
The Influence of Emotional Intelligence on Negotiation Outcomes and the Mediating Effect of Rapport: A Structural Equation Modeling Approach

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Although early research on negotiation focused on cognition and decision-making processes, recently, negotiation scholars have started to pay attention to the importance of emotion in negotiation and have suggested that emotional intelligence is likely to improve negotiation performance. Few studies, however, have tested the relationship between emotional intelligence and negotiation outcomes. This study contributes by empirically testing the influence of emotional intelligence on specific negotiation outcomes (joint gain, trust between parties, and the desire of parties to work together again) and also examines the mediating effects of rapport.

We used a laboratory experimental design with 202 participants to test the hypotheses. We found that a negotiator's emotional intelligence was correlated with his or her counterpart's trust level and desire to work again but had no effect on joint gain. In addition, rapport fully

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mediated the relationship between emotional intelligence and desire to work again, and between emotional intelligence and trust.

Key words: negotiation, emotional intelligence, rapport, mediation effect, structural equation modeling.

Introduction

Negotiation is a social process through which two parties or more try to settle what each party shall give and take, or perform and receive, in order to satisfy their needs (Rubin and Brown 1975). Researchers have studied negotiation from several different perspectives, including economic models (e.g., Harsanyi 1956; Cross 1965), decision-making behavioral approaches (e.g., Bazerman and Neale 1983), and social psychological approaches (e.g., Walton and McKersie 1965).

Economic models assume that negotiators behave rationally and use their cognitive abilities to try to achieve the maximum outcome available (Nash 1950; Harsanyi 1956; Cross 1965). Many studies, however, have shown that negotiators typically do not achieve optimal outcomes, such as individual and joint economic outcomes (Bazerman and Neale 1983). Instead, according to decision-making behavior approaches, a negotiator's judgment is not rational and may be biased by several factors. These include:

1. a tendency to privilege more readily available information (Lim and Carnevale 1995);
2. a reliance on "anchors" (initial information, e.g., an asking price) in the negotiation (Ritov 1996);
3. overconfidence about achieving favorable outcomes (Bazerman and Neale 1982);
4. falsely assuming that the available resources are fixed, leading to missed opportunities for mutually beneficial agreements (Fukuno and Ohbuchi 1997);
5. falsely assuming that preferences are incompatible between parties (Thompson and Hrebec 1996); and
6. making greater concessions to positively framed negotiation specifications than to negatively framed ones (De Dreu and McCusker 1997).

Using a social psychology approach, Jeff Rubin and Bert Brown (1975) and Richard Walton and Robert McKersie (1965) focused on

negotiation interactions, finding that negotiators' demands, concessions, power differences, aspiration levels, and verbal behaviors play a critical role in negotiation.

Initially, negotiation research did not focus on the role of emotion. But somewhat more recently, researchers began to pay more attention to the important role that emotion can play in negotiation (Fulmer and Barry 2004). Earlier research reported that positive emotions were correlated with positive outcomes, such as the development of more integrative and creative solutions, and enhanced economic outcomes, cooperation, satisfaction, and trust between parties (Carnevale and Isen 1986; Baron 1990; Forgas 1998). Negative emotions in negotiation tended to be associated with negative outcomes, such as increased impasse and aggressive behavior, and decreases in joint gain and desire to work again (Bell and Baron 1990; Allred et al. 1997; Allred 1999). Therefore, a negotiator's ability to handle emotion, also known as emotional intelligence, seems to be conducive to better negotiation performance.

Emotional intelligence is defined as the ability to be aware of the emotions of oneself and others, to manage one's own emotions and how they are expressed, and to manage others' emotions (Goleman 1995). Emotional intelligence can have a significant impact on individual and organizational performance factors, such as leadership effectiveness, team cohesion and creativity, pro-social behavior, and stress management (e.g., Mayer, Salovey, and Caruso 2004).

Little research, however, has been conducted on the influence of emotional intelligence on negotiation. This study seeks to explore the effects of emotional intelligence on the negotiation outcomes of joint gain, trust between parties, and the desire of parties to work together in the future. It also seeks to explore and examine the mediating effects of rapport on the relationship between emotional intelligence and negotiation outcomes.

Background

The concept of "emotional intelligence" has attracted a great deal of attention in recent years, following the publication of Daniel Goleman's (1995) book on the subject. Initial research on emotional intelligence, however, dates back to the 1930s. For instance, Robert Thorndike and Steven Stein (1937) first suggested the existence of "social intelligence," which they defined as the ability to comprehend and manage people. They suggested that social intelligence helps people recognize their own and others' internal states, motives, and behaviors, and thus to act in the most appropriate possible manner.

Daniel Goleman (1995) suggested that emotional intelligence has five subconstructs: self-awareness, self-regulation, motivation, empathy, and social skill. *Self-awareness* helps people recognize and understand their

emotions and drives, as well as the effects of their emotions on other people's emotions and behavior. *Self-regulation* is a skill that enables individuals to redirect impulsive moods. *Motivation* is those concerns beyond money or status that compel people to pursue their goals. *Empathy* is the ability to understand and effectively respond to the emotions of others. Finally, *social skills* help people find common ground with others, build rapport with them, and manage relationships effectively.

Many scholars have either claimed or empirically documented that emotional intelligence can have an impact on human behaviors, such as individual, social, work, and group behavior (e.g., Mayer, Salovey, and Caruso 2004). For example, Reuven Bar-On (1997) found emotional intelligence can help people cope successfully with environmental demands and pressures. Because people with high emotional intelligence are better able to control or redirect disruptive impulses and moods, they feel more comfortable with ambiguity and are more open to change (Goleman 1998). Additionally, emotional intelligence has been found to be closely related to the social skills associated with effective teamwork (Salovey and Mayer 1990; Mayer and Salovey 1997; Goleman 1998; Sjoberg 2001). For instance, people with high emotional intelligence have greater proficiency in managing relationships and building networks, and more ability to find common ground and build rapport (Goleman 1998). More emotionally intelligent people tend to be more successful at communicating their ideas, goals, and intentions in interesting and assertive ways, making others feel better suited to the occupational environment (Mayer and Salovey 1997).

Bar-On (1997) additionally argued that emotional intelligence helps group development because effective and smooth teamwork begins with knowing each other's strengths and weakness and leveraging those strengths. In a similar vein, Vanessa Druskat and Steven Wolf (2001) proposed that group emotional intelligence helps develop team trust, and a sense of shared identity, and thus plays a critical role in nurturing team effectiveness, which leads to better decision making, the development of more creative solutions, and higher productivity. Several empirical studies have found that group emotional intelligence was positively related to team trust (Barczak, Lask, and Mulki 2010), team process effectiveness, and goal focus (Jordan et al. 2002).

Hypotheses

Emotional Intelligence and Negotiation Outcomes

Because both negative and positive affect play a critical role in determining negotiation outcomes, researchers have sought ways to help facilitators avoid negative affect and facilitate positive affect (Adler, Rosen, and Silverstein 1998), which has led some to examine the role of emotional intelligence and to discuss its implications for negotiation research. John

Ogilvie and Mary Carsky (2002) claim that the key to success in negotiation is to be aware of the emotional components, understand their roles, and manage them. Ingrid Fulmer and Bruce Barry (2004) propose that an emotionally intelligent negotiator is likely to more successfully induce desired emotions from the opponent; evaluate risk more accurately, resulting in better decision-making outcomes; and use various strategies and tactics to manipulate outcomes. Other researchers argue that negotiators with high degrees of emotional intelligence are more likely to achieve positive negotiation outcomes, such as trustful relationships (Chun et al. 2010), the desire to work with counterparts again (Mayer and Salovey 1997; Goleman 1998), and greater joint gain (Foo et al. 2005).

Trust. We have defined trust in this study as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (Mayer, Davis, and Schoorman 1995: 712).

Gareth Jones and Jennifer George’s (1998) interactionist model frames trust as a dynamic, evolving state in which values, attitudes, moods, and emotion simultaneously interact to produce an overall sense of trust or distrust. Thus, trust is in part built on emotional expectations and bonds between individuals.

An individual with high emotional intelligence is better able to recognize how others feel or might feel in different situations, and thus use that information to promote comfortable and constructive relationships by appropriately regulating his or her own emotions (Mayer, Roberts, and Barsades 2008). Emotionally intelligent individuals are more likely to better manage the emotional fluctuations and facilitate positive emotional expressions and reactions in themselves and others (Jordan et al. 2002). Positive emotions lay the groundwork for the development of trust, an experience characterized by mutual identification and the shared value of the social exchange (Jones and George 1998).

Several empirical studies have shown that emotional intelligence had a positive association with trust in the context of team creativity (Barczak, Lask, and Mulki 2010) and mentor-mentee relationships (Chun et al. 2010). Based on the discussion above, we proposed the following hypothesis:

Hypothesis One (a): Negotiators’ emotional intelligence will positively affect their counterparts’ trust levels.

Desire to Work Again. Emotional intelligence can help negotiators nurture positive emotions — both their own and others’ (Ogilvie and Carsky 2002; Fulmer and Barry 2004). Negotiators whose counterparts expressed positive emotions reported more satisfaction with the negotiation than did

negotiators whose counterparts expressed negative emotions (Forgas 1998). Positive emotions are also correlated with a greater degree of negotiator commitment; for example, the negotiator wishes to maintain a relationship with the counterpart (Lawler and Yoon 1995). Highly emotionally intelligent individuals have proficiency in managing relationships and building networks, an ability to find common ground, and the social skills needed for teamwork (Salovey and Mayer 1990; Mayer and Salovey 1997; Goleman 1998; Sjöberg 2001). Therefore, an emotionally intelligent negotiator is likely to develop positive relationships with counterparts, motivating them to have a desire to work together again in the future. We, thus, propose the following hypothesis.

Hypothesis One (b): Negotiators' emotional intelligence will positively affect their counterparts' desire to work together in the future.

Joint Gain. Ingrid Fulmar and Bruce Barry (2004) have proposed that an emotionally intelligent negotiator is likely to evaluate risk more accurately, resulting in better decision-making performance in a negotiation context. Additionally, Peter Carnevale and Alice Isen (1986) found that negotiators who experienced positive emotions were more likely to adopt a problem-solving strategy, achieving higher outcomes than others. Another study showed that when negotiators reported positive emotions, they set higher goals and achieved better economic outcomes (Baron 1990). Positive emotions encourage negotiators to cooperate with their opponents, to become less competitive, and to reduce anger and aggression (Baron 1990; Forgas 1998). Maw Der Foo and his colleagues (2005) found that emotional intelligence is positively associated with joint gain. We, thus, propose the following hypothesis:

Hypothesis One (c): Negotiator's emotional intelligence will positively impact joint gain.

Figure One illustrates our research model.

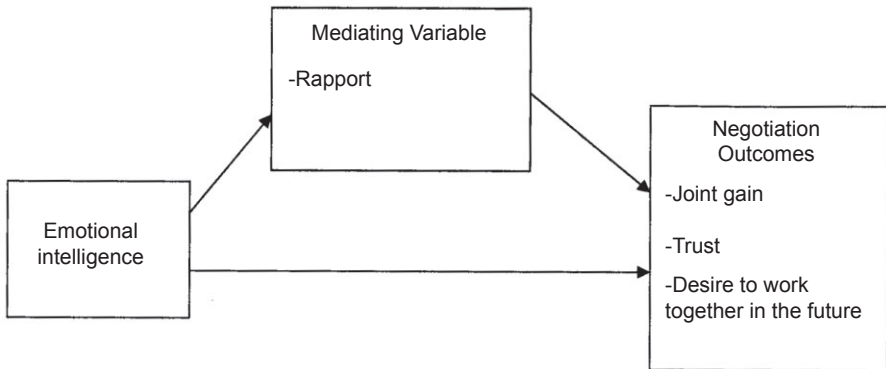
Mediation Effect of Rapport

Emotional Intelligence and Rapport. Janice Nadler (2007) defined rapport as a state of positive mutual attention marked by congruity and affinity. Linda Tickle-Degnen and Robert Rosenthal (1990) discussed three essential components of rapport: mutual attention and involvement, positivity, and coordination.

Mutual attention creates the focused and cohesive interaction. During the experience of rapport, participants feel intense interest in what the other is saying or doing.

The second component is *positivity*. Rapport occurs when the participants in an interaction have positive attitudes toward one another; such

Figure One
Research Model



reciprocal positivity is signaled by particular nonverbal behaviors, such as leaning forward, making eye contact, smiling, and gesturing.

The third component is *coordination between the participants*. Most definitions of rapport include the feeling of being “in sync” with the other people in the interaction. Michael Argyle (1990) described several social competencies that can help develop rapport: positive nonverbal communication, greater empathy, ability to integrate one’s own and another’s goals, conversational skills, and better coordination. Socially competent people show positive nonverbal communication, such as smiling, gesturing, speaking louder, approaching nearer, and responding to another’s emotional state in a congruent way. According to Linda Tickle-Degnen and Robert Rosenthal (1990), nonverbal behavior is a particularly powerful medium of affective communication and is the key element in the mediation and emergence of feelings of rapport between participants.

Emotionally intelligent people are better at effectively communicating their ideas, goals, and intentions (Goleman 1998), and also have greater proficiency in managing relationships, building networks, and in finding common ground and building rapport (Goleman 1995; Mayer and Salovey 1997; Sjöberg 2001). Empirical studies have attested that greater emotional intelligence has a positive association with successful interactions (e.g., Jordan et al. 2002). Another study found that emotionally intelligent people were more likely to report a positive relationship with others and were less likely to have negative relationships with closer friends (Lopes, Salovey, and Straus 2003). In sum, by enabling negotiators to fully deploy their social and communication skills, emotional intelligence should encourage rapport

with counterparts that, in turn, is likely to lead to better negotiation outcomes. Thus, our second hypothesis is:

Hypothesis Two: Negotiator's emotional intelligence will be positively associated with rapport.

Rapport and Desire to Work Again. Rapport is often established at the initial stage of relationship development (Izard 1990). In laboratory studies, Michael Morris and his colleagues (Drolet and Morris 2000; Morris et al. 2005) found that in face-to-face negotiation, rapport is closely related to positive social outcomes, such as the desire to work again and satisfaction. Even in the context of non-face-to-face negotiation, such as e-mail or telephone conversations, rapport played a role in positive social outcomes (Crook and Booth 1997; Nadler 2004; Gratch et al. 2007). When negotiators effectively show rapport during negotiation, this rapport is likely to motivate them to continue working together in the future. We, thus, propose the following hypothesis:

Hypothesis Three (a): Rapport will mediate the relationship between emotional intelligence and the counterpart's desire to work together in the future.

Rapport and Trust. Rapport is sought or sustained because it helps accomplish various interpersonal ends, such as promoting trust (LaFrance 1990). Nadler (2007) argued that building rapport is a powerful precursor to trust and a mutually beneficial agreement. Many other scholars have argued that caring, congruity, openness, and shared values are important antecedents or factors in the development of interpersonal trust (e.g., Hart et al. 1986; Ring and Van de Ven 1992). Daniel McAllister (1995) argued that people develop affect-based trust by demonstrating interpersonal care and concern.

Affective foundations for trust are built when people make emotional investments in trust relationships, express genuine care and concern for the welfare of partners, believe in the intrinsic virtue of such relationships, and believe that these sentiments are reciprocated (Lewis and Weigert 1985; Pennings and Woiceshyn 1987). Thus, when negotiators experience rapport, they express concern for, and interest in, their counterpart, which provides a foundation for trust. Thus, another of our hypotheses is:

Hypothesis Three (b): Rapport will mediate the relationship between emotional intelligence and the counterpart's trust in the negotiator. In other words, emotional intelligence will be associated with greater rapport, and greater rapport will be associated with greater levels of trust.

Rapport and Joint Gain. In negotiations, the negotiator is often unable to directly perceive his or her counterpart's interests, but they can

sometimes be inferred from cues such as the opponent's gestures and emotional expression (Thompson 1991). Rapport can help negotiators attend to and more accurately interpret social information. Because emotional expression and gestures can, thus, provide key information about the opponent's interest in the negotiation, rapport could help negotiators gain information about their counterparts' interests and limits.

Understanding the interests of the opponent is a key factor in reaching integrative negotiation agreements (Thompson and Hastie 1990). Max Bazerman and John Carroll (1987) showed that negotiators who judged the other party inaccurately were less likely to reach mutually beneficial or integrative agreements. Nadler (2007) argued that, in negotiation, rapport can promote mutually beneficial agreements. Dyadic rapport can be similar to an affective feedback loop between two people in a conversation, playing an important role in enabling cooperative solutions in negotiations (Moore et al. 1999). Finally, Morris and his colleagues (2005) found that negotiators who showed greater rapport could reduce the rate of impasse and reap higher economic outcomes (joint gain) compared with negotiators who showed less rapport. Thus, our final hypothesis is:

Hypothesis Three (c): Rapport will mediate the relationship between emotional intelligence and joint gain.

Methods

Participants

Undergraduate business students enrolled in junior or senior classes at two large American public universities participated in this experiment. Two hundred two students participated in exchange for both extra credit points and cash rewards. Of the participants, 70 percent were male and 30 percent were female. The average age of the participants was 22.9 years (standard deviation [SD] = 3.0), and the average self-reported grade point average (GPA) was 3.09 (SD = 0.56).

Experimental Processes and Negotiation Task

We ran the experiment in two phases. In the first phase, we assessed emotional intelligence using a thirty three-item emotional intelligence scale (Schutte et al. 1998) administered during class time. Participants also answered basic questions about demographic information (gender, age, ethnicity, and GPA). After filling out the questionnaire, participants were asked to sign up for possible times in which they could participate in future experiments.

The second phase involved a laboratory experiment in which two participants negotiated the issues of a job contract. In each dyad, one participant was randomly assigned to the role of a personnel manager and the other participant was assigned to the role of the new employee.

According to their roles, the participants received a packet of materials containing the information about the negotiation case, payoff schedules, and confidential instructions. The participants were not allowed to show their payoff schedules to the other party. We gave the participants ten minutes to prepare for the negotiation and twenty-five minutes to execute it.

In the simulation, a new employee and a personnel manager negotiate the details of a job contract, including salary, vacation, annual increase, starting date, and medical coverage. This task involved three types of negotiation issues: *distributive*, *logrolling*, and *compatible*. Salary and medical coverage were distributive issues, in which gains for one party resulted in equal losses for the opposite party. Annual raise and vacation were logrolling issues, in which gains for one party did not result in equal losses for the opposite party. The starting date was a compatible issue, in which gains for one person represented equal gains for the opposite party.

During the negotiation task, the participants recorded their agreed options in the negotiation task form and calculated their scores from the payoff schedule (see Appendix One). After completing the negotiation task, the participants filled out several questionnaires including questions designed to elicit information about subjective negotiation outcomes, such as the level of trust parties felt toward each other and whether they would like to work with their counterpart in the future, as well as questions designed to elicit the levels of rapport between parties.

Measurement

Independent Variable

Emotional Intelligence. We measured the participants' perceptions of their own emotional intelligence using the thirty-three-item scale developed by Nicola Schutte and his colleagues (1998, $\alpha = 0.87$). The items in this scale reflect three dimensions of emotional intelligence: appraisal and expression of emotion, regulation of emotion, and utilization of emotions in problem solving, but the inventory, however, computes only one total score for emotional intelligence for each participant. Example items are: "By looking at their facial expressions, I recognize the emotions people are experiencing," "I am aware of my emotions as I experience them," and "I present myself in a way that makes a good impression on others." The items are assessed on a five-point scale, with "1" representing "strongly disagree" and "5" representing "strongly agree" ($\alpha = 0.92$ in this study).

Mediating Variable

Rapport. Rapport was measured using the five-item scale created by Aimee Drolet and Michael Morris (2000) ($\alpha = 0.83$; $\alpha = 0.73$ for this study). This questionnaire asked about the quality of the relationship that

developed between the parties during the negotiation. The items are measured on a seven-point scale, with “1” representing “strongly disagree” and “7” representing “strongly agree.”

Factor analysis revealed that two items did not load on the expected factor and showed low item-total correlations, and therefore upon further inspection of the scale, we dropped those two items. (They were: “Was it effortful to establish a harmonious feeling in the conversation?” and “What level of rapport did you feel?”)

Once we excluded those two items from the scale, the reliability level improved substantially ($\alpha = 0.73$). The retained items were: “Did you feel that the other person understood what you were trying to express?”; “Did you feel ‘in sync’ or ‘on the same wavelength?’”; and “Did you feel that you understood what the other person was trying to express?”

Dependent Variables

Trust. We measured trust using the twelve-item scale developed by Leigh Cummings and Philips Bromiley (1996) ($\alpha = 0.70$). The questionnaire asked participants how honest and reliable their partner was during the negotiation ($\alpha = 0.89$ for this study). Examples of the statements include: “I think that the other party told the truth in the negotiation” and “I think that the other party met its negotiated obligations.” The items were assessed on a seven-point scale, with “1” representing “strongly disagree” and “7” representing “strongly agree.”

The Desire to Work in the Future. We assessed whether participants would have wished to work together in the future using a two-item scale developed by Dan Moore and colleagues (1999, $\alpha = 0.91$). We asked participants whether they would have worked with their opponent again if they had a chance in the future ($\alpha = 0.68$ for the current study). An example item is “If you had to work on another project together, do you sense that it would go smoothly?” The items are measured on a seven-point scale, with “1” representing “strongly disagree” and “7” representing “strongly agree.”

Joint Gain. Appendix One illustrates the payoff schedules of the personnel manager and the employee. If both parties agreed to a certain option, then the participants would receive the score assigned to the option according to each role’s payoff schedule. For example, if they agreed on the option of three weeks of vacation, then the employee would get eighty points, whereas the personnel manager would get 170 points. In this way, participants received five scores from across the five situations. The joint score of each dyad was calculated by summing both participants’ individual gains. The maximum score possible for joint gain was 1,700 points and the minimum score possible was 1,120 points.

Analysis

Test of the Proposed Model

Because all of our data on emotional intelligence, rapport, trust, and the desire to work in the future were self-reported, we acknowledge the possibility of common method variance. Following the recommendation of Philip Podsakoff and his colleagues (2003), a one-factor test was used to test for the presence of common method bias. In other words, in a factor analysis, one factor should not explain the variance across all items. If it does, then common method bias is present in the data. Of the five factors identified, the principal factor explained 23 percent of the variance. Because no single factor explained more than 50 percent of the variance, common method bias is likely not an issue in this data set (Podsakoff and Organ 1986).

Hypotheses Tests

Table One shows the means, standard deviations, and correlations of measures used in the study.

The univariate correlations between emotional intelligence and trust (correlation coefficient [r] = 0.18, $p < 0.05$) and desire to work again ($r = 0.23$, $p < 0.001$) indicated that Hypotheses One (a) and One (b) were supported. We found no significant correlation, however, between emotional intelligence and joint gain, so Hypothesis One (c) was not supported.

We found that emotional intelligence had a positive correlation with rapport ($r = 0.36$, $p < 0.01$), which supports Hypothesis Two. We also found that rapport was positively correlated with trust ($r = 0.47$, $p < 0.01$) and with the parties' desire to work together again ($r = 0.50$, $p < 0.01$), but the correlation between rapport and joint gain was not significant.

Hypothesis Three (c), which predicted that rapport would mediate the relationship between emotional intelligence and joint gain, was not supported because we found no significant relationships between emotional intelligence and joint gain ($r = 0.01$, not significant), and rapport and joint gain ($r = 0.06$, not significant). We tested Hypotheses Three (a) and Three (b), which predicted that rapport mediates the relationship between emotional intelligence and trust and the desire to work again, through a series of nested model comparisons.

As shown in Table Two, Model One, our baseline model, represents a fully mediating model, and we thus concluded that rapport fully mediated the relationship between emotional intelligence and trust, and emotional intelligence and desire to work together. Hypotheses Three (a) and Three (b) were, thus, supported. Figure Two shows all hypothesized path coefficients. The model fit shown in Table Two and the significant path coefficients offer support for the mediating effects as predicted by Hypotheses Three (a) and Three (b).

Table One
Descriptive Statistics

Variable	M	SD	1.	2.	3.	4.	5.	6.	7.	8.
1. Gender	0.5	0.50								
2. Role	0.5	0.48	0.021							
3. GPA	3.10	0.56	-0.01	0.06						
4. Emotional intelligence	3.89	0.55	-0.03	0.05	0.12					
5. Rapport	5.50	0.90	-0.11	0.02	0.06	0.36**				
6. Counterpart's trust	5.53	1.01	-0.11	0.02	0.03	0.18*	0.47**			
7. Counterpart's desire	5.69	0.98	-0.01	-0.04	-0.03	0.23**	0.50**	0.51**		
8. Joint gain	1785	82.37	0.00	-0.09	0.02	0.01	0.06	0.07	0.04	

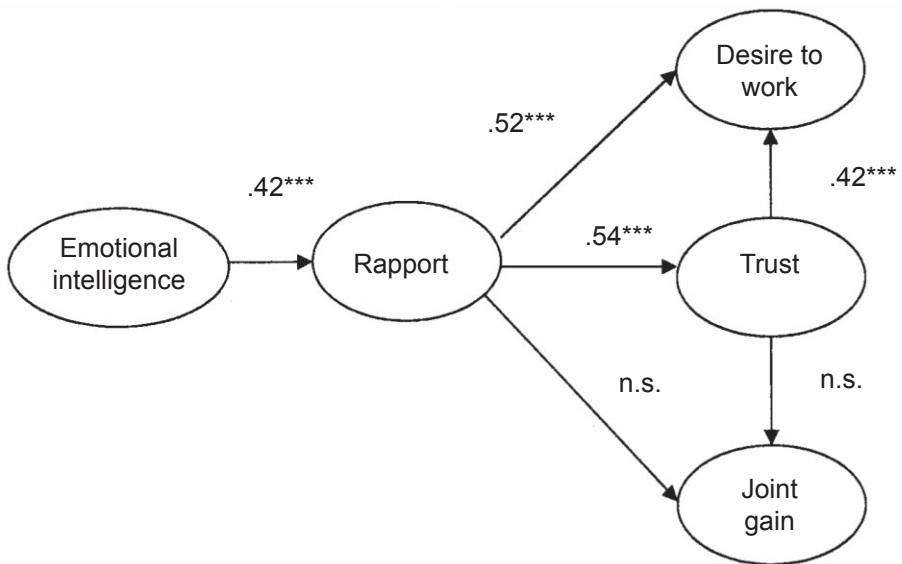
* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Table Two
Comparison of Alternative Models

Model and Structure	χ^2	df	$\Delta\chi^2$	CFI	IFI	TLI	RMSEA
1. EI- > RPT- > TRS+DSR+JG	652.34	397		0.93	0.92	0.91	0.044
2. EI- > RPT- > TRS+DSR+JG and EI- > DSR	651.92	396	0.42	0.92	0.92	0.91	0.046
3. EI- > RPT- > TRS+DSR+JG and EI- > TRS	651.96	396	0.38	0.92	0.92	0.91	0.046

Notes. χ^2 = chi-square, df = degree of freedom, $\Delta\chi^2$ = chi-square change, CFI = comparative fit index, IFI = incremental fit index, TLI = Tucker-Lewis Index, RMSEA = root mean square error of approximation, EI = emotional intelligence, RPT = rapport, TRS = trust, DSR = desire to work together in the future, JG = joint gain.

Figure Two
Hypothesized Model with Path Estimates



n.s. = not significant; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Discussion

This study sought to examine the direct and indirect effects of emotional intelligence on the negotiation outcomes of joint gain, trust between negotiators, and the desire of negotiators to work again. The results of the present study suggest that emotional intelligence was positively related to greater rapport between parties, which nurtured trust and the desire to work together again.

Previous studies have found trust to increase the desire to work together in the future (Mayer, Davis, and Schoorman 1995; McAllister 1995), but no previous studies have examined the mediating role of rapport between emotional intelligence and negotiation outcomes; we found that rapport is a critical medium through which emotional intelligence exerts influence on some positive negotiation outcomes.

We hypothesized that higher levels of emotional intelligence would positively relate to better joint negotiation outcomes, but we found no direct or mediating effects through rapport for emotional intelligence on joint outcomes. A possible explanation is that emotionally intelligent negotiators may yield too much to their counterparts because they are more empathetic — focusing on others' interests can encourage excessive concession making, often to the detriment of one's own outcomes. This is consistent with the findings of Adam Galinsky and his colleagues (2008) that empathy was less useful than perspective taking and a detriment to discovering self-interest. Additionally, Maw Der Foo and his colleagues (2005) also found that emotional intelligence was negatively related to individual gain, arguing that emotionally intelligent negotiators might be vulnerable to exploitation by their counterparts. Findings suggest that emotional intelligence and rapport may have less of an influence on cooperative outcomes than other factors, such as analytical skills and perspective taking (Galinsky et al. 2008).

Limitations

This study has several important limitations that need to be acknowledged. First, using a laboratory experimental design with undergraduate students as subjects and self-reported assessment of emotional intelligence reduces the external validity of the study. Another limitation is the length of the negotiation task: our participants were required to complete the task within twenty-five minutes. Although some relatively brief negotiations do occur in organizational settings, many real negotiations last longer than thirty minutes or take multiple sessions in order to reach an agreement. It is possible that the importance of rapport and trust could grow as parties spend more time interacting with each other.

The emotional intelligence scale developed by Schutte and his colleagues (1998) has been extensively tested and applied in a variety of research areas and has proved to be a dependable scientific measurement,

but it does have two limitations. First, as we have noted earlier, the measure used in this study is a self-report questionnaire, which could bias responses if respondents believe that having high emotional intelligence is socially desirable (Matthews, Roberts, and Zeidner 2004). Second, the scale was developed based on John Mayer and Peter Salovey's (1997) four subconstructs of emotional intelligence, but the measure was developed to report a score for just one overall dimension (i.e., overall emotional intelligence), which makes it difficult to test the relationship between subconstructs of emotional intelligence and other variables. It is possible that each component of emotional intelligence could have unique features and a unique effect on these outcomes.

Future Research

Future research on emotional intelligence's impact on negotiation should address some of the issues we identified as limitations in this study. For example, testing the relationships between each subconstruct of emotional intelligence (as identified by Mayer and Salovey 1997) and negotiation outcomes would present detailed interaction information in the relationships of these variables.

As we noted, negotiations often take several sessions to be completed, and when a negotiation lasts over multiple sessions, it can have different features from a negotiation that occurs in a single session. Rapport may become even more important in a lengthier negotiation or one requiring multiple sessions of interaction, which could have a more significant outcome on joint gains. In the future, a longitudinal study would enable researchers to test these more complex relationships.

Finally, we found that rapport mediated the influence of emotional intelligence on some interpersonal negotiation outcomes. Future useful research could identify additional relevant variables, such as negotiation strategy and judgment accuracy, and how they may mediate the relationships between emotional intelligence and negotiation outcomes.

Conclusion

In other human behavioral research, emotional intelligence has been found to have a positive association with group performance, stress management, leadership behavior, and pro-social behavior. Few empirical studies, however, have tested the effect of emotional intelligence on negotiation outcomes. The current study sheds new light on emotional intelligence and negotiation research by empirically testing the effect of emotional intelligence on negotiation outcomes (trust between parties, desire to work again, and joint outcomes) and the mediation effect of rapport on these relationships.

For practitioners, the current study suggests that emotional intelligence can be useful in promoting greater trust between parties as well as the desire to work together again, which can be especially critical for

businesses seeking to establish longer term partnerships. Thus, managers and trainers should consider emotional intelligence to be critical as they work to develop their employees' negotiation skills.

Our study provides new insights into the literature on negotiation by considering emotional intelligence as a predictor of negotiation outcomes. Although we found no impact on joint outcomes, we found that negotiator's self-reported emotional intelligence levels were associated with higher levels of trust between negotiators as well as an interest in working together again, which can be crucial to both negotiation success and the building of longer-term business partnerships.

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Appendix One: Job Contract Payoff Schedules

Employee Payoff Schedule

Salary	Vacation	Annual Raise	Start Date	Medical
<i>Distributive Issue</i>	<i>Logrolling Issue</i>	<i>Logrolling Issue</i>	<i>Compatible Issue</i>	<i>Distributive Issue</i>
\$ 39K (300)	4 wks (160)	12% (340)	May1 (220)	100% (500)
\$ 38K (225)	3½ (120)	10% (225)	Jun1 (165)	85% (375)
\$ 37K (150)	3 wks (80)	8% (170)	Jul1 (110)	70% (250)
\$ 36K (75)	2½ (40)	6% (85)	Aug1 (55)	55% (125)
\$ 35K (0)	2 wks (0)	4% (0)	Sep1 (0)	40% (0)

Employer Payoff Schedule

Salary	Vacation	Annual Raise	Start Date	Medical
<i>Distributive Issue</i>	<i>Logrolling Issue</i>	<i>Logrolling Issue</i>	<i>Compatible Issue</i>	<i>Distributive Issue</i>
\$ 39K (0)	4 wks (0)	12% (0)	May1 (220)	100% (0)
\$ 38K (75)	3½ (85)	10% (40)	Jun1 (165)	85% (125)
\$ 37K (150)	3 wks (170)	8% (80)	Jul1 (110)	70% (250)
\$ 36K (225)	2½ (255)	6% (120)	Aug1 (55)	55% (375)
\$ 35K (300)	2 wks (340)	4% (160)	Sep1 (0)	40% (500)