American</td>
<td>11018 (997.6)</td>
<td>11368 (1006.3)</td>
</tr>
</tbody>
</table>

A: b,c Means in the same row with different superscripts differ at p < .05.
A: b The score of a pro-relationship mindset ranges from 1 to 7; higher scores indicate a stronger pro-relationship mindset. Post-negotiation fixed-pie perceptions range between 0 and 14,000; higher scores indicate more fixed-pie perceptions.
coefficient measuring the relationship between pro-relationship mindset and fixed-pie perception was .22 ($p < .01$, column 3 in Table 1). The PRODCLIN results indicated that the indirect effect of the three-way interaction on fixed-pie perception through pro-relationship mindset was significant. In particular, the 95% confidence interval of the indirect effect was [.02, .68], not containing zero. Thus, pro-relationship mindset mediated the effect of the three-way interaction on fixed-pie perceptions. Additionally, another regression showed that the coefficient measuring the relationship between fixed-pie perception and joint gains was $- .39$ ($p < .01$, column 5 in Table 1). The PRODCLIN results indicated that the indirect effect of pro-relationship mindset on joint gain through fixed-pie perception was significant. Specifically, the 95% confidence interval of the indirect effect was $[-.52, -.05]$, not containing zero. Combining these results, we can conclude that pro-relationship mindset mediated the effect of the three-way interaction between culture, group membership, and accountability on fixed-pie perception, which in turn affected joint gains. Therefore, Hypothesis 5 was supported.

### Discussion

The results of Study 2 are consistent with our predictions that the most salient condition in which Chinese negotiators differ from American negotiators is the in-group/high-accountability condition. Specifically, Chinese negotiation dyads had a more pro-relationship mindset (Hypothesis 1), had more fixed-pie perceptions (Hypothesis 3), and achieved less joint gains (Hypothesis 4) than did American negotiation dyads but only when the participants negotiated with an in-group member under high accountability. Under other social conditions, Chinese negotiation dyads did not differ from American dyads in terms of pro-relationship mindset, fixed-pie perceptions, or joint gains. Moreover, pro-relationship mindset mediated the effect of the three-way interaction between culture, group membership, and accountability on fixed-pie perception, which in turn affected joint gains (Hypothesis 5).

### General discussion

The main argument of our paper is that the effect of the two-way interaction between culture and accountability suggested by Gelfand and Realo’s (1999) depends on the group membership (in-group vs. out-group) of the negotiation partner. Accountability may drive Chinese negotiators to become more pro-relationship, but only when the other party is an in-group member. Study 1 examined negotiation norms for both Chinese and Americans under different social conditions. Using scenarios, we found that compared with American participants, Chinese participants endorsed a pro-relationship mindset and perceived more interest compatibility, but only under the high-accountability/in-group condition. Under the other three conditions, the differences between Chinese and American participants were not significant, although Chinese participants perceived less interest compatibility than did American participants in the high-accountability/out-group condition.

By collecting negotiation simulation data from the Chinese and American cultures, Study 2 further confirmed that the cross-cultural differences between Chinese and American negotiators were most salient under the high-accountability/in-group condition. That is, under this condition, Chinese negotiators had a more pro-relationship mindset, had more fixed-pie perceptions, and achieved less joint gains than did American negotiators. Furthermore, having a pro-relationship mindset mediated the effect of the interaction between culture, group membership, and accountability on fixed-pie perceptions and joint gains.

Our results have important implications for research on cross-cultural negotiation and for the emerging discussion on relationships in negotiations. First, as a classic social contextual construct in negotiation, accountability has often been found to motivate competition in negotiation (Carnevale et al., 1981; c.f. Enzle et al., 1992). Such a claim has generally been accepted without qualifications until Gelfand and Realo’s (1999) study, which found that accountability motivated different negotiation norms in different cultures (collectivists vs. individualists). Our study suggests that while Gelfand and Realo’s (1999) finding is partially replicable, the story is not complete. Even with accountability, when the other party was an out-group member, the Chinese negotiators were just as competitive as the Americans. Only when the other party was an in-group member did accountability reflect the effects reported by Gelfand and Realo (1999). In addition, we found that American negotiators were as pro-relationship as Chinese negotiators under other social conditions. It was only under the high-accountability/in-group condition that the Chinese were significantly more pro-relationship than the Americans. These findings show that accountability is a social norm enforcer (Lerner & Tetlock, 1999), but the specific norms that accountability augments depend on the social context. It is particularly important to take the group membership of the other party into consideration.

Second, the present study provides further evidence of the importance of exploring how social conditions interact with culture to influence negotiations. Previous cross-cultural negotiation research has been dominated by the trait/entity view of culture, focusing primarily on the main effect of culture on negotiation while largely neglecting the moderating role of social conditions (Bazerman, Curhan, Moore, & Valley, 2000; Morris & Gelfand, 2004). Using a norm approach, we theorized and found that the content of social interaction norms varies contingent upon culture and group membership, and that cross-cultural differences between Chinese and American negotiators depend on group membership and accountability. Specifically, our study indicates that using a pro-relationship negotiation approach may be a more sali-

![Fig. 5. Study 2: The three-way interaction effect on joint gains.](image-url)
ent norm to Chinese (vs. American) negotiators, but only when they negotiate with in-group members under high accountability. Future research should continue to identify other social and contextual factors that may drive cross-cultural differences in negotiation (Gelfand, Erez, & Aycan, 2007).

Third, this study contributes to the currently active scholarly discussion on the connection between relationships and negotiation (Curhan et al., 2008; Gelfand, Major, et al., 2006; Gelfand, Nishii, et al., 2006; McGinn, 2006). Existing empirical studies on how relationship affects negotiation outcomes have yielded mixed findings. Some studies have found a negative relationship (e.g., Fry et al., 1983), others point to a positive one (Moore, Kurtzberg, & Thompson, 1999), and still others argue that to investigate such a connection is not justified because relationships should never be used instrumentally (McGinn, 2006). This study provides an alternative approach to viewing relationships as something embedded in culture. In other words, using a pro-relationship approach is not simply an instrumental strategy nor is it a non-instrumental strategy; rather, it is a cultural norm that varies based on the cultural context of the negotiation. For example, we found that under the high-accountability/in-group condition, pro-relationship mindset was very strong for Chinese negotiators but not for American negotiators, and that this mindset acted as a barrier for Chinese negotiators seeking to maximize joint gains in the high-accountability/in-group condition. From this perspective, we argue that different cultures may have different expectations for how to approach relationships in negotiation. Future research should further explore the connection between relationship and negotiation from a cultural perspective.

Aside from its theoretical contributions, our research also has important practical implications. Previous cross-cultural negotiation research has provided invaluable information about cultural differences in negotiations (Adair, Okumura, & Brett, 2001; Tinsley & Pillutla, 1998), but this information can be misleading if situational factors are not taken into consideration. For example, if an American negotiator has the misguided impression that the Chinese always focuses on relationship and harmony, he or she will be unsettled when an aggressive Chinese negotiator comes along. According to our findings, Chinese negotiators are pro-relationship only when negotiating with in-group members under high accountability. Negotiators should therefore carefully analyze and strategically control situational factors in cross-cultural negotiations.

**Limitations**

This research has several limitations. First, the two studies are intra-cultural and comparative in nature, which limits us from making generalizations to intercultural negotiations. While we now know that people from different cultures follow different social norms under the same social conditions (such as the high-accountability/in-group condition analyzed in this study), it would be interesting to explore the intercultural negotiation dynamics in these social contexts in future research (Gelfand et al., 2007). Moreover, the student samples may also limit the generalizability of our findings. As most participants did not have real-world negotiation experience, it is reasonable to question whether the results could be generalized to experienced negotiators. There is evidence, however, that experts and novices behave similarly in negotiations (e.g., De Dreu, Giebels, & Van de Vliert, 1998; Neale & Bazerman, 1991). Finally, our negotiation simulations were one-shot negotiations. That is, negotiators only met and negotiated once. In reality, managers may negotiate with the other party in multiple sessions. Therefore, our finding that Chinese negotiators under the in-group/high-accountability condition did not obtain as much economic gain as their American counterparts should be interpreted with caution. For example, some recent studies have shown that emphasizing relationship may hinder the generation of economic gains yet facilitate the creation of relational capital (such as mutual liking and trust, Curhan et al., 2008). So Chinese negotiators under the in-group/high-accountability condition will probably obtain economic gains later from accumulating relational capital during the negotiation process. Future research should incorporate relational capital as another important negotiation outcome and include multiple-round negotiations.

**Conclusion**

Our research, using a norm-based approach, suggests that the culture, accountability, and group membership of the negotiating party interact to affect negotiation processes and outcomes. Negotiators from Chinese culture, a relationally-focused culture, are likely to use a pro-relationship approach in negotiation under high accountability, but only when negotiating with in-group members. Moreover, the differences between the Chinese and American negotiators in pro-relationship mindset, perceived interest compatibility, fixed-pie perceptions, and joint gains were present under the high-accountability/in-group condition, but not under other conditions. Future research should pay more attention to the interaction between culture and other social contexts in predicting negotiators’ cognitions, behaviors, and performance.

**Acknowledgment**

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**Table A1**

Payoff schedule in negotiation.

<table>
<thead>
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<th>Paper quality</th>
<th>No. of copies</th>
<th>No. of color pages</th>
<th>Billing date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options (g/m²)</td>
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<td>Options</td>
<td>Value</td>
</tr>
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<td>Buyer’s payoff schedule</td>
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