

Research sheds new light on negotiation strategy and outcomes in dignity, face, and honor cultures

A new study* carried out by researchers in France, the USA and China, looks at, and compares, negotiation strategies and outcomes in three different cultures/countries: *honor (Qatar), face (China), and dignity (the USA)*. Published in the latest edition of the Journal of Organizational Behavior (November 2016), it sheds new light on how businesses can enhance value when negotiating with people from one of these three cultures.

The researchers collected data via face-to-face negotiation simulations with undergraduate students in the social sciences and humanities from universities in Qatar, China, and the USA. “We chose these three countries based on their representativeness of each cultural type (honor, face, and dignity respectively), their accessibility, and their economic importance,” explains Professor Jimena Ramirez-Marin from IESEG School of Management, one of the co-authors of the study.

“Negotiators from around the world can use this study’s findings to inform their strategies when sitting down at the negotiation table with people from each of the following three cultural types: honor (the Middle East and Latin America); face (East Asia); and dignity (Northwest Europe and the Anglosphere)”.

Contrary to what traditional theory predicts, the study found that negotiators from both face and honor cultures adopted more competitive, less collaborative, strategies than negotiators from dignity cultures did. Notably, negotiators from these cultures engaged in less information sharing, which is key to gaining insights into each other’s interests, and so they achieved less equally distributed gains and created less value overall than dignity culture negotiators.

Does everyone want a win-win solution?

Professor Ramirez-Marin highlights that it’s not just about being competitive, but also about the mindset. “Americans achieved more equally distributed gains and created more value overall because they entered the negotiation seeking to achieve a win-win outcome, but win-win outcomes are not always recognized in other cultures,” explains study coauthor JingJing Yao from IESEG. When negotiating a new business relationship in a face or honor culture, the only recognizable outcome may be win-lose, because of the importance of establishing the hierarchical dynamic in a new relationship. By contrast, in dignity cultures, the starting assumption in negotiating a new business relationship is generally that the two parties are equals, which makes them more likely to adopt collaborative strategies such as information sharing.

An important practical implication of this research is that highly competitive interaction should be anticipated when negotiators from face or honor cultures are at the table, at least when negotiating new business relationships. Accordingly, negotiators can plan their approach and use of strategy in anticipation of likely competitive behaviors. For example, negotiators may take extra time to develop a trusting relationship with their face or honor culture counterpart before they begin to discuss the structure of the new business relationship.

Indeed, Professor Ramirez-Marin emphasizes the importance to value creation of finding ways to decrease competitiveness in negotiations with people from face and honor cultures, and the

importance of using their study as well as further research to inform the strategies that negotiators adopt around the world.

"Another study, for example, found that honor culture negotiators are actually more generous than dignity culture negotiators when they do not feel threatened," she says. "By continuing to study how cultural norms shape negotiation behaviors, we can better identify the factors that will improve outcomes. Negotiators can use the findings from research such as ours to inform the strategies that they adopt in negotiations to create more value and build more strategic, successful relationships over the long term."

* *Dignity, face, and honor cultures: A study of negotiation strategy and outcomes in three cultures* *Journal of Organizational Behavior*, November 2016. Soroush Aslani (University of Wisconsin) Jimena Ramirez-Marin (IÉSEG), Jeanne Brett (Northwestern University), Jingjing Yao (IÉSEG), Zhaleh Semnani-Azad (Clarkson University), Zhi-Xue Zhang (Peking University), Catherine Tinsley (Georgetown University), Laurie Weingart (Carnegie Mellon University) and Wendi Adair (University of Waterloo).

About IÉSEG School of Management: Established in 1964, IÉSEG School of Management is one of the top business schools in France, and ranked 17th in 2016 in the Financial Times ranking of Master in Management Programs. As a French Grande École and member of the *Conférence des Grandes Écoles*, IÉSEG is one of the most prestigious higher education institutions in the country. It has also been awarded the triple crown of international accreditations: AACSB, AMBA, and EQUIS.

The School currently has 4 800 students at its two campuses; the historic campus in Lille and at Paris at La Défense, Europe's biggest business hub. Bachelor, Master of Science and Post-graduate Programs at IÉSEG are taught in English. IÉSEG collaborates closely with the largest institute of research in Europe, the French National Centre for Scientific Research (CNRS). 84% of IÉSEG's permanent faculty is international, and the school has a network of more than 260 partner universities in 66 countries

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