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Short Paper submitted to track

PEOPLE:

Human Resource Behaviors & Practices

The endorsement of ethically questionable tactics: the moderating role of culture and individual's attitudes

Short Paper

Negotiation allows people and companies to build, maintain and improve relationships that are a fundamental part of any successful business. Many researchers (e.g., Pruitt, 1981; Fisher and Ury, 1981) consider negotiation as a cooperative, win-win interaction while many others (e.g., Thompson and Hastie, 1990) demonstrate that parties approach the negotiation process having in mind the needs of the counterpart to be opposite to their own. If it is considered the latter assumption many negotiators are willing to gain advantages on the other party even undertaking some ethically questionable negotiation tactics. Information is one of the most dominant sources of power (French and Raven, 1959), particularly in negotiation (Lewicki et al., 1994). As it has been considered by Lewicki and Robinson (1998), dishonesty in negotiation is primarily concerned with problems of lying and truth telling. Since negotiation is primarily a process of exchanging and communicating this information in a persuasive manner, the opportunities for unethical conduct are ones of dishonest communication[1].

In this paper, we are particularly interested in the role of culture and individuals' differences in the endorsement and use of different negotiation tactics in China (i.e., PRC). We think that such context is interesting because Chinese economy is one of the largest economies in the world and also one of the most fascinating in terms of dynamism, growth rate and challenges that hava been successfully met. In fact, the Chinese nation has emerged as a global leader on multiple aspects, its long term economic is expected to be stronger, developing the middle class and enhancing investments (www.weforum.org). Since 1978 reforms Chinese GDP grew on average 10% yearly, taking out of poverty more than 500 million people (www.worldbank.org).

However, much concern has been expressed in recent years regarding the state of business ethics in the People's Republic of China, and it has been suggested that unethical behavior is common in the business community (Shafer 2008). The

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[1] We broadly define negotiation as "*a process by which a joint decision is made by two or more parties. The parties first verbalize contradictory demands and then move towards agreement by a process of concession making or search for new alternatives.*" (Pruitt, 2103; p.1).

Chinese rapid business development has created concerns about PRC's business ethics and morality. It is often suggested that unethical and irresponsible business practices are widespread in China (e.g., Hanafin 2002; Lu & Enderle 2006; Snell & Tseng 2002; Wang 2003). Moreover, As suggested by Cooper et al. (2002): "During China's economic reform, pursuing personal interests has become acceptable and in this transitional period, moral standards are not well established, and the Chinese accounting profession has been developing during this period of moral vacuum." (p. 387). The Chinese have a less clear and inflexible demarcation between right and wrong. In China, most things seem permissible in and of themselves, if they do not do damage in other ways (Singh, Vitell, Jamal Al-Khatib, and Clark 2007).

Since the relevance of this issue in the Chinese context, we build on and expand previous studies exploring the determinants of the use of questionable negotiation tactics (e.g., Banai, Stefanidis, Shetach and Ozbek, 2013; Lewicki and Robinson, 1998). For example Banai and colleagues (2013) studied the theory of ethically questionable negotiation tactics investigating the influence of horizontal and vertical individualism–collectivism, ethical idealism, and trust propensity on employees' attitudes toward ethically questionable negotiation tactics in Israel and Kyrgyzstan. However less attention has been posited on the potential moderating role of culture, accountability, in(out)-group membership, and individual's differences on such relatioships (Liu, Friedman, and Hong, 2011).

In fact, whereas in the past literature negotiation has been considered as a relation between two or more unemotional actors (Bazerman, 1983), after the 1980s scholars in business school began to recognize influences of individual decision making on negotiation. The marriage of negotiation and decision-making research meant that individual axioms of decision-making could be applied to negotiation research (Bazerman, Curhan, & Moore, 2001). So from there, it has been considered individual believes and characteristics as important determinants in the negotiation process. In this paper, we use vertical/horizontal-individualism-collectivism that can be, at the individual level, particularly informative of different cultural forms (Probst, Carnevale and Triandis 1999; Triandis 1995; Triandis, Carnevale, Gelfand, Robert, Wasti and Probst, 2001) and it is already shown to impact negotiating behaviors (Banai et al., 2013). Additionally, we studied individual attitudes in the form of self-monitoring personality as an important aspect able to impact individual's decision to conform to social and cultural norms. As suggested by Day, Unckless, Schleicher

and Hiller (2002) "self-monitoring has relevance for understanding many organizational concerns, including job performance and leadership emergence" (p. 390).

Using an experimental design, similar to the one proposed by Liu and colleagues (2012), in which we manipulated individual's membership (Ingroup vs Outgroup) and accountability (High vs Low), we tested our hypotheses with eighty-four Chinese undergraduate students in Xi'an (PRC). The results show the combined effect of different scenarios on the endorsement of ethically questionable negotiation tactics and the moderating role of individual's characteristics such as such as self-monitoring and individual-collectivist orientations. More precisely, we forecast an increase (reduction) of the endorsement of ethically questionable negotiation tactics for low (high) accountability and for in-group (out-group) member conditions. Moreover a positive (negative) moderation effect on these relationships is expected for individual's differences in vertical-individualism (horizontal-collectivism) and high (low) self-monitoring (see figure 1).

Overall the results confirmed our hypotheses (see table 1 for a syntheses) showing the combined effect of different scenarios on the endorsement of ethically questionable negotiation tactics and the moderating role of individual's characteristics such as such as self-monitoring and individual-collectivist orientations.

In particular, it has been found an increase (reduction) of the endorsement of ethically questionable negotiation tactics for low (high) accountability and for in-group (out-group) member conditions. Moreover a positive (negative) moderation effect on these relationships is found for individual's differences in vertical-individualism (horizontal-collectivism) in the case of in-group-low accountability and out-group-low accountability, respectively. In the case of self-monitoring the results showed that the ability to modify self-presentation increase the use of ethical questionable tactics when negotiating with an in-group member in a low accountability condition. The opposite effect happened when considering the individuals' sensitivity to expressive behavior of the others. A partially significant and decreasing effect for the sensitivity to expressive behaviors of others was also found in the case of out-group-low accountability scenario. Direct negative effects of individual's ability to modify self-presentation were also found in the case of in-group low accountability and out-group high accountability situations, respectively.

Finally we found that previous experience in negotiation and individuals' attitudes towards ethics were significantly negatively and positively correlated with the endorsement of ethically questionable tactics, respectively. An implication for frequency in negotiation could be that a higher experience in negotiation might be associated with a more fair and professional behavior. Concerning ethical idealism, we obtained a significant and positive relation between the factor representing individual's perception of "rightness" and the use of ethically dubious negotiation tactics. As we reported before, it could be explained by the different perception of ethics in the Chinese culture. It is already been shown that unethical practices in business are common in China (e.g., Hanafin, 2002; Lu & Enderle, 2006; Snell & Tseng, 2002; Wang, 2003). Additionally it has described that personal interests has become acceptable while moral standards are still not well established (Cooper, Chow and Wei 2002). For these reasons, Chinese ethics perception might lead to different approaches of negotiations and so some negotiation tactics considered unethical form western cultures could be considered "ethical" in Asiatic cultures (eg. PRC).

This work extends previous studies exploring the moderating role of cultural and individual differences in the endorsement and use of ethically questionable negotiation tactics. Our findings are also important for HR managers who want to design incentive systems related to performance sales negotiation or for board of directors during a merger and acquisition event. What these findings suggest is that manager should be careful on the possible negative interaction between accountability, self-monitoring personality and in-group membership on the use of ethically questionable tactics and its impact on the company reputation as well as the outcomes of a negotiation.

Table 1. Summary of the hypotheses and results

Hypothesis	Results
Hypothesis 1 More willing to endorse ethically questionable negotiation tactics in the low-accountability condition with an in-group member (same race).	Totally supported. The individuals in the in-group-low accountability are the most willing to endorse ethically questionable negotiation tactics (Tab. 5)
Hypothesis 2 Less willing to endorse ethically questionable negotiation tactics in the high-accountability condition with an out-group member (different race).	Partially satisfied. Individuals in the out-group- high accountability are willing to endorse ethically questionable negotiation tactics less than in-group-low accountability but not less than out-group-low accountability (Tab. 5)
Hypothesis 3 High score on vertical individualism and/or vertical collectivism (horizontal collectivism and/or horizontal individualism) will positively (negatively) moderate the interaction between accountability and group membership on the endorsement of ethically questionable negotiation tactics.	Partially satisfied. In the in-group-low accountability scenario we have a positive moderation effect for vertical individualism and horizontal individualism and a negative moderation effect for horizontal collectivism and vertical collectivism (p $=<$ .05). Table 7.
Hypothesis 4 High (low) score on self-monitoring will positively (negatively) moderate the interaction between accountability and group membership on the endorsement of ethically questionable negotiation tactics.	Partially satisfied. In the ingroup-low accountability scenario we have a positive moderation effect for Individual's Ability To Change Self-Presentation (Self-monitoring A) and a negative moderation effect for the Sensitivity To Expressive Behaviors Of Others (Self-monitoring B) (p $=<$ .05). Table 11.

Figure 1. Theoretical Model of the hypothesized relationships

Accountability & Group-Membership

—   —

Vertical-Individualism/
Vertical-Collectivism   +

Self-
Monitoring   +

Horizontal-Collectivism
Horizontal-Individualism   -

Ethically
Questionable
Negotiation
Tactics

NOTE: 2x2 scenario-based experimental design with accountability (high vs. low), and group membership (out-group vs. in-group) as between-dyads factors

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