
Research Digest

In keeping with its cross-disciplinary mission, *Negotiation Journal* presents digests of important negotiation-related research that has appeared in other academic and professional journals. Our goal is to give wider exposure to new findings that illuminate the theory and practice of negotiation. If you know of forthcoming work that should be reported here, please send the article or report for consideration to the *Journal's* managing editor at njournal@law.harvard.edu. The capsules for this issue were prepared by Rika Christanto and Cyndi Morikone.

Watch Out for Fast-typing Car Salesmen!

The growing use of information technology has been blamed for the demise of face-to-face communication in business. But even within the spectrum of electronic media, different modes of communication can have differing effects on the interpersonal dynamics of a negotiation. Jeffrey Loewenstein, Michael Morris, Agnish Chakravarti, Leigh Thompson, and Shirli Kopelman compared the effectiveness of various negotiating strategies using two different electronic media: instant messaging (IM) and e-mail. These modes of communication were chosen because they are similar in their use of written text rather than spoken words, but the speed of response required varies significantly.

The 224 study participants simulated a car sale in which the scripted sellers bargained with either convoluted or straightforward tactics. Simple arguments were ineffective using both IM and e-mail. The negotiators who planned more complex sales strategies in advance, however, were able to more credibly enact their bluffs and exert greater authority when using IM. Thus, they were afforded more concessions and gained more favorable outcomes.

The rapidity of exchange in IM apparently provided an advantage to negotiators using more intricate arguments because it put more pressure on buyers and gave them less time to formulate an adequate "comeback." The mode of communication, however, did not affect the buyers' impressions of sellers. Buyers who were intimidated during the bargaining process, whether through IM or e-mail, were equally likely to not want to negotiate with the same seller again.

The authors argue that negotiations comprising rapid exchanges of communication can thus make complex arguments more effective because the speed of the medium leaves the opposition less time to respond to a well-formed challenge. The lesson for negotiators is that, not only do

arguments need to be crafted, the medium and expression of these arguments can also be important in determining who gains the upper hand.

Source: Loewenstein, J., M. W. Morris, A. Chakravarti, L. Thompson, and S. Kopelman. 2005. At a loss for words: Dominating the conversation and the outcome in negotiation as a function of intricate arguments and communication media. *Organizational Behavior and Human Decision Processes* 98: 28–38.

Key words: negotiation, communication media, dominance, social interaction.

Just Trust Me . . . Especially When I Send You an E-Mail

In today's world of long-distance communication and e-commerce, many important negotiations are conducted through the Internet rather than face to face. It is commonly assumed that trust is harder to establish and maintain in the former environment, but a recent study suggests that with patience, parties can learn to trust one another, even online. Prior studies have shown trust to be an important factor in predicting team success. It influences team behavior and productivity, lowers the costs associated with monitoring and checking the work of other team members, and encourages the sharing of information.

Jeanne M. Wilson, Susan G. Straus, and Bill McEvily studied 156 undergraduate university students to compare trust levels when communicating face to face or through electronic media. They also investigated the effects of using different combinations and orderings of the communication media. The students were asked to make stock portfolio decisions in teams and subsequently surveyed to measure degrees of trust among team members.

The researchers found that the computer-mediated teams had relatively lower initial levels of cooperation and trust compared to teams that conducted meetings in person. By the end of the three-week experiment, however, there was no significant difference in trust levels between the two types of teams. Some computer-mediated teams even exceeded the trust found in teams that met face to face. Different orderings of media use also influenced the rate at which trust developed. Trust increased, for example, when team members switched from using electronic modes to meeting in person.

An explanation for these results is that, initially, teams communicating electronically lacked personal interaction and nonverbal cues, which reduced opportunities to engender trust among team members. Moreover, the experiment found the electronic teams to be more antagonistic because

the impersonality of electronic communication can reduce inhibitions. But time can serve as a mechanism to address such potential sources of conflicts and misunderstandings.

Thus, while communication media affect the rate at which trust develops, it does not change the ultimate long-run level of trust within a team. In order to optimize the development of trust, managers should consider the time range of team projects before deciding on the format and logistics for team meetings. Short-term projects will benefit when team members meet face to face, while longer-term projects will be unlikely to incur any significant advantage by conducting personal meetings rather than by communicating electronically because of the increase in trust and cooperation levels that seems to occur over time.

Source: Wilson, J. M., S. G. Straus, and B. McEvily. 2006. All in due time: The development of trust in computer-mediated and face-to-face teams. *Organizational Behavior and Human Decision Processes* 99: 16–33.

Key words: trust, computer-mediated communications, distributed groups, face-to-face communication.

Show Some Emotion?

“Acc-ent-u-ate the positive, e-lim-in-ate the negative,” is the refrain of a popular old song. That seems to be the conclusion as well of a recent study of the impact of deliberate displays of emotion on negotiations.

In a series of three experiments, Shirli Kopelman, Ashleigh Shelby Rosette, and Leigh Thompson tested the influence of strategically displayed emotions on the outcomes of negotiations. In all three experiments, emotional displays were characterized as positive, negative, or neutral although the context of each experiment varied and included a face-to-face dispute simulation (Experiment One), an ultimatum situation with the offer viewed via videotape (Experiment Two), and a computer-based distributive simulation (Experiment Three).

They found that in face-to-face situations, strategic displays of positive emotions did not decrease the rate of impasse. Although emotional displays did not affect the immediate outcome, however, a display of positive emotion led to a greater expectation of a future relationship more often than when neutral or negative emotions were displayed. A noteworthy component of this experiment was the manipulation check that confirmed the relative ease of coaching a novice negotiator to display particular emotions strategically and engender emotional contagion.

In the other two experiments, the participants' exposure to the other party's emotions consisted of a video recording of a professional actor

displaying positive, negative, or neutral emotions. In the ultimatum situation, all else being equal, the chances that the offer would be accepted by the participants decreased significantly when the actor/offeror displayed negative emotions. Additionally, the display of negative emotions decreased the maximum amount the participants later stated they would be willing to pay to come to an agreement.

When the participants had an opportunity to make an offer in the distributive simulation after viewing a video recording of the actor/accepter, their demands were more extreme and they were less concerned with whether their offer would be accepted when the actor displayed negative rather than positive emotions. So, although positive emotions did not influence bargaining offers and outcomes (Experiment One), the display of negative emotions did (Experiments Two and Three).

Source: Kopelman, S., A. S. Rosette, and L. Thompson. 2006. The three faces of Eve: Strategic displays of positive, negative, and neutral emotions in negotiations. *Organizational Behavior and Human Decision Processes* 99: 81-101.

Key words: emotion, negotiation, strategy, ultimatum bargaining, distributive gains, relationships.

Blame the Culture or the Person?

In a world where bargaining across cultures has become ubiquitous, research examining cultural influences on business negotiation seems increasingly worthwhile. In a recent article, researchers Ana Valenzuela, Joydeep Srivastava, and Seonsu Lee examined the relationship between culture and bargaining outcomes by contrasting the collectivist orientation of East Asian cultures with the more individualistic approach taken by many western cultures. They were interested in exploring how these cultural approaches affect decision making during negotiations.

Because western culture more frequently emphasizes the autonomy of the individual, the researchers argue, westerners are more likely to attribute bargaining behavior to features of the individual. Those from East Asian cultures are more likely to view the individual within the context of his or her larger community and are thus more likely to recognize the importance of social norms and contexts in decision making. Negotiating behavior, they hypothesize, is influenced by the perceived culturally influenced motivations of the opponent.

To examine these hypothesized relationships, the researchers asked university undergraduates in the U.S. and Korea to conduct simultaneous simulations. The participants played an ultimatum game, which mimics real

business deals by withholding complete information from the negotiating parties. The study asked: to which factors did participants attribute their opponents' bargaining offers — personality, group pressure, or situational context?

Results indicated that, in a situation of asymmetric information, both American and Korean bargainers were equally likely to attribute low initial offers with such aspects of personality as stinginess. When the bargainers were made aware of circumstantial constraints, however, the Korean students were more likely to accept low offers than were their American counterparts. Moreover, while culture had no influence on individual decision making, the Koreans accepted lower offers than the Americans when the participants were thought to have decided upon the initial offer collectively or when subjected to group pressure.

The observed sensitivity of Koreans to alternate explanations for negotiating behavior may result in more favorable outcomes. In a situation of incomplete information, the tendency for negotiating parties to be more distrustful and competitive often leads to inefficient agreements or impasses. A greater recognition of extenuating factors that places less blame on “personalities,” an attitude that East Asian cultural traditions seem to encourage, could reduce the risk of individual misconceptions and facilitate conflict resolution.

Source: Valenzuela, A., J. Srivastava, and S. Lee. 2005. The role of cultural orientation in bargaining under incomplete information: Differences in causal attributions. *Organizational Behavior and Human Decision Processes* 96: 72-88.

Key words: culture, bargaining, incomplete information, inferences, causal attributions.

Graphing the Divide

Analysts have long struggled to create models of the negotiation process that are both conceptually rigorous and relevant to the real world. Marc Kilgour and Keith Hipel, two pioneers in this field, trace in this article the evolution of their “graph model for conflict resolution” (GMCR). In the article, the authors use a real-life environmental dispute as an illustration of the model, which, in the illustrated case, predicts three plausible stable resolutions.

Their model, the authors argue, holds particular advantages over game theory as a practical model of conflict analysis. While game theory requires enumerating each agent's utilities and proposes resolutions that are difficult to translate into policy, the graph model allows for greater flexibility with

much fewer informational inputs and provides decision makers with concrete strategic options.

Moreover, the newly developed software and decision-support system (GMCR II) allows graph models to be analyzed rapidly and consistently. The technological improvements available have also facilitated additional applications of the model and made possible the creation of innovative policies for conflict resolution. For instance, coalition analysis within the graph model indicates how two or more negotiating parties can collectively deviate from a resolution based on individual decision making to reach more favorable agreements.

In placing a negotiation within a particular framework, the graph model enables the parties involved to better understand the significant components of the conflict. According to the authors, this systematic approach identifies points of contention and compromise as well as areas in which the parties need more information, furnishing an efficient step-by-step process for resolving the dispute. Flexibility is derived from the ease with which the various aspects of the negotiating situation can be modified.

Through role-playing and real-time analysis, the graph model can help consultants to reframe negotiations and mediate conflicts. It also enables policymakers to define more clearly their competitors' motivations and equips external regulators with information that can help them develop effective regulatory structures for future negotiations.

Source: Kilgour, M. and K. W. Hipel. 2005. The graph model for conflict resolution: Past, present, and future. *Group Decision and Negotiation* 14: 441-460.

Key words: Graph Model for Conflict Resolution, GMCR II, strategic conflict, stability, equilibrium, coalition analysis, status quo analysis.

. . . And Graphing the Emotions

Emotion can play an important role in how stakeholders view the conflict and choose their actions. Fear may make a party more risk-averse, while anger may make a party view the risk involved in a particular decision more optimistically. These are some of the conclusions of Amer Obeidi, Keith Hipel, and D. Marc Kilgour, who, in this article, applied their Graph Model for Conflict Resolution to the influence of emotions on decision making in conflict situations. Their model is designed to offer decision makers a methodological tool that takes into consideration the effect of the emotions involved in these situations.

The authors use the U.S.-North Korea conflict as a case study to demonstrate how their model can simplify analysis and accurately predict

outcomes based on actual events. Fear and anger have greatly influenced the actions of both the U.S. and North Korea, yet such critical components were not included in other mathematical models, creating attractive, but unrealistic, options for the U.S. (The authors refer to those options as “mirages.”) The authors’ model illustrates how the inclusion of these particular emotions can affect the perception of available options and predict outcomes.

Source: Obeidi, A., K. W. Hipel, and D. M. Kilgour. 2005. The role of emotions in envisioning outcomes in conflict analysis. *Group Decision and Negotiation* 14(6): 481–500.

Key words: concept of possibility, strategic conflict, emotion, Graph Model for Conflict Resolution, appraisal theory.