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Cultural differences: What is the impact of social reward on negotiators from Spain and the Netherlands?

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Abstract

The purpose of this study was to determine if social reward has an influence on trust and cooperation in the negotiation process among people from Spain and people from the Netherlands. This study was carried out with the people from the University of Leiden and the University of Seville.

To conduct the study the scenario method was used with two conditions - the social reward and without social reward. Participants shared their answers in a computer questionnaire.

Based on previous research on the culture of honor and the culture of dignity it was assumed that the social reward will increase the situational trust and that it will affect the negotiation offers with Spanish participants. However, contrary to the assumptions, the presence of social reward did not affect the measured variables. Social reward affected only one negotiation offer - The Limit.

Implications of these findings for negotiations and suggestion for the future research are be discussed.

Leigh Steinberg once said: “Negotiating is not something to be avoided or feared - it's an everyday part of life”. It is true. People every day negotiate with family members, co-workers, salesmen and so on. However, negotiations in different cultures can progress in different ways. One of the vivid examples of cultural differences in the negotiations is the relations between Iran and the USA. These two countries for several decades cannot reach an agreement (Aslani, Brett, Ramirez-Martin, Tinsley & Weingart, 2011). A possible reason for this is that Iran represents culture of honor and the USA is classified as a dignity culture.

Researches verifying the cultural differences in negotiations have provided a great deal of evidence for the presence of differences in the level of trust, information sharing, and so on. Unfortunately, little is known about whether negotiations can be smoother. The aim of this paper is to investigate, if social reward affects the trust and negotiation strategies.

Culture of Honor and Culture of Dignity

Researchers have been interested in the culture of honor for a long time. At the beginning honor was the field of interest of anthropologists. Later this topic has become the object of psychological research. Those studies mainly focused on the Mediterranean region (Rodriguez Mosquera, Manstead & Fisher, 2002) and the south of the United States (e.g. Cohen, Nisbett, Bowdle & Schwarz, 1996; Cohen & Leung, 2011).

According to Leung and Cohen (2011) culture of honor originally appeared in "lawless" environments. In places where the law does not protect residents, people act in accordance with the principle of "payback". According to that a person should be trustworthy and should be ready to pay his or her debts. The need of paying back both for good and bad is called reciprocity (Cohen & Leung, 2011).

The next characteristic of this culture is that honor depends mostly on others; it is not a constant attribute. It can be gained, but also can be easily lost. The honor must be demanded

and others must acknowledge it. A person, who claims the honor instead of being paid it, does not in fact have the honor. If others do not grant it, a person does not have the honor (Rodriguez Mosquera, Fischer, Manstead & Zaalberg, 2008). Moreover the honor is not a completely individual characteristic – Rodriguez Mosquera et al. (2002) suggest that in this value attributes and behavior of other close people are included, especially members of the family. In accordance with their results honor is a central value in Spain (country of a Mediterranean culture of honor) and it is connected to family-related values, social relations, and social status. Because honor is not a permanent value and it can be lost very easily, people are highly motivated to stand in its defense. They are more likely to respond to an insult. Facing insults, people become more aggressive and they try to demonstrate their superiority (Cohen et al. 1996).

Furthermore, in one study (Cross et al. 2014) it has been found that Turkish participants (also members of a Mediterranean culture of honor) have a more complex representation of the concept of honor (when compared to the US participants). They know more about how an honorable person should behave and how the honor can be lost. This concept is more common in their lives.

On the other hand, there is a culture of dignity, which is significantly different from the culture of honor. Dignity is defined as “A sense of your own importance and value” (Oxford Advanced Learner’s Dictionary, 2005). In accordance with this belief present in the western countries, dignity is a characteristic possessed from birth. It cannot be taken away by other people (Kim, Cohen & Au, 2010). In cultures of dignity there seems to be balance between equality (from birth all people are equal) and liberty (worth is not dependent on the evaluation of other people) (Kim et al. 2010). What is important, the source of the dignity is located inside an individual. Because of that an entity is strong and can act according to his or her values and beliefs. The motivators of good behavior are internal standards and goals.

Compared to members of the honor culture, members of the dignity culture are less worried about the reputation and reciprocity. It is also more likely that they overlook an insult (e.g., Cohen et al., 1996). For example, because in the culture of dignity human value is constant, Americans from the North (members of the dignity culture) rarely react with aggression to the honor threat, in comparison to participants from the American South (members of the honor culture) (Cohen et al., 1996).

Additionally, in the study of Rodriguez Mosquera and colleagues (2002), Dutch participants (members of the culture of dignity) described the honor in relation to the individual and private achievements, reputation and character. When members of the culture of dignity talk about honor-related situations, (unlike the culture of honor) they rarely mention the achievements of the family or other close people; they focus on their own experiences and successes (Uskul, Cross, Sunbay, Gercek-Swing & Ataca, 2012).

There are many differences between the culture of honor and the culture of dignity. An important area for these differences is negotiations.

Negotiation: cultural differences

Bargaining or negotiations? For most people, these two terms mean the same. However, Lewicki, Saunders and Barry (2006) in their book, make a clear distinction between the two terms. They use the term "bargaining" to describe a win-lose situation (competition). According Lewicki et al. (2006) "negotiation" can be used as a description of win-win situation (cooperation). Cooperation between the parties has been studied for over 50 years. The researches were conducted in the fields of economics, psychology, political science, and many others. Studies focused on cognitive processes among negotiators, motivation, and emotion (Gelfand, Major, Raver, Nishii & O'Brien. 2006).

In the culture of honor negotiations are carried in a specific way. In this culture it is important not to show weakness, do not allow other people to take advantage of yourself, do not express disagreement with inappropriate behavior of others (Aslani et al., 2011). Self-esteem is not constant, it can change. People are motivated to behave in a way that allows them to maintain or strengthen their position. They will actively try to change the shape of others' perception (Kim et al, 2010).

In comparison the case with culture of dignity is quite different. Members of this culture appear to have a different approach to negotiations (strategic approach). The sense of self independence is an important factor in this culture and it has an impact on negotiations. Such approach is manifested in self-confidence, pragmatism and self-interest (Brett & Okumura, 1998). Western people act with smaller aggression during negotiations. This is because they do not fear losing face or status (in the culture of dignity being worthy is permanent) (Kim et al, 2010). Cultural differences also apply to the trust, information sharing and reciprocity.

Cultural differences in trust

There is another important aspect of negotiations. Gunia, Brett, Nandkeolyar and Kamdar (2011) assumed that the basis of cultural differences regarding negotiation is trust. They based their assumption on the results of studies, showing that trust affects sharing information (Butler, 1995) and that trust varies in different cultures. A good example of difference in trust is the study that tested Indian and American participants. In accordance with Gunia et al. (2011) Indian and American negotiators have the same construct of trust in their mind. However, the results have shown the Indians, in comparison with the Americans, are less willing to trust. It is also known that members of honor cultures have a lower level of trust, comparing to members of dignity cultures. Their trust is also reliant

on situation. Comparing to culture of dignity, a member of the honor culture relies on benevolence more, than on integrity during negotiations (Branzei, Vertinsky & Camp, 2007). On the contrary, people from Western countries (the dignity cultures) seem to trust more than people from the cultures of honor. They have a tendency to make a “swift trust” assumption – they believe that the others are trustworthy, as long as the others show, that it is not true (Dirks, Lewicki, & Zaheer, 2009; Weber, Malhotra, & Murnighan, 2005). What’s interesting, several studies have shown, that the presence of gifts leads to increased trust (Servatka, Tucer, & Vadovic, 2011; Sliwka, 2007). For instance, in the investment game (Sliwka, 2007), the participants were divided into two groups. The first group had to determine, how much money they wanted to give to the second group. Then the second group had to decide, what amount of money they would give back to the first group. The results showed that the second group often gave more money, than they got in the first place. Such behavior has been explained by reciprocity norm and increased trust.

Cultural differences in sharing of information

Trust level has an impact on another important element of the negotiations - the sharing of information. Greater trust makes people assume, that others will not act against them. Instead, they will use shared information in a positive way (Butler, 1999). Additionally, the trust seems to be crucial for the information sharing between negotiators. Sharing information differs between cultures. Members of the dignity culture, thanks to pragmatism and self-confidence, are more comfortable with gathering and sharing information in dyad interaction (Brett, 2007). The opposite situation occurs among members of the culture of honor. In the study of Aslani and colleagues (2011) it has been found, that Qatari negotiators (members of the honor culture) share less information than Americans, because they are more competitive, more ambitious and they express stronger negative emotions.

Cultural differences in reciprocity

Cooperation comes from different values or motivation of an individual. One of the causes of cooperation is reciprocity (Engelen, 2008). This construct means a greater willingness to repay both for the good things - gifts or favors, as well as for the bad things - insults, bad actions (Cohen & Leung, 2010). Such behavior is a characteristic feature of the culture of honor. Significantly, the rule of reciprocity also applies to negotiations. During the negotiations all aspects can be observed: reciprocal cooperation, trust, behavior and sharing of information. However, reciprocity may work in the opposite direction. For instance, in one of experiments, Cohen and Leung (2011) looked closely at reciprocity norm. They tested how positive reciprocity is associated with the approval of honor-related violence and the perception of human worth (inalienable versus socially conferred worth). Positive reciprocity was measured by checking, whether the participants will try to help one of confederates, who had offered them candies. The results showed two groups of the culture of honor: the first, which the most supports payback in form of honor-related violence, and the second, which rejects honor-related violence. It appeared that the first group made the biggest effort to repay the confederate, who gave them a gift. A different situation was with participants from the dignity culture. Those, who rejected honor-related violence, made the most effort to repay for a candy from a colleague, compared to participants who approve payback in the form of honor-related violence (Leung & Cohen, 2011). Furthermore, the study found that the more participants believed in the inalienable worth, the more they were trying to repay for a gift. Concluding, members of the culture of dignity wanted to repay for a gift as a result of internal standards, and members of the honor culture showed positive reciprocity as a result of external standards.

Cultural differences in negotiation strategies

Previous studies have shown that cultural differences are manifested also in the area of negotiation strategies. Negotiators can achieve an agreement by using negotiating strategies. The strategies consist of passive or active goal-directed behavior (Gunia, et al. 2011). Such strategies are “Questions and Answers” (further Q&A) and “Substantiation and Offers” (further S&O).

The Q&A technique consists of questions about second parties’ goals and intentions. Questions are used to initiate the exchange of information (Gunia, et al. 2011). In this strategy it is also important to answer the questions. Answers provide an opportunity to share information about one's interests, priorities, and preferences. What is more, researchers believe that the strategy is dependent on the level of trust. Q&A strategy requires high trust, because both questions and answers make negotiator vulnerable (Butler, 1999). Because of cultural differences in trust and culture, a member of the dignity culture uses the Q&A strategy more often (Gunia, et al. 2011).

By contrast, the S&O consists of showing one’s demands and submitting many offers. Negotiators use substantiation tactics (e.g. power plays, threats) to gain an advantage (Gunia, et al. 2011). This technique does not require trust. S&O is a rather competitive strategy that aims to show competitive motives and has a defensive function against the other negotiator’s motives (Fisher, Ury & Patton, 2012). Furthermore, low trust is associated with unwillingness to information sharing. Offers are made without the knowledge of the motives and goals of other parties. This leads to less satisfaction and lower joint gain (Gunia, et al. 2011). This strategy is more frequently used by members of the honor culture (Gunia, et al. 2011).

Present research

So far many facts are known about the culture of dignity (e.g. Kim, Cohen & Au, 2010; Uskul et al. 2012) and the culture of honor (e.g. Cohen & Leung, 2011; Rodriguez Mosquera et al. 2008; Cohen et al. 1996). There is a wide body of research about negotiation issues (e.g. Lewicki et al. 2006) and cultural differences concerning this topic (e.g. Aslani et al., 2011; Kim et al, 2010).

However, not much is known about the impact of the social rewards on the results of the negotiations. The present study aims to verify how social reward influences cooperation and trust in a negotiation among members of the dignity and the honor cultures. Judging from previous studies (Branzei et al., 2007; Butler, 1995), we assume that (H1) Spanish participants will have lower level of general trust than Dutch participants. In accordance with earlier studies (Servatka et al., 2011; Sliwka, 2007) we expect that (H2a) in the social reward condition participants from Spain will have higher level of situational trust than in no social reward. Moreover, (H2b) Spanish participants will have lower level of situational trust than Dutch participants in the no-social reward condition.

Because members of the honor culture are more interested in underlining their (higher) position (e.g. Rodriguez Mosquera et al., 2008) we assume that the Spanish participants will have higher price offers than the Dutch participants (H3a). We do not expect that the presence of social reward will have an impact on the negotiation offers (H3b). However, in accordance with the principle of reciprocity (Cohen & Leung, 2011) we presume that (H3c) the presence of social reward will reduce the price, proposed by negotiators from Spain. However, (H3d) it will not affect the price proposed by the participants from the Netherlands (because reciprocity norm is not very strong in the dignity culture). Next, because we assume that the Spanish participants will have lower level of trust, we conclude that, (H4a) they will use more S&O strategy than the Dutch participants. On the contrary, (H4b) the Dutch participants will

use more Q&A strategy than the Spanish participants – this is because we presume that they will have a higher level of general trust, than the participants from Spain.

To test our hypothesis we conducted an experiment which consisted of a questionnaire and negotiation description. At the beginning the general values of honor and dignity and individual characteristics were measured. Then participants received a negotiation scenario. They were supposed to imagine a conversation with a neighbor about the price of a video projector. At the end we have checked outcomes of the negotiations and measured the negotiation strategy.

Method

Participants and design

114 participants (93 female and 21 male) from the Netherlands and 96 participants (77 female and 15 male) from Spain took part in the study. However, one participant from Spain was excluded from analyses because he failed to complete the survey, 3 other Spanish participants were also excluded from further analyses because they turned out to be outliers (more than 4 standard deviations) in terms of age. The Dutch participants were students from the University of Leiden ($M_{\text{age}}=19.95$, $SD_{\text{age}}=2.21$); the Spanish participants were from the University of Seville ($M_{\text{age}}=20.24$, $SD_{\text{age}}=2.47$).

To examine the differences in age between two groups an One-way ANOVA was conducted with an independent variable Culture and dependent variable Age. The results showed that the main effect of Culture was not significant ($F < 1$, ns). That means the participants from Spain and the participants from the Netherlands are not statistically different in the Age variable.

Seven participants did not fill in their age thus in order to conduct a statistical analyses their age has been filled in with an average age for Spanish participants (20 years old). Moreover, all participants from Spain were Spanish, majority of participants from The Netherlands were Dutch, however 3 participants had a different nationality – one person had German nationality, one had English nationality and one participant had Indonesian nationality. Discarding participants with nationalities other than Dutch or Spanish would not affect the results, therefore they were included in the analysis. All participants were rewarded with 1 credit or 3.5 euro.

The experiment had a 2 (culture: honor vs. dignity) \times 2 (social reward: gift vs. no gift) quasi-experimental between-participants design. Dutch participants represented dignity

culture while Spanish participants represented honor culture. Participants were randomly assigned to the experimental manipulation of social reward. Dependent variables were negotiation offers, negotiation strategies and situational trust.

Procedure

The participants were recruited at the University of Leiden and the University of Seville. They were informed that the study would measure cultural differences during a negotiation simulation and it would take approximately 25 minutes. When the student agreed to participate in the study, he or she was invited to the laboratory. When the participants appeared in the laboratory, they were provided with the information about the study and the informed consent form. Respondents filled in the questionnaires individually. Each participant used the computer in a special, isolated room. Then students answered the questions included in the survey and the negotiation scenario. The first part covered the values of the dignity and the honor cultures, general trust and self-esteem. The second part contained the scenario. The participants read the scenario about a negotiation and they were asked to imagine negotiating with another party about selling their video projector. The participants, who were assigned to the social reward condition received a small gift from their neighbor, while participants in the no-social reward condition did not receive anything from their neighbor. In order to measure negotiation strategies, negotiation outcome and situational trust survey was conducted. It contained questions about offer price, used strategies and trust level during the negotiation. After completing the survey the participants were debriefed and rewarded with 1 course credit or 3.5 euro.

Materials

Dignity values.

Dignity values were measured by 7-question (e.g. *“To what extent do most people in your culture think that people should speak their mind?”*) questionnaire constructed by Severance and colleagues (2013), which was rated on the 7-point Likert scale ranging from *“Very infrequently”* to *“Very frequently.”* Higher score mean that person has more dignity values. ($\alpha=.73$)

Honor values.

Rodriguez Mosquera and colleagues (2002) created 5-items (e.g. *“How bad would people in your culture feel about themselves if their family had a bad reputation?”*) questionnaire to measure family honor. Answers were placed on 7-point Likert scale ranging from *“Very infrequently”* to *“Very frequently”*. ($\alpha=.72$). Second questionnaire related to honor was used (Rodriguez Mosquera et al. 2008). This 5-items questionnaire was rated on 7-point Likert scale. The answers were rated between *“Not at all important”* and *“Extremely important”*. Example item- *“It is important that others see me as someone who deserves respect”*. ($\alpha=.86$). Higher score means the person has higher level of honor values.

General trust.

General trust was measured by questionnaire designed by Gunia and colleagues (2011). This questionnaire consisted of 5 items (e.g. *“In negotiations the other party will try to be someone who keeps promises and commitments”*). All answers were rated from *“Very infrequently”* to *“Very frequently”* on 7-point Likert scale. Higher score means that participant’s general trust is on the higher level. ($\alpha=.86$)

Self-esteem.

The self-esteem was measured with ten statements (Rosenberg, 1979). For example “*I feel that I have a number of good qualities*”. Responses were rated from “*Totally disagree*” to “*Totally agree*”. Higher score indicates higher self-esteem. ($\alpha=.72$)

Scenario

The scenario concerned negotiations between the participant and his/her imaginary neighbor. The participant was asked to imagine, that he or she wants to sell a video projector. To do so he or she has placed an advertisement in the hallway of apartment building. The video projector is in good condition, except for one scratch on the top of the device. One of neighbors is interested in buying a projector, however until now the participant does not have a closer relationship with him/her. In one version of the scenario the participant receives a small gift from the neighbor after they meet (social reward condition). In the second version there is no gift (no social reward condition). Eventually, the participant should have imagined a conversation with the neighbor, during which they are negotiating the price. The participant could propose a price between 800 and 2200 euro (see Appendix).

Response to negotiation scenario:

Negotiation offers.

Offers (the proposed price) were measured by a created questionnaire for this study with five open questions. At first, the participants had to answer four open questions measuring target price, participant’s first offer, the lowest price a participant could accept, and the possible first offer from the second party. Later, they had to estimate what proportion of the initial value they expect to gain – by using a special slider.

Negotiation strategies.

Negotiation strategies were investigated. For that purpose a questionnaire was used, taken from the study conducted by Gunia and colleagues (2011). To test the presence of

Questions and Answers strategy 8-item questionnaire technique was used. Answers were rated on the 7-point Likert scale ranging from “*Totally disagree*” to “*Totally agree*”. A sample item: “*We would discuss common interests*” ($\alpha=.74$). The presence of Substantiations & Offers was checked in a similar manner. Example item: “*I would make a lot of offers*” ($\alpha=.67$). Higher scores means that participant would use one of those strategies more often.

Situational trust.

Situational trust was measured. Answers to 4 questions created by Gunia et al. (2011) were rated from “*Totally Disagree*” to „*Totally Agree*” on the 7-points Likert scale. Example item: “*In this negotiation I would trust my counterpart*”. Higher score means higher situational trust. ($\alpha=.72$)

Positive reciprocity.

Positive reciprocity was measured by 4-item questionnaire created for this study. Answers were rated on the 7-points Likert scale ranging from “*Totally disagree*” to “*Totally agree*”. Sample item: “*In this negotiation I would feel like I have to repay a favour*”. Higher score means higher positive reciprocity. ($\alpha=.76$)

Manipulation check.

Two questions (“*Did you receive anything from your neighbor?*” and “*Did your neighbor bring you a gift?*”) were asked in order to manipulation check. To these questions, participants were required to answer “yes” or “no”.

Results

Dignity values.

In order to examine the differences in dignity values between the participants from Spain and the participants from the Netherlands the One-way ANOVA was conducted with the independent variable Culture and the dependent variable Dignity values. The results showed that the main effect of culture was significant ($F(1,204)=18.60, p<.001, \eta_p^2=.08$). The participants from the Netherlands scored higher on the dignity values ($M=5.16, SD=.56$) than the participants from Spain ($M=4.61, SD=1.09$).

Honor values.

Differences in the Honor values were also checked. To do so the One-way ANOVA was conducted with the independent variable Culture and the dependent variable Honor values. The result showed that the main effect of culture was significant ($F(1,208)=20.36, p<.001, \eta_p^2=.09$). The Spanish participants had a higher score on the Honor values ($M=5.52, SD=.71$) than Dutch the participants ($M=5.09, SD=.67$).

Self-esteem.

To examine the differences in the self-esteem between the Spanish participants and the Dutch participants the One-way ANOVA was conducted with the independent variable Culture and the dependent variable self-esteem. The results showed that the main effect of culture was significant ($F(1,204)=19.42, p<.001, \eta_p^2=.09$). The participants from the Netherlands scored more on the self-esteem ($M=4.61, SD=.03$) than the participants from Spain ($M=4.40, SD=.03$).

To check whether the self-esteem has an effect on results before every analysis the ANCOVA was conducted with covariate self-esteem. Self-esteem appeared to be a significant covariate only in the case of Hypothesis 1. The results obtained in ANCOVA and ANOVA

analysis were compared. These two analyses gave very similar results, and therefore to test the Hypothesis 1 ANOVA has been used.

General and Situational Trust

To assess the Hypothesis 1 regarding the level of trust in two groups the ANOVA was conducted with the independent variable Culture and dependent variable General Trust. The results showed that the main effect of culture was significant ($F(1,204) = 64.44, p < .001, \eta^2_p = .20$). The Dutch participants had a higher level of general trust ($M = 4.96, SD = .08$) than the Spanish participants ($M = 4.00, SD = .09$). Therefore, the Hypothesis 1 has been confirmed.

Furthermore, to examine the Hypothesis 2a and Hypothesis 2b regarding the interaction effect of social reward and culture on situational trust, the Two-way ANOVA was conducted with independent variables condition (gift vs. no gift) and culture, and dependent variable situational trust. The results showed that the interaction effect of culture and condition was not significant ($F < 1, ns$), which means that the Hypothesis 2b and Hypothesis 2a have not been confirmed.

Negotiations offers

In order to test the Hypothesis 3a in regard to effect of culture on negotiations offers, Hypothesis 3b regarding the interaction effect of condition and culture on offers and Hypothesis 3c regarding the interaction effect of culture and condition on offers the MANOVA was conducted with the independent variables Condition and Culture and dependent variables: “What is your target or goal?” (Target), “What is your opening price for the video projector?” (First offer) and “What is the lowest price you are willing to accept from the buyer to sell the video projector?” (Limit). The results showed that the main effect of Culture is significant (for Target $F(1,200)=23.76, p<.001, \eta_p^2=.11$, for First offer

$F(1,200)=23.60$, $p<.001$, $\eta_p^2=.11$, for Limit $F(1,200)=4.72$, $p=.031$, $\eta_p^2=.02$). Thus, the Hypothesis 3a was correct.

The participants from Spain had higher Target ($M_{target}=1739.94$, $SD_{target}=34.31$) than the participants from the Netherlands ($M_{target}=1516.35$, $SD_{target}=30.46$), Spanish participants also had higher First Offer ($M_{first\ offer}=1846.24$, $SD_{first\ offer}=33.13$) than Dutch participants ($M_{first\ offer}=1631.1$, $SD_{first\ offer}=29.41$) and the participant from Spain had higher Limit ($M_{limit}=1296.10$, $SD_{limit}=32.26$) than the participants from the Netherlands ($M_{limit}=1202.36$, $SD_{limit}=28.64$). Therefore, Hypothesis 3a has been confirmed.

The results showed that the main effect of Condition was not significant in regard to Target ($F<1$, ns) and First Offer ($F<1$, ns). However, the main effect of Condition was significant regarding the Limit ($F(1,200)=4.41$, $p=.037$, $\eta_p^2=.02$). Thus, the presence of social reward (Condition) had influence only on the Limit. Thus, the Hypothesis 3b was only partially confirmed.

The interaction effect of Culture and Condition was not significant regarding Target ($F<1$, ns), First Offer ($F<1$, ns) and Limit ($F(1,200)=1.86$, ns). That means Hypothesis 3c had not been confirmed. However, lack of significant interaction effect means that Hypothesis 3d had been confirmed.

Negotiations strategies

To check if the Condition has an effect on S&O and Q&A strategy MANOVA was conducted with dependent variables S&O and Q&A and independent variable Condition. The result showed that the main effect of Condition was not significant in regard to S&O and Q&A strategy ($F<1$, ns; $F<1$, ns; respectively).

To test Hypothesis 4a regarding effect of culture on negotiation strategy S&O and Hypothesis 4b regarding effect of culture on negotiation strategy Q&A MANOVA was

conducted with independent variable culture and dependent variables S&O and Q&A. The results showed the main effect of culture for S&O is significant ($F(1,203)=14.00, p<.001, \eta_p^2=.06$). The Spanish participants used the S&O strategy more ($M=4.30, SD=.07$) than the Dutch participants ($M=3.94, SD=.06$). Thus, the Hypothesis 4a has been confirmed.

Moreover, the result showed the main effect of culture regarding Q&A is significant ($F(1,203)=13.23, p<.001, \eta_p^2=.06$). However, on the contrary to the Hypothesis 4b the participants from Spain scored higher on the Q&A strategy ($M=5.05, SD=.84$) than the participants from the Netherlands ($M=4.66, SD=.67$). That means the Hypothesis 4b has not been confirmed.

Manipulation check

To examine the validity of the social reward manipulation a Chi square test was conducted with the independent variable Social reward (condition) and the dependent variable “Did your neighbour bring you a gift? ”. The results showed the Chi square was significant ($\chi^2(1) = 76.73, p = .000$). Thus, the two conditions statistically differ in confirmation of receiving a gift. 74 (71.8%) participants in the social reward condition confirmed that they received a gift from their neighbor in comparison to 12 (11.7%) participants in the no social reward condition.

Moreover, a Chi square test was conducted with the independent variable Social reward condition and dependent variable 'Did you receive anything from your neighbour?'. Results showed Chi square was significant ($\chi^2(1) = 7.51, p = .006$). Thus, the two conditions differ in confirming of receiving anything. 86 (83.5%) participants in the social reward condition confirmed that they received something from their neighbour compared to 69 (67.0%) in the no social reward condition.

This means the manipulation was effective, however the first question was a better mean to manipulation check. The results indicate that the second question regarding manipulation check ('Did you receive anything from your neighbour?') was not completely clear, causing confusion and misunderstanding of its meaning.

Mediation analysis.

A Two-way ANOVA was conducted with independent variables Social reward condition and Culture, dependent variable Positive reciprocity. Results showed that a main effect of Social reward condition was significant ($F(1,202) = 11.56, p = .001, \eta^2_p = .06$). Participants in the social reward condition scored higher on positive reciprocity ($M = 3.92, SD = .10$) than participants in the no social reward condition ($M = 3.43, SD = .10$). Also, the main effect of Culture was significant ($F(1,202) = 49.01, p < .001, \eta^2_p = .20$). Dutch participants scored higher on positive reciprocity ($M = 4.17, SD = .09$) than Spanish participants ($M = 3.18, SD = .11$). The interaction effect between Social reward condition and Culture was not significant ($F < 1, ns$). Because this interaction was not significant, only the variables Condition, Limit and Positive reciprocity were included in the mediation analysis.

Thus, in the mediation analysis, regression was performed with dependent variable Limit, independent variable Condition and mediator Positive reciprocity. Results showed that Condition influenced Positive reciprocity ($B = -.46, t(205) = -2.95, p = .004$). The variable Condition was dichotomous and the social reward condition was coded with 1 and the no social reward condition was coded with 2. Therefore, the negative regression coefficient indicated that Positive reciprocity was lower in the no social reward condition than in the social reward condition. Moreover, Positive reciprocity influenced the Limit ($B = -40.32, t(205) = -2.09, p = .0382$). Thus, the higher positive reciprocity, the lower the Limit. Additionally, the relation of Condition on Limit was significant ($B = 85.81, t(205) = 1.98, p =$

.0492). Therefore, the positive regression coefficient indicated that the Limit was higher in the no social reward condition than in the social reward condition. If the mediator Positive reciprocity was excluded, the relation of Condition on Limit was not significant ($B = 67.21, t(205) = 1.53, p = .1276$). The regression model was also significant ($F(2,202) = 4.17, p = .0169$). These findings indicate that the effect of Condition on Limit was mediated by Positive reciprocity. 4% of the variance in Limit can be explained by this mediation model ($R^2 = .04$). This indirect effect was different from zero (CI 95% between 2.22 and 48.56). This means that the changes in the Limit related to Condition can be explained by Positive Reciprocity – the higher participants score on the positive reciprocity the lower was their Limit.

Discussion

The culture of honor and the culture of dignity are both intriguing. Even more interesting are the differences in behavior among members of those two cultures. These differences are mainly caused by different location of the self-worth. People from dignity culture have internally located self-worth (Kim et al. 2010). In turn, members of the honor culture are basing their feeling of self-worth on external information, for instance other people's judgments (Rodriguez Mosquera et al. 2008; Kim et al. 2010).

The aim of this study was to examine the impact of social reward on the trust and cooperation among the participants of the two previously mentioned cultures. To investigate this, a negotiation scenario method has been used. Based on previous studies following assumptions have been made: firstly, Spanish participants will have lower level of general trust than Dutch participants. Secondly presence of social reward will increase the level of situational trust in both groups. Moreover, participants from Spain will have lower level of situational trust than participants from the Netherlands in the no-social reward condition.

The next three hypotheses concern the negotiation offers. In accordance with earlier studies participants from Spain are supposed to have higher negotiation offers than the participants from the Netherlands. Additionally, the presence of social reward will reduce the negotiation offers proposed by negotiators from Spain, but on the other hand it will not affect the price proposed by the participants from the Netherlands.

The last two hypotheses have been related to participants' negotiation strategies. The first assumption claimed that Spanish participants will use more S&O strategy, than the Dutch participants, and the second stated that Dutch participants will use more Q&A strategy than the Spanish participants

The results confirmed the Hypothesis 1. Participants from Spain had a significantly lower level of general trust than participants from the Netherlands. Those results are in line with the previous studies (e.g. Branzei et al. 2007). The Hypothesis 2a and the Hypothesis 2b have not been confirmed. The level of situational trust did not increase under the influence of the social reward. These findings are not consistent with previous studies (Servatka et al. 2007; Sliwka, 2007) which have shown that the presence of gifts leads to higher trust level. A possible reason for this result may be the testing method that has been used. Questionnaire and negotiation scenarios may give different results than real life situation. Previous studies were often based on a simulation of the situation. Inconsistency between previous results and current outcome may be caused by the usage of different testing methods. Situational trust, according to the approach presented in the article of (Rosenbaum, Davenport, & Swan, 2003) is constituted, maintained, managed, and broken in the process of social structure that develops gradually. In my opinion the one-time exposure to the "gift" condition was not a sufficient clue to change the level of situational trust.

The Hypothesis 3a has proved to be true. Participants from Spain had higher negotiation offers than participants from the Netherlands. This result is consistent with previous findings that showed that members of the culture of honor, in this case, Spanish participant, are more aggressive in negotiations and they want to show themselves as tough and superior (Cohen et al. 1996; Aslani et al., 2011). Moreover, our results are in line with the statement from the previous study (Kim et al, 2010) which claims that people from the West act with lower aggression during negotiations. This is possible thanks to the fact they are not afraid of losing their self-worth or status.

We assumed that the presence of social reward will have no influence on the negotiation offers. However, it proved to be false. The presence of the gift did not affect the Target and First offer, but surprisingly it decreased the Limit. We discovered that this effect

can be explained by positive reciprocity. The higher score on positive reciprocity the lower the Limit. On the one hand, participants were not willing to lower their proposed target price and what they intended to achieve. On the other hand, when the other party came out with the proposal, they were willing to agree on a lower price. It is possible that the agreement on a lower price is not considered as a sign of weakness. However proposing lower prices or decrease the target is considered as a softness.

Hypothesis 3b proved to be incorrect. The presence of social reward did not influence the negotiation offers of participants from Spain. Their offers in the “gift” condition were not significantly different than offers in the “no-gift” condition. This result is surprising because it is in conflict with previous studies. Previous researches have shown that members of the culture of honor (in this case Spanish participants) are characterized by a high level of reciprocity (Cohen & Leung, 2010). Gift should increase the willingness to repay for the good, which should lower the offers. Explanation for this outcome may be explained by the research method. The scenario could be insufficient to cause the expected reaction. Probably application of “the real life situation” paradigm would be more effective. In addition, the more detailed description of the gift receiving and the gift itself is, the more it might help in testing the impact of social reward on the level of offers.

On the other hand the lack of interaction effect means the confirmation of the Hypothesis 3c – presence of the gift did not affect the offers among Dutch participants. Although such a result is consistent with previous studies - reciprocity is not a strong feature in the culture of dignity, so the "gift" should not affect the negotiation offers (Cohen & Leung, 2010). We have to take into account that the lack of affect might be a result of inadequate manipulation.

Hypothesis 4a was confirmed. Participants from Spain used the strategy of S&O more than participants from the Netherlands. It is very much in line with previous

studies, which showed that Hispanic, as well as other representatives of the culture of honor, are more aggressive in negotiation process and they want to show their dominance (Cohen et al. 1996; Aslani et al., 2011; Fisher et al. 2012). S&O technique is one of the ways to achieve this goal.

It is interesting that the Hypothesis 4b has not been confirmed. Contrary to the basic assumption Dutch participants did not use Q&A strategy more than the other group. Surprisingly the Spanish participants used this strategy more often than the Dutch participants. The possible explanation for this is that the situation described in the scenario did not allow the Spaniards to behave in only a dominant and aggressive way. If the neighbor / consumer will be dissatisfied he can inform the other residents about the issue, which will cost a participant his honor. Additionally, the reason for the increased use of Q&A strategy could also be that the participants did not feel the need to behave in an aggressive manner. It was due to the fact that as a salesman in a private situation he was already in a dominant position. Moreover, participants knew that situation from the scenario took place in their apartment which could also boost self-confidence. On the other hand, if we look at the outcome from the perspective of participants from the Netherlands we can come to a different conclusion. The Dutch participants, as members of the culture of dignity, are not afraid of losing honor (Cohen et al., 1996; Kim et al, 2010). Therefore they may not be interested in the satisfaction of the other party. Without fear of losing their honor in the building they were not motivated to use the strategy Q&A (or some other).

So far many studies have provided us with evidence of differences between the culture of honor and culture of dignity in areas such as: trust, reciprocity, cooperation and negotiation strategies. Moreover, evidence has been presented that the social reward has an effect on trust and reciprocity. However, in this study we failed to clarify how the "gift" affects the negotiation among participants from Spain and from the Netherlands. Based on the obtained

results it can be assumed that the presence of a gift does not harm the outcome of negotiations. What is more, in certain circumstances, it can even act positively on the results of negotiations. If we start the negotiations from offering a gift, we can count more on that the other party (the seller) agrees on lower price offered by us rather than in the case when there is no gifts. Additionally, if negotiation is conducted with residents of Spain we can be better prepared, knowing that they use two negotiating strategies - S&O and Q&A. This knowledge gives us an advantage that will help us to achieve our goal.

Limitations and recommendations for the future research.

Although this research was carefully prepared, I am aware of its limitations and shortcomings. Firstly, one of the limitations is the applied test method. Studies using scenario may evoke different behavior and thoughts than the real life situation. Moreover, studies that employ a scenario paradigm such as above have their drawbacks. Participants' reports of what they would do may not coincide with actual behavior in real-life situations. Undoubtedly, *in vivo* studies are required to observe if participants' behaviors correspond with their evaluations. Nevertheless, this scenario method provides important insight into young Spanish and Dutch people's attitude towards trust and cooperation.

Another limitation of our study is that it did not show that the presence of the social reward has a different influence on participant from Spain and from the Netherlands in regard to trust and cooperation. One of the possible reasons for this might be significant methodological difficulties observed in cross cultural studies, where self-report instruments were used (Heine, Lehman, Peng, & Greenholtz, 2002). Our assumptions may not have been confirmed due to different subjective reference group for the Spanish and the Dutch. This could confound the results of comparison.

The negotiation situation in the scenario may be another limitation. The description concerns the negotiation between the participant and his neighbor. In previous studies it has been proved the results of the negotiations differ, depending on whether the other party is a friend or a stranger (Millar, 2002). The neighbor is not a friend, but he is a member of the same community. This fact may have an impact on changing the participants' attitude for more positive, which may affect the answers.

In the future, additional studies related to the impact of social reward the trust and cooperation are needed. We propose two potential studies. First, we recommend to conduct a similar survey as in the present study, but with a different description of the situation. We suggest that the scenario should include a description of the negotiations with a complete stranger, for example during a yard sale. Moreover, the scenario should include a description of the "gift", thus participants will be able to imagine the situation vividly. The second option is to use a different method. We suggest to conduct a negotiation simulation - face-to-face study. In a more real life situation results may prove to be different and more valuable.

Conclusions.

The aim of this study was to test how presence of the social reward influences trust and cooperation during the negotiations among people from Spain and people from the Netherlands. Unfortunately, because of the limitation of method we were unable to fully achieve the intended purpose. We hope that our findings will serve as a starting point for further researches targeted to check the impact of social reward on the negotiation process.

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Appendix

Scenario

You are interested in selling a video projector. For that purpose, a few days ago, you posted the following ad in the hallway of your apartment building:

FOR SALE: I am selling my video projector. I bought it for 2 000€ six-months ago and it is still under warranty for another 18 months. It is in perfect condition, except a scratch on the top that does not impact performance. Price is negotiable.

You hope some of your neighbors are interested in buying it from you. You bought this high quality projector six months ago to use it at home for watching movies and pictures but you stopped using it very quickly. When you were trying to install it, you realized that the connection was not simple and the projector almost fell down, as a result of this incident, it is scratched on the top. But it works very well. You know that nowadays more and more people have projectors at home and you expect your neighbors to be attracted by it. The use of this projector can't only be home but also for business in a more professional environment.

Luckily, one of your neighbors is at the door asking about the video projector. Until now, relationships among neighbors were limited to polite greetings in the hallway. You welcome your neighbor into your living room, where you have placed the projector in its package, ready to go. You both sit down, and you start thinking about the value of the video projectors. You know that the video projector you bought was 2.000 € and it is still under warranty. You estimate the value of a similar product at around 800-2.200€