Perception of unethical negotiation tactics: A comparative study of US and Saudi managers

Jamal A. Al-Khatib\textsuperscript{a,}*, Avinash Malshe\textsuperscript{a}, Mazen AbdulKader\textsuperscript{b}

\textsuperscript{a}Department of Marketing, Opus College of Business, University of St. Thomas, St. Paul, MN, USA
\textsuperscript{b}School of Administrative Sciences, King Saud University, Riyadh, Saudi Arabia

Received 27 October 2006; received in revised form 21 June 2007; accepted 31 August 2007

Abstract

The recent accession of Saudi Arabia to the World Trade Organization (WTO) will increase the country’s participation in world trade and the Saudi market attractiveness to Foreign Direct Investment (FDI). As the opportunities for international trade grow, managers from across the globe, including those from the US will be engaged in negotiating with their Saudi counterparts. Owing to the cultural differences across these two countries, the need to understand how culture may affect various individual characteristics such as idealism, relativism, opportunism, and Machiavellianism and managers’ perceptions of unethical negotiation practices becomes very prominent for successful business negotiations. The present study assists in this endeavor. Specifically, this study compares managers from the two countries on their individual characteristics and also contrasts their impact on managers’ perceptions of various unethical negotiation tactics. Based on the data consisting of 259 US and 198 Saudi managers, the study findings suggest that managers across these two countries exhibit significant differences in their individual characteristics. Further, we also show that these characteristics have differential effects on managers’ perceptions of unethical negotiation tactics across the two countries. We highlight study contributions and also provide implications for the development of negotiation strategies capable of enhancing Saudi and US firms competitiveness.

\textcopyright{} 2008 Elsevier Ltd. All rights reserved.

Keywords: Cross-country comparison; Negotiation; Unethical negotiation tactics

1. Introduction

Recent geopolitical events have placed Saudi Arabia at the center of attention on the global stage and presented many potentially profitable opportunities for Saudi firms interested in globalization and foreign firms interested in the Saudi market. As international trade and business opportunities have grown between the US and Saudi Arabia, business executives and policymakers from both sides have begun to constantly engage in negotiating with one another. Prior research (Hunt & Vitell, 2006) shows that business executives’ individual characteristics (e.g. personal values and beliefs) can have a significant effect on how they perceive different ethical situations. Owing to the cultural differences between the US and Saudi Arabia, it is plausible

*Corresponding author. Tel.: +1 651 962 5126.
E-mail addresses: jaalkhatib@stthomas.edu (J.A. Al-Khatib), amalshe@stthomas.edu (A. Malshe).
that executives from these two countries, if measured, may score higher or lower on the same characteristic and may also perceive unethical negotiation tactics differently compared to their counterparts. Given the importance of individual characteristics in determining executives' perceptions, it is imperative that executives from both countries understand each other very well. This assumes greater importance in situations involving negotiations. Owing to the inherent dynamics in negotiations (Banas & Parks, 2002), individual characteristics may compel negotiating partners to perceive and judge various unethical situations differentially so as to maximize their gain out of the negotiations.

Though extant research shows that people from different countries differ from one another in terms of many variables including individual characteristics (Al-Khatib, Vitell, & Rawwas, 1997; Singhapakdi, Kraft, Vitell, & Rallapalli, 1995; Singhapakdi & Vitell, 1993a, 1993b; Vitell et al., 2003), historical contexts, nationalistic sentiments, emotions, and feelings (Fang, Fridh, & Schultzberg, 2004; Shi & Wright, 2003), time processing orientation and preferences (Swei & Teo, 1997); some other research (Amine & Cavusgil, 1985; Kaynak, 1985) tends to treat all foreign executives as a monolithic—think- or act-alike people rather than a group that consists of a number of segments, each featuring different characteristics, likes, attitudes and behaviors. This makes efforts to uncover global differences a wasted effort, does not yield any strategic direction (Amine & Cavusgil, 1985), and compels executives and policymakers to rely on simplistic formulas such as “when in Rome, do as the Romans do” while dealing with their foreign counterparts. Further, the effect of business executives' individual characteristics in ethical decision making has been studied extensively in Western cultures (e.g. Fraedrich & Ferrell, 1992; Mayo & Marks, 1990; Reidenbach & Robin, 1990; Singhapakdi & Vitell, 1991; Vitell & Hunt, 1990; Vitell, Nwachukwa, & Barnes, 1993). However, research that takes a cross-cultural perspective and that focuses on executives from developing and transitional economies in particular is scant. Hence extant research does not provide any guidance regarding whether the variables shown to be important in determining individual's perceptions of unethical situations in western countries will be equally important in samples from other countries.

The present addresses this gap in extant literature by examining the effect of business executives' individual characteristics such as idealism, relativism, Machiavellianism, and opportunism on their perceptions of unethical negotiation tactics. Specifically, we examine the effects on outcome measures such as managers’ perceptions of: (a) competitive bargaining, (b) inappropriate information gathering, (c) attacking opponent network, (d) making false promises, and (e) information misrepresentation during negotiation process. Further, we compare and contrast the relationships among these variables found in the US sample with those found using Saudi sample. More specifically, the present study answers the following three research questions: (a) Do executives from these two cultures differ in their individual characteristics—i.e. when compared, do they exhibit significantly different levels of idealism, relativism, opportunism, and Machiavellianism? (b) Will these characteristics, that have been shown to be important in determining perceptions of various ethical situations in western cultures, also be important in Saudi context? (c) Will these variables differentially impact executives’ perceptions of unethical situations (i.e. unethical negotiation tactics) across two countries?

Hunt and Vitell (2006) (HV henceforth) provide the theoretical foundation for this study. Broadly, HV’s framework provides that individual characteristics such as value and belief system; among other things, can determine how an individual makes ethical judgment, whether an individual perceives a problem to be ethical, and also how he/she perceives ethical consequences of his/her actions. We draw on the framework proposed by HV and assess how some key individual characteristics affect business executives’ perceptions of certain unethical actions. HV, in their theory of ethics (Hunt & Vitell, 2006), highlight the deontological and teleological perspectives. As we will argue later in this paper, the deontological and teleological perspectives parallel Forsyth’s (1980) two-dimensional personal moral philosophies concepts of idealism and relativism. Moral philosophies can be considered an integral part of an individual’s value and belief systems, and hence can be categorized as individual characteristics using the HV framework. Further, Longenecker, Moore, Petty, Palich, and McKinney (2006) while studying ethical attitudes in small businesses and larger organizations identify Machiavellianism (Machiavelli, 1984), as another individual characteristic that may play an important role in determining executives’ ethical perceptions. The last individual characteristic we study here is opportunism. Opportunism has been characterized as “a lack of candor or honesty in transactions, to include self-interest seeking with guile” (Williamson, 1985, p. 9). In this study, we focus our
attention on the above four key individual characteristics and investigate how these affect business executives’ perceptions of using unethical tactics during the negotiation process. This study has the potential to expand our knowledge of ethical frames-of-references, and improve the efficiency and effectiveness of cross-cultural negotiations—especially between USA and Saudi Arabia. Understanding differences in perceptions of unethical negotiation tactics and their determinants can help negotiators anticipate and make sense of behaviors, limiting misunderstanding, frustrations, and breakdowns in negotiation (Volkema, 1998, p. 233).

The next section of the paper reviews the relevant literature. Specifically, we highlight literature on unethical negotiation tactics and four key individual characteristics such as: (a) idealism and (b) relativism (which have also been referred to as ethical orientation in extant ethics literature), (c) Machiavellianism, and (d) opportunism. Drawing on the literature review, we next develop our hypotheses. This section is followed by a detailed description of the methodology employed. Data analysis, results, and discussion are presented in the subsequent sections. The paper concludes with offering managerial implications.

2. Literature review

2.1. Unethical negotiation tactics

Negotiation is a process in which the negotiating parties interact with one another to reach mutual agreements to provide terms, conditions, and guidelines for future behavior (Ghauri & Fang, 2001). Negotiations involve serial communications between parties in that they exchange information and also attempt to influence or persuade one’s counterpart (Banas & Parks, 2002, p. 237). Ideally, negotiation is a process in which two parties are brought together to accomplish mutually beneficial outcomes. However, in many instances people involved in negotiations face a challenging task of balancing and trying to achieve individual goals that may be at odds with the other parties’ goals.

Research in business ethics indicates that the negotiation process is littered with ethical dilemmas and negotiation behaviors range from the ethical to the unethical. As two parties try to reach an agreement, each may want to maximize his or her outcomes and that may force them to use one of the following unethical or dishonest tactics. First, the parties may engage in competitive bargaining in distributive negotiations in that they may exaggerate their demands, hide their bottom line from the other party, or may remain tentative about their negotiation timeline. Second, people may engage in more questionable tactics such as making false promises wherein the negotiator may signal his/her intention to perform some act without actually having the intention to follow through. Third, people may misrepresent information. They may distort their acceptable settlement point(s) so that they may drive/convince the opponent to provide them with more concessions. Fourth, some people may resort to attacking the other party’s network in the form of luring members of the opponent team to join his or her team. Last, they may also engage in inappropriate information gathering tactic using mechanisms such as paying bribes to collect sensitive information about the opponent (Lewicki & Robinson, 1998). In this paper, we treat the executives’ perceptions regarding the appropriateness of using the above five unethical negotiation tactics as outcome variables. We use the definitions suggested by Lewicki and Robinson (1998) above in our operationalization of these constructs.

Lewicki and Robinson (1998) suggest that negotiation behaviors may vary with respect to perceived appropriateness. They note that at the basic level of traditional competitive bargaining consisting of tactics such as exaggerating demands and appearing to be in no hurry to come to an agreement may be generally acceptable. They further note that tactics such as attacking your opponent’s network, making false promises, misrepresenting information, and gathering inappropriate information can be considered to be unethical. Research (Lewicki & Robinson, 1998; Robinson, Lewicki, & Donahue, 2000) suggests that people are generally more accepting of traditional competitive bargaining tactics and less accepting of the other more serious tactics.

Several studies have found that demographic factors can impact the negotiators’ perceptions of whether negotiation behaviors are ethical. It has been shown that age, gender, and occupation lead to different perceptions of deception in negotiation (Anton, 1990). Women have been found to be less accepting of unethical deceptive tactics than men (Lewicki & Robinson, 1998; Robinson et al., 2000). In addition,
nationality has been shown to cause differences in perception of whether negotiation tactics are ethical, with subjects from Western Europe and to a lesser degree the Asia Pacific rim more likely to endorse ethically marginal tactics than other groups (Robinson et al., 2000). Finally, situational factors have also been shown to have an effect on the perception of appropriate behavior (Volkema & Fleury, 2002). Examples of situational factors include having a counterpart who comes with a reputation as an unethical negotiator, being under a time deadline, and dealing with the likelihood of future business relations with an opponent.

2.2. Individual characteristics

2.2.1. Ethical orientation—idealism and relativism

The first two individual characteristics we discuss are idealism and relativism. They have also been categorized as person’s ethical orientation (Forsyth, 1980). According to modern business ethics theories (e.g. Ferrell & Gresham, 1985; Ferrell, Gresham, & Fraedrich, 1989; Hunt & Vitell, 1986, 1992), it is generally assumed that different individuals, when faced with decision situations having ethical content, will apply ethical guidelines or rules based on different moral philosophies. In general, these moral philosophies can be categorized into two major types, deontological and teleological (Murphy & Laczniak, 1981). These two types of moral philosophies were distinguished by Hunt and Vitell (1986, p. 6) this way: “deontological theories focus on the specific actions or behaviors of an individual, whereas teleological theories focus on the consequences of the actions or behaviors”. Hunt and Vitell (1986) describe deontological evaluation as the process where one evaluates the inherent rightness or wrongness of an evoked set of alternatives that he/she views as possible courses of action. This evaluation process involves comparing possible behaviors with a set of predetermined deontological norms or predetermined guidelines that represent personal values or rules of behavior. As for the teleological evaluation process, individuals will evaluate possible behaviors by considering: “(1) the perceived consequences of each alternative for various stakeholder groups, (2) the probability that each consequence will occur to each stakeholder group, (3) the desirability or undesirability of each consequence, and (4) the importance of each stakeholder group” (Hunt & Vitell, 1986, p. 9). In both their original and their revised ethics model, Hunt and Vitell (1986, 1992) depict the ethical decision-making process as involving both deontological and teleological evaluations. This proposition has generally received support (Mayo & Marks, 1990; Vitell & Hunt, 1990) in the literature. The deontological/teleological paradigm is parallel to Forsyth’s (1980) two-dimensional personal moral philosophies concept—idealism/relativism. Consistent with Hunt and Vitell (2006), these can also be characterized as individual characteristics. Forsyth (1980) conceptualizes relativism as the degree to which an individual rejects universal moral rules when making ethical judgments. Relativistic individuals “reject the possibility of formulating or relying on universal moral rules when drawing conclusions about moral questions” (p. 175). This is essentially a teleological perspective. Idealism is conceptualized by Forsyth (1980, p. 176) as the degree to which the individuals “assume that desirable consequences can, with the ‘right’ action, always be obtained”. Forsyth (1980) asserted that idealistic individuals adhere to moral absolutes when making moral judgments. This is essentially a deontological perspective. We use Forsyth’s (1980) perspective and define individualism as an individual characteristic in that such individual assumes that desirable consequences can, with the ‘right’ action, always be obtained. Further, we define relativism as an individual characteristic in that such person rejects the possibility of formulating or relying on universal moral rules when making any judgment.

2.2.2. Machiavellianism

The origins of the term Machiavellianism must be attributed to Nicolo Machiavelli (originally—1500s), who in his primary contribution, “The Prince” asserted (as an advice to the prince) that theological and moral imperatives have no place in the political arena. The primary contribution of his work is its fundamental break between realism and idealism. Machiavelli emphasized the need for morality and asserted that the prince should use the good and evil purely as instrumental means. He further asserts that it is necessary to exercise a proper balance between the two. While the original works of Machiavelli proposed a balanced approach, the term Machiavellian, over the years has been interpreted in many different ways. A Machiavellian person is the
“one who employs aggressive, manipulative, exploiting, and devious moves in order to achieve personal or organizational objectives. These moves are undertaken according to perceived feasibility; with secondary considerations given to the feelings, needs, and/or rights of others” (Calhoon, 1969, p. 211). Hunt and Chonko (1984, p. 30) have noted that “the label Machiavellian [is] becoming a negative epithet, indicating at least an amoral (if not immoral) way of manipulating others to accomplish one’s objectives”. It would be inappropriate, however, to equate “Machiavellian” with such extreme labels like “dishonest” or “deceitful”. Christie and Geis (1970) have cautioned against this interpretation as well. More appropriately, Machiavellian persons possess a kind of cool detachment that makes them less emotionally involved with others or with saving face in potentially embarrassing situations. We concur with this perspective and define Machiavellianism as an individual characteristic in which such individual exhibits cool detachment and is less emotionally involved with others.

Christie and Geis (1970) developed the Mach IV (MACH) scale to measure Machiavellianism. Based on their review of 38 studies utilizing the MACH scale, these authors reported that “high Mach” individuals (those who score high on MACH scale) differ in their behavior and characteristics from “low Mach” individuals (those who score low on MACH scale). The study concluded that high Mach individuals tend to manipulate more, win more, are persuaded less, and influence others more compared to low Mach individuals. The study also reported that high Machs tend to exhibit a relative lack of affect in interpersonal situations, a lack of concern with conventional morality, and a lack of ideological commitment. This lack of involvement with others, perhaps, leads the more Machiavellian individual to be more accepting of unethical business practices.

2.2.3. Opportunism

One of the key individual characteristics that drive marketing exchange and transaction cost is opportunism exhibited by exchange partners. Opportunism has been interpreted as “a lack of candor or honesty in transactions, to include self-interest seeking with guile” (Williamson, 1985, p. 9). The concept has not been limited to the self-interest alone, but has included malicious elements such as lying, cheating, deceit and violations of agreements (Rodney & Heide, 1996). Furthermore, it has been assumed that humans exhibit a characteristic to act opportunistically, whenever it is feasible and profitable (John, 1984). Opportunism can take several forms including withholding or distorting information and shirking or failing to fulfill promises for obligations. Opportunistic tendencies can cripple efficient exchange because it is possible to profit from such behavior. It is assumed that unrestrained self-interest maximization (with guile) best characterizes humans, and that such behavior will emerge to the fullest extent feasible and profitable (John, 1984). Consistent with the extant literature on opportunism, we define opportunism as a lack of candor and honesty.

While the concept of opportunism has been applied in the marketing contexts to explain organizational structure and governance mechanisms (Brown, Dev, & Lee, 2000; John, 1984; Rodney & Heide, 1996), it has not received much attention in the negotiation or ethics literature. Negotiation is a process in which the parties often have conflicting goals with each wishing to maximize their results. Monitoring exchange partners’ opportunism and ensuring that the exchange partners deliver on agreed-upon obligations is a major challenge in conducted global business (Aulakh, Kotabe, & Sahay, 1996). Thus, an investigation of the impact of opportunism on exchange partners’ perception of unethical negotiation practices should help executives to cultivate a constructive relationship with their negotiating partners.

2.3. Hypotheses development

2.3.1. Culture and individual characteristics

Several studies have examined the impact of culture on individual characteristics such as individual’s belief systems; among other things (e.g. Armstrong & Sweeney, 1994; Dean, Chen, Pritchett, & Forrest, 1997; Dubinsky & Loken, 1989; Ford, LaTour, Vitell, & French, 1997; Ghauri & Usunier, 1996; Hofstede, 1980, 1991; Singhapakdi & Vitell, 1993a, 1993b; Srnka, 2004; Vitell et al., 1993). These studies conclude that people from different cultures exhibit different personal characteristics. Further, Hofstede (1980, 1991) suggests that societies differ along four cultural dimensions: power distance, uncertainty avoidance, individualism, and
masculinity/femininity. Power distance represents the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally (Fey & Nordahl, 1999). Uncertainty avoidance refers to the extent to which a society feels threatened by uncertain and ambiguous situations (Fey & Nordahl, 1999). Individualism/collectivism refers to the degree to which people live in a loose social structure and are motivated by self-interests and the interests of their immediate family members, versus a tight social structure in which people distinguish between in-groups and out-groups (Fey & Nordahl, 1999). Last, masculinity/femininity dimension refers to the extent to which the dominant values in society are masculine (assertive, competitive, valuing material acquisition) rather than feminine (non-assertive, valuing trust, a caring attitude toward others) (Fey & Nordahl, 1999; Volkema & Fleury, 2002). Hofstede (1980, 1991) places the US and Saudi Arabia in opposite quadrants using this typology. Saudi Arabia is high (86/100) on power distance (deep divisions of wealth and power, limited interaction and movement between social classes), somewhat high (68/100) on uncertainty avoidance (rules and procedure designed to limit risk and uncertainty, intolerance for abnormal ideas and behaviors), low (50/100) on masculinity/femininity (competition and performance are somewhat valued), and low (36/100) on individualism (tight social frameworks, loyalty to family, friends, and the organization). In contrast, the US culture scores low on power distance (scored 40/110), low on uncertainty avoidance (scored 44/110), high on masculinity (scored 62/110), and high on individualism (scored 92/110). We draw Hofstede (1980, 1991) to argue that Saudi and US managers will exhibit significantly different levels in their individual characteristics that we are focusing on. Below, we explain how distinctions along Hofstede’s four dimensions can help us explain significant differences in these individual characteristics.

2.3.2. Individualism/collectivism

According to Hofstede’s (1980) typology, people in the Arab (collectivistic) cultures emphasize cooperation, affiliation, and security. Unlike people from individualistic cultures, they frown upon unilateral goal attainment (Doney, Cannon, & Mullen, 1998); subordinate their personal interests to the goals of their in-group (Triandis, Leung, Villareal, & Clack, 1985), and evaluate performance based on group rather than individual achievements (Ueno & Sekaran, 1992). Further, in such cultures, work is performed for the welfare, honor and prosperity of the family (Al-Khatib et al., 1997), and actions must maximize the welfare of a larger social matrix of relations. Consequently, such individuals are likely to be more idealistic than those from individualistic culture (United States). However, due to the high level of dependence on their organizations, individuals in collectivistic cultures would be expected to be more loyal to their organizations that they depend on, and be concerned about its well-being while making decisions. While Idealistic individuals strive to make the right decisions, collectivistic manager may attempt to protect the well-being of the organization in ways that will harm others, thus influencing idealism negatively (Karande, Rao, & Singhapakdi, 2002).

Additionally, since collectivist managers are highly concerned about the well-being of the organization, they might become more prone to rejecting universal moral rules and act in ways that might benefit their organizations when considering potentially unethical situations. It is therefore possible to expect managers from collectivistic cultures to exhibit higher degree of relativism (Karande et al., 2002).

This dimension can also determine if individuals will act opportunistically (Doney et al., 1998). It is plausible that collectivist individuals will not act opportunistically since such self-serving behavior may harm interests of other social members, denounce group values, and invite social sanctions (Earley, 1989; Lindsay, 1983; Selmer, 1998; Ueno & Sekaran, 1992). In contrast, since people from individualistic cultures (e.g. American managers) do not often subordinate themselves and their goals to those of the group (Steidlmieier, 1999) and seek to maximize their own interest, it is plausible that they may exhibit greater opportunistic tendencies. Further, given the group commitment characterizing collectivist cultures, Arab managers are less likely to exhibit cool detachment that makes them less emotionally involved with others (a characteristic most dominant among Machiavellian individuals) compared to their individualistic counterparts.

2.3.3. Power distance

The higher score for Saudi Arabia on this dimension suggests that Arabs are intolerant of unusual ideas and behaviors and have a high respect for authority (Hofstede, 1984). People in such cultures are hardworking, obedient (Rawwas, 2001) and tend to yield to the directives held by superiors who establish rules
and long-range plans that can shield them against anxieties about the future. Such people endorse conformity and relationships more than confrontation and individuality (Singh, 1990). The cost of social or organizational deviant behavior is very high in these cultures (Doney et al., 1998). Consequently, unlike members of low power distance cultures (United States); they closely follow rules, do what is socially correct and proper, and judge actions in terms of right or wrong (Rawwas, 2001). Managers from high power distance countries are likely to perceive a need to minimize disagreement with others, by trying to act in ways that will not raise controversies. In other words, power distance may encourage individuals to be idealist and stick to the most right actions. By a similar argument, in determining the rightness of decisions, managers from high power distance countries might be more prone to attributing certain actions to situations so that they can satisfy their superiors, and therefore are likely to be more relativistic than those from low power distance countries. Given the high extent to which Arab societies accept the unequal distribution of power in institutions and organizations (Fey & Nordahl, 1999), it is reasonable to assume that these managers feel coerced, unaccomplished and frustrated by the power and economic and social gaps existing in these cultures. Consequently, Arab managers may tend to behave opportunistically and attempt to seek their own self-interest when the rigid social system allows for such opportunities (Karande et al., 2002).

2.3.4. Masculinity/femininity
This dimension also influences individual ethical tendencies. Arab societies scoring moderately on this dimension tend to value qualities like modesty, humility, benevolence, interpersonal relationships and concern for the weak. In contrast, masculine cultures value ambition, competitiveness, and assertiveness. Individuals from masculine cultures might be tempted to respond to pressure for greater efficiency at all costs. Therefore, they may be more willing to consider taking actions that are harmful to others compared with those from less masculine cultures, and therefore show relatively less idealistic tendencies. As for relativism, the more competitive and ambitious individuals from masculine cultures would be expected to attribute actions to the situation in order to achieve greater efficiency and show superior performance. This may be contrasted with those from less masculine cultures who would have less motivation to do so. Thus, Masculinity can be expected to be positively related to relativism, opportunism and Machiavellianism (Karande et al., 2002).

2.3.5. Uncertainty avoidance
The risk-taking orientation of managers from low uncertainty avoiding countries (United States) may lead them to take actions in order to improve efficiency and performance, even if they were harmful to others. On the other hand, the more risk avoiding managers from the high uncertainty avoiding countries (Saudi Arabia) would not take risky actions/decisions. Thus, it is reasonable to expect managers who avoid risky actions to be more idealistic than those from low uncertainty avoiding countries. Similarly, risk-taking American managers would be prone to attributing certain actions to the situation and therefore be more relativistic than those from the high uncertainty avoidance countries (Saudi Arabia) (Karande et al., 2002).

Based on our discussion above, and given the cultural differences between the United States and Saudi Arabia, it is reasonable to assume that members of both cultures will exhibit these individual characteristic/disposition to varying degrees. It should be noted that it is not possible to hypothesize the direction of differences because multiple aspects cultures may influence managers’ individual characteristics (i.e. idealism and relativism, opportunism, and Machiavellianism) at times in conflicting ways. Hence, we propose:

H$_1$. Saudi and American marketing managers are likely to exhibit significantly different levels of: (H$_{1a}$) Idealism; (H$_{1b}$) Relativism; (H$_{1c}$) Machiavellianism; and (H$_{1d}$) Opportunism.

2.3.6. Individual characteristics and perception of negotiation tactics
Scholars examining ethical issues in marketing and management have found that the degree of idealism and relativism that people exhibit affects how they perceive different unethical situations and how they make ethical judgments (Al-Khatib, Stanton, & Rawwas, 2005; Barnett, Bass, & Brown, 1994, 1996, 1998; Rao & Singhapakdi, 1997; Singhapakdi et al., 1995; Singhapakdi, Vitell, Rao, & Kurtz, 1999; Swaidan, Rawwas, & Al-Khatib, 2004; Swaidan, Vitell, & Rawwas, 2003; Tansey, Brown, Hyman, & Dawson, 1994; Vitell et al., 1993; Wong, 1998). While examining relativism and idealism, Vitell et al. (1993), found that more idealistic
and less relativistic members showed higher levels of honesty and integrity than their less idealistic and more relativistic counterparts. In addition, those who exhibited high levels of idealism and low relativism tended to perceive ethics and social responsibilities as more important than their less idealistic and more relativistic counterparts (Singhapakdi et al., 1995).

Banas and Parks (2002) have found a correlation between ethical orientation (idealism and relativism) and acceptability of the Self-Reported Inappropriate Negotiation Strategies Scale (SINS)—that measures individual’s perceptions regarding the use of five unethical negotiation tactics—viz. information misrepresentation, inappropriate information gathering, competitive bargaining, attacking opponent network, and making false promises. The authors hypothesize that individual’s perceptions regarding the appropriateness of using these questionable negotiation tactics will be affected by their ethical orientation (idealism and relativism). Al-Khatib, Rawwas, and Swidan (2006), in studying the impact of Chinese executives’ ethical orientation on their perceptions of unethical negotiation tactics reported that high degree of idealism and low degree of relativism among Chinese executives led to a negative perception of unethical negotiation tactics.

In summary, the deontological/idealistic orientation of an individual inclines him/her to focus on the absolute rightness or wrongness of an action. Idealists adhere to moral absolutes when making moral judgments and thus reject questionable/immoral actions. In contrast, the teleological/relativistic orientations of an individual incline him/her to focus on the consequences of an action. Relativists are situationists and they are capable of justified their positions/ perceptions based on the circumstances associated with each situation. Drawing on the above, we propose the following:

**H2.** Saudi managers’ idealistic orientation will have a negative impact on their perceptions of: (H2a) Inappropriate information gathering; (H2b) Misrepresentation of information; (H2c) Traditional competitive bargaining; (H2d) Attacking opponent network; and (H2e) Making false promises.

**H3.** US managers’ idealistic orientation will have a negative impact on their perceptions of: (H3a) Inappropriate information gathering; (H3b) Misrepresentation of information; (H3c) Traditional competitive bargaining; (H3d) Attacking opponent network; and (H3e) Making false promises.

**H4.** Saudi managers’ relativistic orientation will have a positive impact on their perceptions of: (H4a) Inappropriate information gathering; (H4b) Misrepresentation of information; (H4c) Traditional competitive bargaining; (H4d) Attacking opponent network; and (H4e) Making false promises.

**H5.** US managers’ relativistic orientation will have a positive impact on their perceptions of: (H5a) Inappropriate information gathering; (H5b) Misrepresentation of information; (H5c) Traditional competitive bargaining; (H5d) Attacking opponent network; and (H5e) Making false promises.

Further, owing to the differences in levels of idealism, relativism, opportunism, and Machiavellianism across the two countries, it is plausible that these constructs will affect the outcome variables differentially across the two countries—e.g. if managers from the US score very low on idealism and the ones from Saudi Arabia score high on that characteristic, it is plausible that the US managers’ low idealism may not have any effect on their perceptions of unethical negotiation tactics whereas Saudi managers’ high idealism may show significant effect on their perceptions of unethical negotiation tactics. Therefore, an argument can be made that because the level of idealism and relativism may differ across countries, the strength of relationship between idealism and relativism and each of the negotiation tactics will differ across the two countries. Hence, we propose:

**H6.** The impact of idealism on: (H6a) Inappropriate information gathering; (H6b) Misrepresentation of information; (H6c) Traditional competitive bargaining; (H6d) Attacking opponent network; and (H6e) Making false promises will differ across the two countries in its strength.

**H7.** The impact of relativism on: (H7a) Inappropriate information gathering; (H7b) Misrepresentation of information; (H7c) Traditional competitive bargaining; (H7d) Attacking opponent network; and (H7e) Making false promises will differ across the two countries in its strength.
2.4. Machiavellianism and perceptions of negotiation tactics

A number of studies have investigated the impact of Machiavellianism on business executives’ ethical perceptions and judgments (Chonko, 1982; Corzine, Buntzman, & Busch, 1999; Hunt & Chonko, 1984). This research indicates that high Mach individuals are likely to perceive unethical behaviors more acceptable and also behave unethically. For example, Christie and Geis (1970) found that Machiavellian individuals lie more plausibly, manipulate others more, are persuaded by others less, and pay bribes more than non-Machiavellian individuals. Shapiro, Lewicki, and Devine (1995) found that Machiavellian individuals tend to engage in deceptive negotiation tactics to achieve personal objectives more often than non-Machiavellian individuals. Al-Khatib et al. (2005) and Al-Khatib, Stacy, and Yusen (2007) found empirical support for this relationship both in China and the United Arab Emirates. More Specifically, Al-Khatib et al. (2005) found Machiavellianism to be a strong determinant of middle eastern marketing managers’ perceptions of unethical negotiation tactics while relativism was a lesser predictor of these perceptions.

Since Machiavellian individuals tend to exhibit a relative lack of affect in interpersonal relationships, a lack of concern with conventional morality, and a lack of ideological commitment (Christie & Geis, 1970), it is reasonable to assume that this lack of involvement with others, perhaps, leads the Machiavellian individual to be more accepting of potentially less ethical negotiation tactics and perceive them to be acceptable. Based on the above and empirical evidence from extant research, we hypothesize that:

H8. Saudi managers’ Machiavellianism will have a positive impact on their perceptions of: (H8a) Inappropriate information gathering; (H8b) Misrepresentation of information; (H8c) Traditional competitive bargaining; (H8d) Attacking opponent network; and (H8e) Making false promises.

H9. US managers’ Machiavellianism will have a positive impact on their perceptions of: (H9a) Inappropriate information gathering; (H9b) Misrepresentation of information; (H9c) Traditional competitive bargaining; (H9d) Attacking opponent network; and (H9e) Making false promises.

Further, building on our arguments made while proposing Hypothesis 1 and Hypotheses 6 and 7 earlier, we argue that owing to the differences in levels of Machiavellianism across the two countries, this construct will affect individual’s perceptions of each of the unethical negotiation tactics differentially. Hence, the strength of relationship between Machiavellianism and each negotiation tactic will differ across the two countries. Hence, we propose:

H10. The impact of Machiavellianism on: (H10a) Inappropriate information gathering; (H10b) Misrepresentation of information; (H10c) Traditional competitive bargaining; (H10d) Attacking opponent network; and (H10e) Making false promises will differ across the two countries in its strength.

2.5. Opportunism and perceptions of unethical negotiation tactics

As noted earlier, the essence of opportunism lies in “self-interest seeking with guile” (Williamson, 1985, p. 9). Further, opportunists can exhibit other kinds of malicious elements such as lying, cheating, deceit and violations of agreements (Rodney & Heide, 1996). This variable is especially important in the context of negotiation since negotiation is a process in which the parties often have conflicting goals and each wishes to maximize their results. In situations where a lot is at stake, it is plausible to assume that an opportunistic individual will perceive questionable negotiation tactics as acceptable since using such tactics may help him/her achieve his objectives in the negotiation process. Further, since individuals with opportunistic tendencies are likely to violate implicit or explicit promises about one’s appropriate or required role behavior, it is reasonable to assume that opportunistic individuals will be more open toward the use of inappropriate negotiation tactics and they will perceive them positively. Based on the above discussion, we hypothesize:

H11. Saudi managers’ opportunistic orientation will have a positive impact on their perceptions of: (H11a) Inappropriate information gathering; (H11b) Misrepresentation of information; (H11c) Traditional competitive bargaining; (H11d) Attacking opponent network; and (H11e) Making false promises.
**H12.** US managers’ opportunistic orientation will have a positive impact on their perceptions of: (H12a) Inappropriate information gathering; (H12b) Misrepresentation of information; (H12c) Traditional competitive bargaining; (H12d) Attacking opponent network; and (H12e) Making false promises.

Once again, we argue that owing to the differences in levels of opportunism across the two countries, this construct will affect individual’s perceptions of each of the unethical negotiation tactics differentially. Hence, an argument can be made that the strength of relationship between opportunism and each of the negotiation tactics will differ across the two countries. Based on this argument, we propose the following:

**H13.** The impact of opportunistic orientation on: (H 13a) Inappropriate information gathering; (H 13b) Misrepresentation of information; (H13c) Traditional competitive bargaining; (H13d) Attacking opponent network; and (H13e) Making false promises will differ across the two countries in its strength.

### 3. Methodology

#### 3.1. Sampling and data collection

The survey method was used to collect data for the present study across the two samples. The manner in which the survey was administered differed across the two groups. In the subsequent paragraphs, we describe the data collection methodology for each sample. However, we wish to highlight the commonality across the two country samples in terms of respondent profile. The respondents for this study came from various industries such as banking, advertising, health care, manufacturing, and trading. They held positions such as marketing managers or senior marketing executives in their organizations. A major part of the respondents’ job was negotiating and contracting with various external entities for organizational needs such as marketing research, parts and equipments, purchasing contracts, or they were involved in negotiating with the organizations’ supply chain partners. While answering the questionnaire, the responders were asked to reflect on a major contract they negotiated within the past one year.

**3.1.1. US sample**

The US sample was obtained from the Institute for Supply Management (ISM) membership database. ISM was contacted in an effort to identify a representative sample of professionals involved in negotiations. ISM provided a list of 3200 e-mail addresses of its US-based members allowing the authors to administer the questionnaire electronically. The electronic administration of questionnaires provides advantages of low cost and fast response speed (Ilieva, Baron, & Healey, 2002). In June 2005, the authors e-mailed the survey with a reminder e-mail sent one week after the initial e-mail. Each e-mail message contained an embedded hyperlink and text inviting the recipient to participate in the online survey. By clicking on the hyperlink, survey respondents were transferred to the questionnaire. As an incentive, all survey respondents were offered the opportunity to receive a summary of the study results. Of the e-mailed requests to complete the survey, 879 e-mail messages were returned as undeliverable. An additional 187 individuals sent e-mails indicating that they were no longer in a position in which they conducted negotiations. A total of 466 ISM members clicked on the active survey link embedded in the e-mail request and 259 individuals completed the questionnaire. This resulted in an overall response rate of 12.1%. Although the response rate is lower than desired, it is neither surprising nor completely unexpected. In previous studies comparing questionnaires sent by e-mail versus mail, e-mail survey response rates were much lower. Tse and Alan (1998) reported average response rates for e-mail surveys of 7% compared with 52% for those sent by postal mail. More recently, Ranchhod and Zhou (2001) reported response rates of 20% for mail surveys compared with only 6% for e-mail surveys.

**3.1.2. Saudi sample**

The difficulties associated with conducting research in developing economies necessitated the use of in-country contacts in Saudi Arabia to identify specific participants (Teagarden et al., 1995). A sample of 500 Saudi marketing managers across the industries noted above was identified. They met the respondents
criteria stated above (in terms of negotiating being the major part of their job and that they had negotiated a major contract within the past one year). The identified individuals were pre-notified of the purpose of the research and given basic procedural instructions. One week later, the survey instrument was hand-delivered in the morning and picked-up at the end of the same workday. This method resulted in an operational dataset of 198 respondents, for a response rate of 39.6%. The desire to achieve a representative sample of Saudi firms, coupled with the difficulties associated with conducting research in the country, which range from sampling to data collection problems (Manrai and Manrai, 1995), made the attainment of this sample more realistic and appropriate than a random sample.

Response rates alone are not the sole indicator of a study's generalizability. Previous research has shown that eliminating non-response bias is much more important than a high response rate in ensuring the representativeness of a sample (Knemeyer & Murphy, 2004). To test for non-response bias within the US sample, the responses of early versus late responders were evaluated. Following the guideline prescribed by Armstrong and Overton (1977) that late respondents are more like non-respondents, the sample was divided between those who responded within a one-week period to the initial e-mail and those who responded after the reminder e-mail was sent out. Significance test was performed to determine if there were any differences between the two groups. The results showed that late responders were not significantly different from early responders. This is not surprising as researchers have historically found no evidence of non-response bias among e-mail respondents (Bachmann, Elfrink, & Vazzana, 1999/2000). Since we picked up the surveys in the Saudi sample the same evening, non-response bias was not a critical problem for this sample.

3.2. Sample demographics

The majority of the sampled respondents were males (81% in the US sample and 94% in the Saudi sample). The majority of the respondents (94% and 84%) in the US and Saudi Arabia, respectively, had a college or graduate degrees. On average US respondents have 26 years of experience compared to 16 years for the Saudi sample. US respondents have been serving in their current positions for nine years on average compared to 6.5 years for the Saudi sample. Nearly all respondents have a college or graduate degree. More than half (58%) of US respondents were employed by companies with 250–1000 employees compared to 39% in Saudi Arabia. Table 1 provides details on the demographic profile of the sample.

<table>
<thead>
<tr>
<th>Demographic variable</th>
<th>Percentage of respondents US (n = 259)</th>
<th>Percentage of respondents SA (n = 198)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>81%</td>
<td>94%</td>
</tr>
<tr>
<td>Female</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>Highest education level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some college</td>
<td>6%</td>
<td>15%</td>
</tr>
<tr>
<td>College degree</td>
<td>43%</td>
<td>46%</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>51%</td>
<td>38%</td>
</tr>
<tr>
<td>Number of years worked in business (mean)</td>
<td>26 years</td>
<td>16 years</td>
</tr>
<tr>
<td>Number of years in current position (mean)</td>
<td>9 years</td>
<td>6.5 years</td>
</tr>
<tr>
<td>Number of employees in organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 250 employees</td>
<td>20%</td>
<td>33%</td>
</tr>
<tr>
<td>250–1000 employees</td>
<td>58%</td>
<td>39%</td>
</tr>
<tr>
<td>10,000 or more employees</td>
<td>21%</td>
<td>28%</td>
</tr>
</tbody>
</table>
3.3. Measures

In order to obtain reliable information from the respondents, established and validated scales were selected for data collection. The survey consisted of five key sections as follows:

3.3.1. The self-reported inappropriate negotiation strategies scale (SINS scale)

This scale was developed by Robinson et al. (2000) and validated by several previous studies (e.g. Al-Khatib et al., 2006). It allowed us to examine the extent of US and Saudi Arabian executives’ perceptions of inappropriate negotiation strategies. The SINS scale is a validated 16-items, five-factor scale representing the following unethical negotiation tactics: (a) traditional competitive bargaining, (b) attacking negotiating opponent’s network, (c) making false promises to negotiating partner, (d) misrepresentation of information, and (e) inappropriate information gathering about negotiating partner’s business position. Respondents were asked to indicate the degree of appropriateness of each item using a seven-point Likert format where a 1 indicated that the item was not appropriate at all and 7 indicated that the item was very appropriate.

3.3.2. The ethical position questionnaire (EPQ)

This scale was used to measure two individual characteristic constructs—idealism and relativism. It was developed by Forsyth (1980). It contains two scales, each containing 10 items. One of them is designed to measure idealism; the acceptance of moral absolutes. The second scale is designed to measure relativism; the rejection of universal moral principles. Respondents were asked to indicate their agreement or disagreement with each item using a five-point Likert format where a 5 indicated strong agreement with a statement.

3.3.3. Opportunism

Opportunism was measured using five items related to the individual’s overstatement of difficulties, information falsification, exaggerated claims, neglected obligations, and perfunctory role performance. Respondents were asked to indicate either agreement or disagreement using a five-point scale ranging from “strongly agree” to “strongly disagree”. This scale is based on Dwyer and Oh (1987, 1989).

3.3.4. Machiavellianism

This construct was measured using the MACH IV scale developed by Christie and Geis (1970). This scale contains 20 items. Each respondent was asked to indicate either agreement or disagreement with each of the 20 items using a five-point Likert scale where a 5 indicated strong agreement (Table 2). The scale has been utilized in over 200 studies and validated in the US and several foreign countries (Russia, US, Japan, Hong Kong, Egypt, Lebanon, Oman, and Kuwait).

3.3.5. Sample demographics

We also collected sample demographics including gender, level of education, years of experience, and number of employees within the respondent’s organizations. These variables were included to account for any differences that may exist between individuals’ cultural background and responses to the ethics scales (Beltramini, Peterson, & Kozmetsky, 1984). Further, experience served as a control variable in our analyses.

3.4. Scale reliability and validity

For the purpose of data collection in Saudi Arabia, the survey was translated from English into Arabic by two bilingual authors of the present study using the back-translation technique (Alreck & Settle, 1995). This technique has been used in a number of cross-cultural studies. Further, once we received our data, we looked at the descriptive statistics and assessed Cronbach’s alphas for each scale across both countries to examine the internal consistency of the scales. Next, we conducted confirmatory factor analysis (CFA) to assess: (a) unidimensionality of scales and (b) discriminant validity (Gerbing & Anderson, 1988) of scales across both countries. The results of the CFA indicated that the data fit the model very well across the two samples further providing evidence of the scale validity. Since the scales have been tested in a number of prior studies, content validity is established.
Table 2
Construct scales and alphas

Scale for Machiavellianism (Likert type scale; 1—strongly disagree–5—strongly agree)
Alphas—US: 0.662; Saudi: 0.667; (R)—Item reverse coded
1. Never tell anyone the real reason you did something unless it is useful to do so.
2. The best way to handle people is to tell them what they want to hear.
3. One should take action only when sure it is morally right. (R)
4. Most people are basically good and kind. (R)
5. It is safest to assume that all people have a vicious streak and it will come out given the chance.
6. Honesty is the best policy in all cases. (R)
7. There is no excuse for lying to someone else. (R)
8. Generally speaking, people would not work hard unless they are forced to do so.
9. All in all, it is better to be humble and honest than to be important and dishonest. (R)
10. When you ask someone to do for you, it is best to give the real reasons for wanting it rather than giving reasons which carry more weight. (R)
11. People who get ahead in the world have clean, moral lives. (R)
12. Anyone who completely trusts others is asking for big trouble.
13. The biggest difference between criminals others is that the criminals are stupid enough to get caught.
14. Most people are brave. (R)
15. It is wise to flatter important people.
16. It is possible to be good in all respects. (R)
17. Barnum was wrong when he said, “there’s a sucker born every minute.” (R)
18. It is hard to get ahead without cutting corners.
19. People suffering from incurable should have the choice of being painlessly put to death.
20. Most people forget more easily the death of their father than the loss of their property.

Scale for Idealism (Likert type scale; 1—strongly disagree–5—strongly agree)
Alphas—US: 0.864; Saudi: 0.761
1. A person should make certain that their actions never intentionally harm another even a small degree.
2. Risks to another should never be tolerated, irrespective of how small the risks might be.
3. The existence of potential harm to others always wrong, irrespective of benefits to be gained.
4. One should never psychologically or physically harm another.
5. One should not perform an action might in any way threaten the dignity and welfare of another individual.
6. If an action could harm an innocent other, then it should not be done.
7. Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.
8. The dignity and welfare of the people should be the most important concern in any society.
9. It is never necessary to sacrifice the welfare of others.
10. Moral actions are those which closely match the ideals of the most “perfect” action.

Scale for Relativism (Likert type scale; 1—strongly disagree–5—strongly agree)
Alphas—US: 0.801; Saudi: 0.883
1. There are no ethical principles that are important that they should be a part of any code of ethics.
2. What is ethical varies from one and society to another.
3. Moral standards should be seen as individualistic; what one person to be moral may be judged to be immoral by another person.
4. Different types of moralities cannot be compared as to “rightness.”
5. What is ethical for everyone can never be resolved since what is moral or is up to the individual.
6. Moral standards are simply personal rules which indicate how a person should behave, and are not to be applied in making judgments of others.
7. Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.
8. Rigidly codifying an ethical position that prevents certain types of actions in the way of better human relations and adjustment.
9. No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.
10. Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.

Scale for Opportunism (Likert type scale; 1—strongly disagree–5—strongly agree)
Alphas—US: 0.707; Saudi: 0.742
1. There will be some things you will concede to your negotiating counterpart only if he/she insists on it.
2. At times you may have to overstate your difficulties in order to get concessions from your negotiation counterpart.
3. You may promise your negotiation counterpart to do something without actually doing it.
4. Data analysis and results

We conducted our data analysis in four stages. Below, we describe what we did in each stage and also discuss the results. First, owing to the fact that we were dealing with four independent and five dependent variables across the two country samples, we wanted to establish that the constructs we were studying represented the constructs of interest given the study domain. Also, because we were dealing with outcome variables that were correlated with one another, we felt the need to use a multivariate technique. Hence we conducted canonical correlation analysis (CCA) to assess this. CCA has a distinct advantage because it is a multivariate technique (Sherry & Henson, 2005) in that it minimizes the Type I error by allowing for
simultaneous comparison among variables. Our CCA yielded four functions of squared canonical correlations across each country sample. The Wilk’s lambda for the US and Saudi sample was 0.431 and 0.434, respectively. Because Wilk’s lambda represents the variance unexplained by the model, 1-lambda yields the full model effect size in an $R^2$ metric. Thus the $R^2$ type effect size was 0.569 and 0.566 for the US and Saudi sample, respectively, indicating that the full model explained a substantial portion (about 56%), of the variance shared between the variable sets across the two groups. This helped us confirm that the variables we were studying represented the variables of interest across the two countries.

Having established that the given set of variables shared a substantial degree of variance, we next wanted to test hypothesis 1 that suggested that the personality variables will show significant difference in their levels across countries. We ran MANOVA to assess this and compared the two samples with country as a fixed factor. The results of the MANOVA are shown in Table 3. The $F$-test answers the question, “Is the model significant for each dependent variable?” Our analysis suggested that the test was significant indicating that the two country samples exhibited statistically significant differences in idealism, relativism, opportunism, and Machiavellianism. We found that Saudi managers are likely to exhibit greater Machiavellianism, Idealism, relativism, and opportunism compared to their US counterparts. Since the differences are significant, $H_1$ is supported.

Having established that: (a) the variables we were studying shared a significant variance across the two country samples and (b) there were significant differences among the means for the variables of interest across the two groups, we next ran multiple regression analyses to test how well each of the individual characteristic variables contributed to each of the outcome variables. We ran five regression models for the US sample—treating each of the outcome variables separately. We repeated the same for the Saudi sample. Each model treated Machiavellianism, Idealism, Relativism and Opportunism as antecedents and each of the five unethical negotiation tactics as an outcome variable. We controlled for respondent age and experience in our regression analyses.

Multicollinearity often poses challenges when using Ordinary Least Squares (OLSs) method. In order to reduce the effects of multicollinearity in our analyses, we mean-centered the variables prior to using them in our analyses. Further, the potential threat of multicollinearity was assessed using the variance inflation factor (VIF) for each of the regression coefficients. These coefficients serve to indicate the degree to which relations among the independent variables inflate the standard errors. The VIFs were in an acceptable range suggesting that multicollinearity is unlikely to threaten the parameter estimates (Neter, Wasserman, & Kutner, 1989). Table 4 shows the results of the regression analyses along with the hypotheses that were and were not supported. We briefly discuss the results below.

4.1. Information misrepresentation

Only Machiavellianism (beta $= 0.192$, $t = 3.49$) and Opportunism (beta $= 0.502$, $t = 8.92$) contributed significantly to this DV in the US sample. In Saudi sample, all antecedents had a significant contribution to this variable—Machiavellianism (beta $= -0.217$, $t = 3.16$); Idealism (beta $= -0.325$, $t = 5.06$); Relativism (beta $= 0.469$, $t = 7.97$); and Opportunism (beta $= 0.160$, $t = 2.51$).

4.2. Making false promises

Only Mach (beta $= 0.204$, $t = 3.45$) and Opportunism (beta $= 0.441$, $t = 7.28$) contributed to this DV in the US sample. In Saudi sample, all antecedents had a significant contribution to this variable—Machiavellianism (beta $= -0.227$, $t = 3.28$); Idealism (beta $= -0.187$, $t = 2.88$); Relativism (beta $= 0.473$, $t = 7.98$); and Opportunism (beta $= 0.275$, $t = 4.30$).

4.3. Attacking opponent network

Only Mach (beta $= 0.149$, $t = 2.27$) and Opportunism (beta $= 0.359$, $t = 5.34$) contributed to this DV in the US sample. In Saudi sample, except for Opportunism, the other three antecedents had a significant
Table 3
Descriptive statistics and correlation matrix

<table>
<thead>
<tr>
<th>Variable</th>
<th>US</th>
<th>Saudi</th>
<th>Mean diff</th>
<th>Sig</th>
<th>Std canonical discriminant function coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>Mean</td>
<td>SD</td>
<td></td>
</tr>
<tr>
<td><strong>MANOVA results</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mach</td>
<td>2.41</td>
<td>0.39</td>
<td>2.75</td>
<td>0.51</td>
<td>-0.34</td>
</tr>
<tr>
<td>Idealism</td>
<td>3.29</td>
<td>0.76</td>
<td>3.84</td>
<td>0.63</td>
<td>-0.55</td>
</tr>
<tr>
<td>Relativism</td>
<td>2.56</td>
<td>0.7</td>
<td>3.03</td>
<td>0.82</td>
<td>-0.47</td>
</tr>
<tr>
<td>Opportunism</td>
<td>2.7</td>
<td>0.75</td>
<td>3.25</td>
<td>0.86</td>
<td>-0.55</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>US</th>
<th>SD</th>
<th>Machiav.</th>
<th>Idealism</th>
<th>Relativism</th>
<th>Opport.</th>
<th>Info misrep</th>
<th>False prom</th>
<th>Attack opp</th>
<th>Inapp. info gather</th>
<th>Comp. bargain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US sample</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machiav.</td>
<td>2.41</td>
<td>0.39</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealism</td>
<td>3.29</td>
<td>0.76</td>
<td>-0.17</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relativism</td>
<td>2.56</td>
<td>0.7</td>
<td>0.319</td>
<td>-0.116**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opport.</td>
<td>2.70</td>
<td>0.75</td>
<td>0.426</td>
<td>-0.233</td>
<td>0.339</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Info misrep</td>
<td>2.32</td>
<td>1.22</td>
<td>0.454</td>
<td>-0.238</td>
<td>0.322</td>
<td>0.571</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>False prom</td>
<td>1.63</td>
<td>1.01</td>
<td>0.435</td>
<td>-0.148**</td>
<td>0.282</td>
<td>0.521</td>
<td>0.623</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attack opp.</td>
<td>1.58</td>
<td>0.98</td>
<td>0.28</td>
<td>-0.186</td>
<td>0.130*</td>
<td>0.412</td>
<td>0.516</td>
<td>0.591</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inapp. info gather</td>
<td>1.59</td>
<td>1.04</td>
<td>0.343</td>
<td>-0.205</td>
<td>0.136*</td>
<td>0.413</td>
<td>0.551</td>
<td>0.659</td>
<td>0.494</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Comp. bargain</td>
<td>4.68</td>
<td>1.68</td>
<td>0.197</td>
<td>-0.276</td>
<td>0.207</td>
<td>0.404</td>
<td>0.561</td>
<td>0.312</td>
<td>0.328</td>
<td>0.275</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Saudi</th>
<th>SD</th>
<th>Machiav.</th>
<th>Idealism</th>
<th>Relativism</th>
<th>Opport.</th>
<th>Info misrep</th>
<th>False prom</th>
<th>Attack opp</th>
<th>Inapp. info gather</th>
<th>Comp. bargain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machiav.</td>
<td>2.75</td>
<td>0.51</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealism</td>
<td>3.84</td>
<td>0.63</td>
<td>-0.44</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relativism</td>
<td>3.03</td>
<td>0.82</td>
<td>0.158*</td>
<td>-0.204</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opport.</td>
<td>3.25</td>
<td>0.86</td>
<td>0.437</td>
<td>-0.195</td>
<td>0.19</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Info misrep</td>
<td>2.94</td>
<td>1.53</td>
<td>0.067**</td>
<td>-0.349</td>
<td>0.535</td>
<td>0.215</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>False prom</td>
<td>2.80</td>
<td>1.46</td>
<td>0.045**</td>
<td>-0.225</td>
<td>0.535</td>
<td>0.298</td>
<td>0.695</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attack opp.</td>
<td>2.77</td>
<td>1.45</td>
<td>0.064**</td>
<td>-0.277</td>
<td>0.536</td>
<td>0.185</td>
<td>0.686</td>
<td>0.662</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inapp. info gather</td>
<td>3.26</td>
<td>1.76</td>
<td>0.186</td>
<td>-0.304</td>
<td>0.337</td>
<td>0.318</td>
<td>0.577</td>
<td>0.551</td>
<td>0.506</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Comp. bargain</td>
<td>3.79</td>
<td>1.59</td>
<td>-0.166*</td>
<td>-0.145</td>
<td>0.467</td>
<td>0.087**</td>
<td>0.64</td>
<td>0.591</td>
<td>0.576</td>
<td>0.437</td>
<td>1</td>
</tr>
</tbody>
</table>

N = 259 (US).
N = 198 (Saudi Arabia).
<table>
<thead>
<tr>
<th>Model</th>
<th>Explained</th>
<th>Hypothesis</th>
<th>Supp</th>
<th>t-Value</th>
<th>p-Value</th>
<th>Hypo</th>
<th>Supp</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>Beta</td>
<td>t-Value</td>
<td>p-Value</td>
<td>Hypo#</td>
<td>Supp (+)/not sup (−)</td>
<td>Beta</td>
<td>t-Value</td>
</tr>
<tr>
<td><em>Inappropriate information gathering</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machiavellianism</td>
<td>0.197</td>
<td>3.058</td>
<td>0.002</td>
<td>9a +</td>
<td>-0.067</td>
<td>-0.863</td>
<td>0.389</td>
</tr>
<tr>
<td></td>
<td>-0.121</td>
<td>-2.113</td>
<td>0.036</td>
<td>3a +</td>
<td>-0.232</td>
<td>-3.201</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>-0.050</td>
<td>-0.822</td>
<td>0.412</td>
<td>5a −</td>
<td>0.252</td>
<td>3.816</td>
<td>0.000</td>
</tr>
<tr>
<td>Opportunism</td>
<td>0.336</td>
<td>5.105</td>
<td>0.000</td>
<td>12a +</td>
<td>0.254</td>
<td>3.550</td>
<td>0.000</td>
</tr>
<tr>
<td><em>Information misrepresentation</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machiavellianism</td>
<td>0.192</td>
<td>3.499</td>
<td>0.001</td>
<td>9b +</td>
<td>-0.217</td>
<td>-3.164</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>-0.087</td>
<td>-1.767</td>
<td>0.078</td>
<td>3b −</td>
<td>-0.325</td>
<td>-5.065</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>0.073</td>
<td>1.407</td>
<td>0.161</td>
<td>5b −</td>
<td>0.469</td>
<td>7.973</td>
<td>0.000</td>
</tr>
<tr>
<td>Opportunism</td>
<td>0.502</td>
<td>8.925</td>
<td>0.000</td>
<td>12b +</td>
<td>0.160</td>
<td>2.519</td>
<td>0.013</td>
</tr>
<tr>
<td><em>Competitive bargaining</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machiavellianism</td>
<td>-0.042</td>
<td>-0.656</td>
<td>0.512</td>
<td>9e −</td>
<td>-0.380</td>
<td>-5.252</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>-0.181</td>
<td>-3.163</td>
<td>0.002</td>
<td>3e +</td>
<td>-0.197</td>
<td>-2.909</td>
<td>0.004</td>
</tr>
<tr>
<td></td>
<td>0.026</td>
<td>0.427</td>
<td>0.670</td>
<td>5e −</td>
<td>0.460</td>
<td>7.422</td>
<td>0.000</td>
</tr>
<tr>
<td>Opportunism</td>
<td>0.426</td>
<td>6.487</td>
<td>0.000</td>
<td>12c +</td>
<td>0.129</td>
<td>1.920</td>
<td>0.056</td>
</tr>
<tr>
<td><em>Attacking opponent network</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machiavellianism</td>
<td>0.149</td>
<td>2.270</td>
<td>0.024</td>
<td>9d +</td>
<td>-0.166</td>
<td>-2.326</td>
<td>0.021</td>
</tr>
<tr>
<td></td>
<td>-0.087</td>
<td>-1.486</td>
<td>0.139</td>
<td>3d −</td>
<td>-0.232</td>
<td>-3.473</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>-0.052</td>
<td>-0.838</td>
<td>0.403</td>
<td>5d −</td>
<td>0.489</td>
<td>8.013</td>
<td>0.000</td>
</tr>
<tr>
<td>Opportunism</td>
<td>0.359</td>
<td>5.348</td>
<td>0.000</td>
<td>12d +</td>
<td>0.122</td>
<td>1.845</td>
<td>0.067</td>
</tr>
<tr>
<td><em>Making false promise</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machiavellianism</td>
<td>0.204</td>
<td>3.454</td>
<td>0.001</td>
<td>9e +</td>
<td>-0.227</td>
<td>-3.282</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>0.006</td>
<td>0.107</td>
<td>0.915</td>
<td>3e −</td>
<td>-0.187</td>
<td>-2.886</td>
<td>0.004</td>
</tr>
<tr>
<td></td>
<td>0.063</td>
<td>1.129</td>
<td>0.260</td>
<td>5e −</td>
<td>0.473</td>
<td>7.984</td>
<td>0.000</td>
</tr>
<tr>
<td>Opportunism</td>
<td>0.441</td>
<td>7.285</td>
<td>0.000</td>
<td>12e +</td>
<td>0.275</td>
<td>4.301</td>
<td>0.000</td>
</tr>
</tbody>
</table>
contribution to this variable—Machiavellianism (beta = −0.166, t = 2.32); Idealism (beta = −0.232, t = 3.47); Relativism (beta = 0.489, t = 8.01).

4.4. Inappropriate information gathering

Except for Relativism, all the remaining antecedents in the US sample contributed significantly to this DV—Machiavellianism (beta = 0.197, t = 3.05); Idealism (beta = −0.121, t = 2.11); and Opportunism (beta = 0.336, t = 5.10). In Saudi sample, Machiavellianism did not contribute to this DV. The remaining three antecedents had significant contributions—Idealism (beta = −0.232, t = 3.02); Relativism (beta = 0.252, t = 3.81); and Opportunism (beta = 0.254, t = 3.55).

4.5. Competitive bargaining

Only Idealism (beta = −0.181, t = 3.16) and Opportunism (beta = 0.426, t = 6.48) had a significant contribution to this DV in the US sample. In Saudi sample, except for Opportunism, the other three antecedents contributed significantly to this DV—Machiavellianism (beta = −0.38, t = 5.25); Idealism (beta = −0.197, t = 2.90); and Relativism (beta = 0.46, t = 7.42).

Last, in order to test hypotheses # H6, H7, H10 and H13, we wanted to compare the models derived from the Saudi and US samples. We conducted this comparison in two sub-steps. In the first sub-step, we compared the fit of the models across the two countries using Fisher’s $z$-test. This helped us compare the $R^2$ values for each pair of models across the two countries (a pair of models consisted of the models with same DV across the two countries). The top part of Table 5 shows the results of this analysis. As we can observe, when $R^2$ values for each model pair were compared, the $z$-scores corresponding to the differences in $R^2$ values were not significant ($p > 0.05$) for any of the model pairs. This indicated that there was no statistically significant difference between the respective values for each model pair across the two countries thus indicating and confirming our results from canonical correlations that the set of antecedents (predictors) does equally well for both countries. Since $R^2$ comparison is not a powerful test, we wanted to compare the model structure—i.e. we wanted to compare the beta weights from each pair of models to assess if they are different from one another in strength across the two countries. Following the guidelines by Chow (1960), we conducted this comparison of the structure of the models by applying the model derived from the Saudi sample to the data from the US sample and comparing the resulting “crossed $R^2$” with “direct $R^2$” originally obtained for this sample. The bottom part of Table 5 shows the resulting $t$-values, $z$-values, and the significance test results of these comparisons. The significance test; $p < 0.01$ across all model comparisons; indicates that the regression weights across the

<table>
<thead>
<tr>
<th>DV</th>
<th>Saudi</th>
<th>US</th>
<th>Fisher’s Z</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$R^2$ comparisons—using Fisher’s Z test</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information misrepresentation</td>
<td>0.622</td>
<td>0.669</td>
<td>0.849</td>
<td>$p &gt; 0.05$</td>
</tr>
<tr>
<td>Making false promises</td>
<td>0.613</td>
<td>0.6</td>
<td>0.216</td>
<td>$p &gt; 0.05$</td>
</tr>
<tr>
<td>Attacking opponents</td>
<td>0.583</td>
<td>0.46</td>
<td>1.78</td>
<td>$p &gt; 0.05$</td>
</tr>
<tr>
<td>Inappropriate information gathering</td>
<td>0.473</td>
<td>0.492</td>
<td>0.261</td>
<td>$p &gt; 0.05$</td>
</tr>
<tr>
<td>Competitive bargaining</td>
<td>0.565</td>
<td>0.497</td>
<td>0.998</td>
<td>$p &gt; 0.05$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DV</th>
<th>$t$-Value</th>
<th>$z$-Value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparing the model structures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information misrepresentation</td>
<td>6.73</td>
<td>6.21</td>
<td>$p &lt; 0.01$</td>
</tr>
<tr>
<td>Making false promises</td>
<td>5.27</td>
<td>4.99</td>
<td>$p &lt; 0.01$</td>
</tr>
<tr>
<td>Attacking opponents</td>
<td>4.41</td>
<td>4.24</td>
<td>$p &lt; 0.01$</td>
</tr>
<tr>
<td>Inappropriate information gathering</td>
<td>3.19</td>
<td>3.12</td>
<td>$p &lt; 0.01$</td>
</tr>
<tr>
<td>Competitive bargaining</td>
<td>4.72</td>
<td>4.51</td>
<td>$p &lt; 0.01$</td>
</tr>
</tbody>
</table>
two groups exhibit significantly differential structure. It is important to note that even though the same set of variables shares a significant degree of variance across two country samples, the structure of models—i.e. the regression weights for each of the antecedents for each model across the two country samples were significantly different. In order to observe where the specific differences were, we went back to our multiple regression analyses and closely observed the beta weights for each of the models. The last two columns in Table 4 show the results of these analyses. The comparisons relate to H6, H7, H10, and H13. With the exception of H6c, all other hypotheses were supported. This indicates that the effect of these antecedents (on each of the outcome variables) is different across the two countries. Specifically, they differ in terms of: (a) strength of their relationship—i.e. the degree of “influence” they might have on managers’ perceptions of unethical negotiation tactic, and/or (b) direction of their effects—i.e. in some cases, the antecedent positively influences the outcome variables in one country sample whereas the same antecedent has a significant negative effect on the same outcome variable in the other country sample. See Table 4 for details regarding each of the effects.

5. Discussion

This research, which is grounded in the theoretical framework provided by the Hunt and Vitell’s (2006) theory of ethics had two objectives—first, we wanted to assess whether executives who hail from two different cultures (US and Saudi Arabia) differ in terms of individual characteristics such as idealism, relativism, opportunism, and Machiavellianism. Our data helped us confirm this difference. Further, using CCA, we empirically showed that the same set of variables shared a significant degree of variance across the two countries. Next, our analyses—specifically model $R^2$ comparisons, comparisons of the model structures, and the multiple regression analyses helped us argue that these variables indeed have a differential effect on each of the outcome variables. Together, this helped us answer both research questions we started out with. Below, we highlight some key findings and contributions of this study.

It is interesting to note that while idealism was negatively related to all negotiation tactics in Saudi sample, its influence among US managers was limited only to inappropriate information gathering and competitive bargaining. These results may suggest that Saudi Arabian managers, who exhibit idealism, are absolutist believers—in that their idealism will prevent them engaging in any of the unethical negotiation tactics. This confirms idealists’ view that actions are inherently good or bad, regardless of the consequences. This absolutist view has been empirically supported by previous research indicating that idealism has stronger impact on perceptions of ethical judgments in collectivist cultures than in individualistic cultures. (Al-Khatib et al., 2006). The results also indicate that the idealistic point of view of US managers may prevent them from engaging in competitive bargaining and inappropriate information gathering only. It may not, however, have any effect on their perceptions of the remaining three unethical negotiation tactics.

Relativism had no impact on managers’ perceptions of unethical negotiation tactics within the US sample. This suggests that higher degree of relativism does not allow greater latitude to US managers when it comes to their perceptions of unethical negotiation tactics—i.e. they do not have positive perceptions of unethical negotiation tactics as hypothesized. On the contrary, there was a significant positive effect of this variable on all of the five outcome variables within the Saudi sample proving that Saudi managers who exhibit greater degree of relativism are more likely to perceive these tactics as acceptable. This finding assumes greater importance given that Saudi managers were found to exhibit greater degree of relativism compared to their US counterparts. The lack of significant relationship between relativism and the US respondents’ perceptions of unethical negotiation practices is not completely inconsistent with previous research findings linking relativism to the questionable ethical practices (Barnett et al., 1994; Bass, Barnett, & Brown, 1999; Forsyth, 1992). Our results suggest that US managers’ concerns about the consequences of actions may be less influential than their idealistic moral philosophy when thinking about unethical negotiation tactics. However, for Saudi managers, greater relativism seems to afford them larger “freedom” in that they perceive the unethical negotiation tactics as acceptable.

With the exception of competitive bargaining, Machiavellianism showed a significant positive effect on the remaining four outcome variables in the US sample. On the contrary, this variable exhibited a significant negative relationship with each of the outcome variables with the exception of inappropriate information gathering. The opposite effects of this construct across the two countries are interesting. Christie and Geis
argue that it is myopic to assume that a person possessing high degree of the Machiavellian trait would be dishonest and deceitful; instead, high Machs are better described as “emotionally detached”. Unlike opportunistic individuals who attempt to maximize their self-interest through adopting unethical practices, Machiavellian individual may be indifferent toward unethical practices because of their detached perspective toward the world. We further argue that our contradictory result may be attributed to the fact that the Saudi managers are not necessarily unethical; instead, their Machiavellian tendencies may be situational and contingent on the magnitude of the issue at stake. That is, Saudi managers’ Machiavellian tendencies may be activated, leading them to accept unethical practices, when his/her self-interest is threatened. Otherwise, the intent to harm is not inherently assumed in their character.

Last, opportunism showed a significant positive effect on the perceptions of all of the unethical negotiation tactics in the US sample whereas in Saudi sample, it had a significant relationship with inappropriate information gathering, information misrepresentation, and making false promise and had a marginally significant relationship with the remaining two outcome variables.

In summary, the results suggest that while dealing with collectivist negotiators such as the Saudi Arabian managers, one should not expect to observe a relationship between individual characteristics and perceptions of unethical negotiation tactics in a manner similar to the one observed in Western cultures. The relationship is not a straightforward one. As Volkema (1999) observes, in collectivist cultures double ethical standard (one to be applied in the in-group setting, while the other to be applied in an outsider/stranger settings) exist among negotiators that may cause them to perceive some tactics (e.g. inappropriate information gathering from associate and others) as less acceptable than in an individualistic culture and only when the action is directed towards an insider or a member of the social group.

6. Managerial implications

Our findings indicate that idealism, relativism, and opportunism are strong predictors of managers’ perceptions of all of the five unethical negotiation tactics within the Saudi sample. For American managers, Machiavellianism and opportunism emerge as major predictors of these negotiation tactics. Since little research has focused on the comparison of Arab and American negotiators, our findings can be used to help multinational companies doing business on both sides of the Atlantic to become more aware of their host country’s ethical environment. International managers may also find our results intriguing and helpful in their dealings with associates in both countries. We highlight some important managerial implications below.

US managers must keep in mind that their Saudi counterparts are likely to be more relativistic, Machiavellian, and are also going to show greater opportunistic tendencies than themselves. Given the clear impact of these variables on their perceptions of unethical negotiation tactics, this needs to be paid attention to. American negotiators in Saudi Arabia can lessen their Saudi partners’ inclination to act opportunistically or exhibit Machiavellian tendencies during negotiation by demanding prior verification of claims or promises made by their Saudi partners before making commitments that depend on these claims or promises (Cramton & Dees, 1993). Given the long-term ramification of the negotiating partners’ opportunistic tendencies, it is essential that American firms negotiating in Saudi Arabia employ a local and reputable agent (i.e. an insider) who can assist them in this verification effort. A local agent may also be employed to represent the American firm in early stages of negotiation to reduce the potential use of opportunistic tactics used against a third party (i.e. inappropriate information gathering, attacking opponent network and inappropriate information gathering) that results from the Arab culture’s distrust of outsiders.

Further, US managers must keep in mind that simply relying on western research and then making conjectures about how idealism, opportunism, relativism, and Machiavellianism may affect their Saudi counterparts’ perceptions of unethical negotiation tactics can be misleading. Our results indicate that these antecedents affect the outcome variables differently across two countries—i.e. sometimes they exhibit opposite effects on the outcome variables (e.g. Machiavellianism has a significant positive effect on attacking opponent network in the US sample whereas its effect is significantly negative in Saudi sample). Our analysis also shows that in some cases, the variable may be a significant predictor of a negotiation tactic in one country whereas it may not play any role in the other country when it comes to predicting the same outcome variable (e.g. relativism is significantly positively related to making false promises in Saudi whereas its effect on the same
outcome variable in the US is non-significant). US managers are well advised to pay attention to these specific differences and use these findings during their negotiations.

Given the important role of opportunism in shaping Arab managers’ perceptions of the negotiation tactics (e.g. inappropriate information gathering, information representation, and making false promises) coupled with high levels of hostility (the legal environment favoring local businesses regardless of just cause) (Cavusgil, Deligonul, & Zhang, 2004), American firms need to be cautious when drafting legal contracts. That is, if American firms impose explicit legal contracts on their Arab counterparts, the counterparts may perceive such action as a means of controlling them. This can raise the inclination to behave more opportunistically. American firms negotiating in the Arab region may need to resort to other governing mechanisms such as enhancing trust in order to curb opportunism. They may also implement screening and selection programs of various types that result in selecting partners that are not opportunistically inclined or inherently cooperative (Orbell & Dawes, 1993). Existing reputation provides disincentive for opportunistic behavior (Wathne & Heide, 2000) and can be useful tool in judging the potential exchange partner’s willingness, motivation, and ability to behave ethically in relationship. However, for this tool to be effective, American firms operating in the Saudi Arabia should have information on their negotiating partner’s past and current behavior. American firms who have established presence in Saudi Arabia may find this information-gathering task manageable; however, for first time movers, the employment of a local and independent consultant may be a more efficient way to assess potential partners’ reputations. Basic reputational assessment tools such as a credit rating bureau and better business bureau can also be useful in this assessment process. However, in case these databases are not readily available, local media coverage of legal actions taken or pending against the negotiating counterpart may be an effective mean.

The high emphasis on trust in relationship building in the Arab region heightens the need to rely on trust-based exchange as an effective and efficient negotiation process in this region. American firms operating in this region can enhance mutual trust by exhibiting to their Saudi Arabian partners that they are trustworthy. One way to demonstrate trustworthiness early on the negotiation process is for American firms to facilitate the other party’s verification efforts by providing privileged information that otherwise may not be obtainable, thus reducing information asymmetry and uncertainty (which may be a cause of opportunistic behavior). To demonstrate the ability to trust, American firms need to use a personalized approach to trust while being sensitive to their Arab counterparts’ culture. This approach may include the creation of more opportunities for face-to-face meetings over a longer period of time and the use of preliminary meetings prior to the actual negotiation to discuss issues of mutual concerns, the use of pre-negotiation social contacts and even gift exchange among the parties involved (Cramton & Dees, 1993).

Idealism’s strong negative impact on Saudi managers’ perceptions of using unethical negotiation tactics indicates that the ground for ethical dealing is fertile in this region. Multinational corporations, joint venture partners with Arab firms, and international managers operating in the Saudi Arabia may codify the desirable and undesirable behavioral activities of the Arab negotiating partners. Given the high power distance and high uncertainty avoidance characterizing the Arab culture, these codification efforts are likely to prove successful. However, such effort needs to be developed with the Arab culture and past history in mind; otherwise, any effort to codify behavior is bound to fail.

Finally, situational factors such as possibility of future/long-term business with the negotiating partners and the degree of favorability of the negotiation condition, can dramatically affect the negotiators’ perception of the appropriateness of the negotiation tactics and the likelihood of their use (Volkema & Fleury, 2002). Thus, it is possible for American negotiators to influence their Arab counterparts’ choice of appropriate negotiation tactics by discussing long term business opportunities, exhibiting high ethical standards during the negotiation process and by understanding the conditions under which their Arab partners are negotiating. Such understanding can then be integrated into training programs tailored to each specific negotiation situation and offered to western negotiators as part of their preparation for the negotiation process.

7. Study limitations

Before we conclude, we want to point to the limitations of our study. Though the sample we chose to work with was carefully selected and representative, one limitation is that the sample used was not a random one.
Further, as Table 1 indicates, our respondents varied in terms of the number of years they have worked in business and also the number of years they were in their current positions. We worked with samples from two different cultures and hence the limitations associated with cross-cultural research apply to our study as well. Specifically, the nation-based differences we claim in our research findings may not be due to the cultural differences as proposed by Hofstede (1980) (and as we make a case for) but they may be due to the differences in interpretation of the terms such as “negotiation” and “promise” across the two countries. In order to insure content validity, we used back-translation method for our questionnaire. Nonetheless, we must appreciate that we may not have been able to fully capture cultural interpretations of various terms we used in our survey in Arabic. Further, given the nature of our questionnaire, response bias could also be a potential limitation. While we guaranteed respondent anonymity to control for this potential bias, it is plausible that it still could be an issue. We did not account for variables such as role of corporate culture or market imperfections that may confound our findings. We also are unaware of whether the respondents were thinking in terms of negotiating with their in-group or out-group members while answering questions. Last, the study findings may also be limited by the response tendencies created by online vs. paper-and-pencil measures. This may be further confounded by the method of measurement and can potentially affect our findings.

References


