THE EFFECTS OF SITUATIONAL AND DISPOSITIONAL MOTIVATION
ON THE INITIATION OF COOPERATIVE TACTICS
IN BUYER-SELLER RELATIONSHIPS

DISSERTATION

Presented in Partial Fulfillment of the Requirements for the Degree of Doctor of
Philosophy in the Graduate School
of the Ohio State University

By

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ABSTRACT

Because relationship marketing is a pervasive concept in the marketing literature, there is a need to systematically evaluate individual differences in who can best initiate cooperative relationships, as well as the situational factors that increase the likelihood of their initiation. This research takes the perspective of relationship initiation as a negotiation in which integrative (win-win) tactics increase the likelihood of continued cooperation. The focus is on how negotiating may result in the transition from an exploration phase in relationship development to an expansion phase. Ultimately, the goal is to understand how individual differences and situational characteristics interact to determine the use of integrative tactics, higher relationship satisfaction and joint profits.

In study 1, using self-determination theory, I find that an autonomy causality orientation (individual difference variable) increases the likelihood of the introduction of integrative tactics. In study 2, I find that a task non-contingent situational reward encourages the introduction of integrative tactics through the same process as the individual difference variable in study 1. Finally, in study 3, I show that the situational conditions interact with the personality differences, providing boundary conditions on the effect of personality. For example, situations that undermine situational intrinsic
motivation motivate low autonomy individuals to initiate win-win tactics, while discouraging the introduction of win-win tactics for high autonomy individuals. The result is virtually no difference between the personality types under extrinsically motivating situations. This limit of personality does not exist for intrinsically motivating situations, where personality differences have a substantial effect.

This research builds on theory and empirical findings on the topics of relationship marketing and negotiation by identifying moderators of relationship initiation. I also provide some insights as to the fundamental differences in processes associated with these moderators. It should be of use to managers in the identification and training of both buyers and sellers who interface in the relationships, as well as in determining the appropriateness of relationship marketing situations. Further, situational conditions may be designed (e.g. reward systems) by businesses to encourage the initiation of relationships through these processes. Finally, this dissertation lays a foundation for a program of research to further consider both individual and situational characteristics in the initiation and maintenance of relationships between buyers and sellers.
To My Parents, Larry and Susie,

for providing the antecedent conditions, and

Alan, for participating in the process.
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I would also like to credit the many friends, who were always there. I benefitted from the encouragement that I had from Harper, Sylvia and Leigh. Their support through the process was invaluable. I cannot begin to repay the debts that I owe to Wendy Schneier and Neeraj Arora, who were terrific mentors and even better friends.
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CHAPTER 1

INTRODUCTION

Marketing activities typically involve social interactions between persons as individuals or as representatives of organizations. It is not surprising, therefore, that descriptions of such interactions, as well as attempts to gain insight into ways to enhance the efficiency and effectiveness of such interactions, are of great interest to both practitioners and academics. Globally, this area of interest is characterized as "relationship marketing." Relationship marketing refers to all marketing activities directed at establishing and maintaining successful relationship exchanges (Morgan and Hunt 1994).

With the increasing attention on relationship marketing, one area deserving of further attention is the individuals who develop and maintain these relationships. In most writing on this topic, there is an implicit assumption that all firms, and all individuals representing them, are equally equipped to undertake relationship marketing. Little consideration has been given in marketing literature to who is more or less likely to successfully implement these relationships. Likewise, little attention has been focussed on how situational factors affect the success or failure of establishing
relationships. Thus, a main goal of this work is the systematic evaluation of individual
difference and situational factors that moderate the initiation of cooperative, long term
relationships. Our working definition of cooperation is "similar or complementary
coordinated actions taken by firms in interdependent relationships to achieve mutual
outcomes or singular outcomes with expected reciprocation over time (Anderson and
Narus 1990, p. 45)."

COOPERATIVE RELATIONSHIPS IN MARKETING

The general concept of relationship marketing pervades both the practitioner
(e.g., Blake 1994; Hollreiser 1995; MatthysSENS and Van den Bulte 1994; Pruden 1995;
Weylman 1994) and academic (e.g., Anderson and Narus 1990; Anderson and Weitz
1992; Heide and John 1992; Varadarajan and Rajaratnam 1986) literatures. Much of
what is characterized as relationship marketing is defined at a business strategic level
(e.g., Anderson and Narus 1990; Anderson and Weitz 1992; Hollreiser 1995;
MatthysSENS and Van den Bulte 1994; Varadarajan and Rajaratnam 1986), however all
relationship marketing efforts must eventually be carried out by the individuals in
business.1 Iacobucci (1994) notes "we often talk in the abstract about relationships

1Relationship marketing, as considered here, is not assumed to encompass direct
marketing, database marketing, or any other technological development which does not
include face-to-face conduct by members of the buyer and seller organization. Database
marketing, in the practitioner literature, is often described as relationship marketing (e.g.,
Goldenberg 1994; McDowell 1995).
between two businesses, but those connections are ultimately represented by persons (p. 7)."

Consultive selling is one area of business where individual relationships are carefully considered. And, although this concept has been popular in the practitioner literature (e.g., Hanan 1985; Smith 1988; Webster 1987), it has received very little attention in the academic literature (the only study that specifically looks at consultative selling is Decormier and Jobber [1993]). Consultative selling involves a win-win partnership between a customer and a salesperson, where the goals of both parties are mutually satisfied.

There are many reasons why businesses refocused their attention on nurturing relationships with customers. Worldwide competition, industry consolidation, turbulent markets and rapid shifts in customer needs and wants makes flexibility a prerequisite to strong performance. Other market forces contributing to these trends include greater differentiation of products and services, demand for a better value, the expansion of support services, deregulation and technological advances (Cravens, LaForge and Ingram 1990). In addition, the average cost of a sales call is now estimated to exceed $200, with the cost of soliciting new business far exceeding maintaining current customers (Ingram 1990). All of these factors encourage businesses to work closely with customers to maintain their business base, increase their flexibility and decrease costs.

For example, in a survey of sales force effectiveness in the paper and plastics distribution field, El-Ansary and El-Ansary (1995) found that top performing sales
forces build share of existing accounts by pursuing long term relationship marketing strategies. Other research shows that a long term, warm (personally satisfying) relationship between buyer and seller leads to increased sales over a long period of time (Brewer 1992).

In the discussion so far, it is assumed that having deeper relationships is "better" than not having them, across all types of situations. However, there is likely to be some constraints on when relationship selling should be the dominant strategy for a business, because customers vary from those who will always switch between suppliers and others who commit to one vendor at a time (Jackson 1985). Intermediate types will depend on characteristics such as product categories, use of the product and the actions of both parties. Jackson notes that strategies should vary in the amount of effort put into developing relationships based on where the customer falls on the continuum. More effort toward relationships would be appropriate for those customers who commit to one or a few vendors at a time.

While quality relationships are not always appropriate, there are advantages for both the salesperson and the customer in forming cooperative relationships that are appropriate. Advantages to both parties include reduced uncertainty, management of dependence, more efficient exchange and social satisfaction (Dwyer, Schurr and Oh 1987). Strong relationships can also create a competitive advantage and provide for quick and flexible response to change (Webster 1992). Advantages for the buyer may include reliable supply, improved delivery and lower production costs. Advantages for
the seller may include price/production stability, enhanced marketing efficiency and optimal capacity planning (Han, Wilson and Dant 1993).

Certain disadvantages may also be seen in forming cooperative relationships, including the fact that expenditures to maintain the relationship may be high (Dwyer, Schurr and Oh 1987). Strong relationships may also mean foregoing better exchange opportunities in the future and having a lack of alternatives if the relationship goes bad (Han, Wilson and Dant 1993).

CRUCIAL, CHALLENGE

Dwyer, Schurr and Oh (1987) observe "the lack of attention to antecedent conditions and processes for buyer-seller exchange relationships is a serious omission in the development of marketing knowledge (p. 11)," whereas MacIntosh and his colleagues state "empirical evidence of the antecedents and processes of buyer-seller relationship development is practically nonexistent (MacIntosh, Anglin, Syzmanski and Gentry 1992)." These authors propose researchers consider factors like motivation (antecedent) and cooperation building (process) that lead to the development of buyer-seller relationships.

From this review, we see an emphasis on relationship marketing, the importance of the role of individuals in such capacities, and possible differences in the ability to implement cooperative relationships. Understanding factors that impede or enhance the implementation of cooperative relationship strategies at the dyadic relationship level would be a valuable contribution to managerial practice. The ability to identify the
salespeople, service providers or other boundary spanners who are best able to build cooperative relationships will assist them in more efficient and effective account assignment, recruiting and selection, and training. Knowing how to design situations that encourage such cooperative relationships can aid in planning strategic relationship marketing initiatives and managing the use of such tactics (e.g., through the design of incentive systems). Negotiation is an important aspect of selling that may help to lead us to this understanding.

Understanding Cooperation through Integrative Negotiation

The practitioner literature recognizes that selling is negotiating and that salespeople are negotiators.

But with the growth of professionalism and sophistication in both buying and selling in recent years, the buyer and seller relationships have become more and more a negotiation exercise. The strategies of the professional negotiators are being practiced by both parties so that both come out with a sale that is acceptable. Ideally, this is a win-win solution . . . In the effective customer-salesperson partnership, each partner is willing to accommodate the other, to help each other win a fair share, to tie their future successes together. Out of such negotiated sales, one can expect close and continuing good customer and salesperson relationships (Smith 1988, 20-21).

Negotiation receives attention in a variety of disciplines (Bacharach and Lawler 1981), and cooperative selling relationships provide one context where the understanding of win-win negotiating is critical.

Negotiation is an important component of establishing relationships when accompanied by bilateral communication and "negotiation provides an excellent
framework for research on relational exchange because its rich traditions address important antecedent conditions, communications, and power structures affecting exchange partners (Dwyer, Schurr and Oh 1987, p. 22)." Paradigms for the study of negotiation, then, offer one potential tool for the study of the initiation of cooperative relationships. Specifically, Dwyer and colleagues indicate that negotiation may be the key link in moving a relationship from an early exploration phase to an expansion phase, where interdependence is increasing.

Negotiation

Fisher and Ury (1983) say "Negotiation is a basic means of getting what you want from others. It is a back-and-forth communication designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed (p. xvii)." Critical elements of a negotiation include at least two parties, conflict of interest on one or more issues, at least temporary joining in a special type of voluntary relationship, and activity to resolve issues (Rubin and Brown 1975).

Negotiation researchers have identified four general subprocesses (Walton and McKersie 1965), which include attitudinal structuring, intraorganizational bargaining, integrative and distributive. Two of these have been generally accepted into the negotiation literature and greatly extended (Carnevale and Pruitt 1992; Pruitt 1981). The word "integrative" means to bring together or incorporate into a unified whole; to combine to produce a larger unit. Integrative negotiation refers to a process of discussion to reach an agreement that meets the objectives of both parties; integrative
solutions provide a win-win outcome. Integrative negotiation involves a cooperative orientation and a problem-solving approach (Alexander, Schul and McCorkle 1994). The opposite of integrative is distributive negotiation; “distributive” meaning to fraction or break. Distributive negotiation typically divides up the resources or issue at stake in a competitive manner. Distributive, then, represents a win-lose outcome. Most negotiations are mixed motive. Typically, some tension exists between increasing the size of the pie (integrative) and increasing one’s own slice of the pie (distributive; Bazerman and Lewicki 1985).

Integrative negotiation, where consideration is given to the objectives of both parties, is more likely to result in mutually satisfying and productive relationships, where joint effort and collaboration leads to an on-going exchange that benefits both parties. For on-going relationships, integrative solutions are more likely to establish a solid foundation for cooperative future interaction than distributive solutions. The initiation of a cooperative orientation through integrative tactics may set the tone for a positive relationship and future interactions. In support of the idea, research has shown that the use of an integrative approach leads to both more satisfaction and higher profits than distributive (Esser et al. 1991, Graham 1986).

Multiple tactics for achieving an integrative agreement have been identified (Pruitt 1981). Log rolling is characterized by packaging and trading off issues, particularly when there are multiple issues under consideration. One party wins on the terms most important to them and the other wins on other terms that are most important to them. Other tactics include adding more resources to be divided (expanding the pie),
providing some benefit outside of the negotiation (non-specific compensation), cutting the costs for compliance (compensatory compensation) and inventing new options through fundamental reformulation of the problem (bridging).

Lewicki and his colleagues (1994) also outline what they believe to be the keys to integrative negotiations. They include a free flow of information, an attempt to understand the other's needs or objectives, emphasis on commonalities (minimize differences) and a search for solutions that meet the goals of both sides. They also describe the factors that can facilitate integrative negotiation: a belief that parties are likely to benefit from working together, faith in one's own problem solving ability, belief that the other's position is valid and the motivation to collaborate. In addition, trust and clear, accurate communication facilitate integrative agreements (Lewicki et al. 1994).

Gaps in Integrative Negotiation Understanding

Perhaps the most cited inconsistency in the study of negotiations has been in the area of individual differences (e.g., Carnevale and Pruitt 1992; Lewicki, Weiss and Lewin 1992; Lewicki et al. 1994; Neale and Bazerman 1991; Neale and Northcraft 1991; Thompson 1990a). Thompson (1990a) notes that the problems with identifying the effects of individual differences in negotiation might be due to the homogeneity of student samples, situational constraints on personality differences and self-selection bias of subjects. A lack of variance on personality measures may not provide for enough difference in individuals to detect differences in its effect. In addition, the lab setting
cues as to what is appropriate behavior so that this influence
lual differences (Snyder and Ickes 1985). Finally, self selection bias
ly subjects comfortable with negotiating volunteer as participants.
1 to problems in identifying individual differences, Smith (1987)
atory paradigm for studying negotiation for dealing with single
xed set of alternative agreements and the lack of ability to actually
st negotiations in practice have multiple issues, flexible terms for
ussion of issues. Thus, the over simplification in laboratory work
ight on these important aspects of negotiation.
the negotiation literature has been criticized for being atheoretical in its
approach (Bacharach and Lawler 1981; Smith 1987):

    emphasis on the environmental determinants of bargaining outcomes...
has generated a rich body of historical, context-specific information, but
because of its emphasis on isolating the predictors of bargaining
outcome, it has generated little theory designed to integrate that
information.... theorists should no longer treat the bargaining process as a
black box whose content resists analysis (Bacharach and Lawler 1981, p.
2).

This dissertation will attempt to overcome these weaknesses of the negotiation
literature. We now turn to the approach used in this research for the study of individual
differences and the theoretical and methodological approaches (including process
measures) that will be employed to address these issues.
Individual Differences Approach

Past attempts to study individual differences within the marketing field often yielded disappointing and mixed findings (Kassarjian and Sheffet 1991) until recently (e.g., Debono 1987; Debono and Snyder 1985; Hagtvedt et al. 1992; Hagtvedt and Petty 1992). Recent successes can be attributed to the guidance of general theoretical frameworks and attention to the kinds of situations and stimulus conditions that correspond more closely to naturally occurring situations involving the process under study (Hagtvedt et al. 1992; Revelle 1995). The benefits for marketers of using carefully defined personality variables to gain insights into basic processes and situational contingencies has recently been reviewed by Hagtvedt, Petty and Cacioppo (1992) and Bagozzi (1993).

When studying individual differences in the initiation of relationship marketing, we will employ frameworks from negotiation paradigms and from self-determination theory, a theory based on an individual’s intrinsic motivation for a task, to understand when certain factors (dispositional or situational motivation) should be expected to lead to the use of cooperative tactics. We will consider the process (use of integrative tactics) as well as the outcomes in studies designed to simulate realistic negotiation experiences with multiple negotiations and multiple issues. Once understanding has been gained from the study of individual differences, situational characteristics that encourage the use of integrative tactics through similar processes will be investigated. Finally, boundary conditions for individual differences set by these situational parallels will be explored. Work on negotiation is chosen as a starting point for understanding
this process. The use of cooperative tactics occurs in negotiations between the individuals who represent both firms in the relationship.

METHODOLOGICAL APPROACH

Harnett and Cummings (1980) call for more experimentation on bargaining because it allows for control over the variables, precise definition of conditions and control of personality differences through homogeneity. This level of control can help in isolating process. Because there is a need to understand processes underlying the effect of individual differences and situational characteristics on integrative negotiation, this research will employ an experimental methodology.

In a critique of dyadic channel behavior research, Dant and Young (1989) criticize it for over-reliance on cross sectional answers to longitudinal questions, measurement of only one side of dyadic relationships and overly diversified samples from disparate industries. They call for rigorous lab experiments for theory-testing, prior to going to the field. They propose parasimulations as a method for achieving this goal. In parasimulation, naive subjects assume organizational roles and negotiate various issues. This method allows for considerable control, yet allows participants to behave in potentially unpredictable ways (Cadotte and Keyt 1980), resulting in the ability to randomize, manipulate variables and rule out extraneous variables (Dant 1987). These simulations further allow us to create credible situations and study process, as well as outcomes.
Finally, in a review of sales performance models, Plank and Reid (1994), observed that an overlooked aspect is the role of sales behaviors with respect to performance. Sales behaviors are mediating variables between inputs and effectiveness outcomes. Minimal research has considered actual sales behaviors. In a meta-analysis of 116 studies looking at the effect of a variety of variables on sales performance, results indicate that the variables are able to account for only a very small amount of the variance in performance (Churchill, Ford, Walker and Hartley 1985) (this study will be further discussed in the literature review chapter). Plank and Reid attribute this to a lack of attention to mediating processes (e.g., sales behaviors), consistent with the rationale of this dissertation. Therefore, this research will attend to process by considering the effects of individual differences and situational characteristics on the use of integrative tactics which in turn affect such outcomes as satisfaction and profitability. Self-determination theory will be employed as a theoretical approach to understanding the issues raised.

THEORETICAL APPROACH

Understanding Factors Affecting the Introduction of Cooperative Tactics

Deci and Ryan (1985b) propose a theory of self-determination with three dimensions in which individuals feel either a high degree of intrinsic motivation (high autonomy) or extrinsic motivation (high controlling) or amotivation (a feeling of helplessness). Some social psychological variables are thought to promote intrinsic motivation, while others promote extrinsic motivation. High intrinsic motivation tends
to result in very flexible behavior, where behaviors are undertaken because they are fun or interesting or challenging. High extrinsic motivation results in undertaking behavior in order to receive some reward in the situation. Consistent with the underlying theme of this research, Deci and Ryan have shown that variables affecting motivation may be operationalized as situational characteristics or individual differences.

The framework provides a rationale for expecting certain personality variables to manifest themselves in more ambiguous situations (Deci and Ryan 1985b, Neale and Northcraft 1991). Under situations with characteristics directly relevant to motivation, motivation is overwhelmed by the situation (a strong situation). Because individual and situational factors can operationalize the same construct, it is the interaction of individual differences and situation characteristics that determine behaviors (Deci and Ryan 1985b; Neale and Bazerman 1991).

Under high intrinsic motivation, an individual must believe that behavior is related to outcomes and that s/he is competent to perform the behaviors. It connotes internal endorsements of one's actions and a sense of ownership. A person gives functional significance to contextual factors and construes them as supporting autonomy or not (e.g., Jordon 1986; Mossholder 1980). Individual differences affect this construal (Deci and Ryan 1985b). Extrinsic motivation works similarly, but the individual feels the situation control behaviors, and lacks the sense of ownership.

Deci and Ryan (1985a) develop a general orientation measure of self-determination, which has been employed successfully in a variety of situations (e.g., Kenner and Kasser 1995; Koestner et al. 1992; Ryan et al. 1993; Scherhorn 1990),
including in certain types of relationships (e.g., Blais et al. 1990; Hodgins et al. 1996; Rempel et al. 1986).

Self-determination theory has been used to study relationship contexts and is applicable to the research issues in this work. Therefore, we use this theory to understand the expected effects of individual differences and situational characteristics on negotiation behavior. Negotiation behavior, in turn, affects negotiation outcomes.

Research Questions

The above discussion leads us to the questions of interest for this dissertation:

* Are there individual differences in the introduction of integrative negotiation tactics?

* Are there situational characteristics that impact the introduction of integrative negotiation tactics?

* What is the interaction of the individual differences and situational characteristics?

* Does the initiation of integrative tactics in a buyer-seller situation result in increased profits and in increased satisfaction with the relationship partner?

CONTRIBUTION

This dissertation makes contributions on several levels. First, it contributes to the understanding of whether differences in individuals and situations influence the likelihood that progress can be made toward establishing a cooperative relationship. It is
the first effort that attempts to conceptualize the initiation of cooperative, long term relationships between individuals in marketing as integrative negotiations, by considering the transition from an exploration phase to an expansion phase in the relationship development process.

Second, this dissertation contributes to the individual difference literature in negotiation. It is one of very few studies to attempt to look at individual differences in integrative negotiation (See Lewicki et al. 1994). The research will also attempt to overcome limitations of existing individual difference studies in negotiation, which will be reviewed in detail in the next chapter. As such, a goal of this work is to provide a framework for future work in this area to resolve some of the inconsistent results.

Third, this research will identify an additional context appropriate to self-determination theory. While recent research has begun to consider the effects of intrinsic and extrinsic motivation (either through a situational induction or dispositional operationalization) on relationships, these relationships have been of a personal nature (e.g., marriage or dating relationships). Although economic exchange relationships occur between persons, there may be some differences in the level of intimacy and other relationship dimensions (Iacobucci 1994). The dissertation focusses on the appropriateness of the theory for understanding economic exchange relationships.

Understanding the role of individual differences can help managers (both sales managers and purchasing managers) in selection, training, account assignment and assessment of appropriateness of relationship marketing initiatives. Perhaps more importantly, if situational conditions can be used to overcome possible individual
limitations in establishing cooperative relationships, then managers can design situations that will encourage or discourage the initiation of cooperative relationships.

For example, what are the implications of certain types of incentive pay systems? Compensation is controllable by management and may provide one tool by which intrinsic and extrinsic motivation can be manipulated.

STRUCTURE OF THE DISSERTATION

The rest of the dissertation will be covered in five additional chapters. Chapter 2 contains a review from the three primary literatures that the dissertation draws from: relationships in marketing, integrative negotiation and self-determination. It then integrates these three perspectives to develop specific hypotheses for this study.

Chapter 3 explains the experimental methods for a series of three experiments, employing simulation. The first experiment considers individual motivational differences in the initiation of integrative tactics in a situation that provides no strong motivational cues. The second experiment considers the effect of situational rewards on the initiation of integrative tactics, when individual differences are randomized. The third experiment looks at the boundary conditions set by the situation on the individual differences. Across all three experiments, the impact of the introduction of integrative tactics on relationship outcomes will also be considered.

Chapter 4 will review results of a series of pilot studies and measure pretests which led to the refinement of the experimental methodology presented in Chapter 3. This chapter is followed by chapter 5, which presents the results of the three
experiments. Finally, Chapter 6 will look at conclusions that can be drawn from the results. In addition to specific implications, contributions, managerial implications, limitations of the study and directions for future research will be considered.
CHAPTER 2

LITERATURE REVIEW

There is a gap in the marketing literature with regard to the investigation of relationship development between a salesperson and a customer. In 1987, Dwyer, Schurr and Oh noted, "The lack of attention to antecedent conditions and processes for buyer-seller exchange relationships is a serious omission in the development of marketing knowledge (1987, p. 11)." More recently, MacIntosh and his colleagues observed "Empirical evidence of the antecedent processes of buyer-seller relationship development is practically non-existent (MacIntosh, Anglin, Syzmanski and Gentry 1992, p. 23)." Since that time, there has been an increasing interest in this phenomenon; however, empirical evidence is still severely limited.

This chapter begins with a review of the work available in the area of salesperson-customer relationships, including what is known of the antecedent conditions and outcomes of such relationships. Due to a lack of specific work in the area relevant to my research questions, I will then address specific studies which have considered negotiation processes in selling, before considering the negotiation literature more broadly. Consideration of the negotiation literature will focus on integrative
(cooperative) negotiations and the conditions which affect the likelihood of an integrative approach, as well as the outcomes of such an approach.

After reviewing relevant literature in these two domains, I will present a theoretical perspective which can help to understand the conditions for the introduction of cooperative tactics in initiating relationships in selling. Self-determination theory (Deci 1980; Deci and Ryan 1985b) is a motivation-based theory which has been applied to non-business relationships, and issues related to those relationships. After introducing the theory, relevant self-determination studies will be reviewed. Finally, this chapter will integrate the three literatures discussed into the development of specific hypotheses for study.

RELATIONSHIP SELLING/RELATIONSHIP MARKETING LITERATURE

Stages of Sales Relationships

Dwyer, Schurr and Oh (1987) developed a perspective for understanding buyer-seller relationships, which outlined five stages of the relationship development process: awareness, exploration, expansion, commitment and dissolution. In the awareness stage, the parties recognize each other as feasible exchange partners. Exploration is characterized by a search for alternative partnerships, with consideration of a possible exchange. In the expansion stage, the range and depth of mutual dependence increases and there is a perceived increase in the benefits obtained. Commitment involves an implicit or explicit pledge of relationship continuation. Dissolution is the withdrawal or disengagement process.
Because the focus of this dissertation is on how cooperative, long term relationships are established, I am essentially interested in how a salesperson and customer move from the exploration phase to the expansion phase. Dwyer, Schurr and Oh (1987) describe five sub-processes, relevant to both of these stages: attraction, communication and bargaining, development and exercise of power, norm development, and expectation development. Bargaining is defined as the "process, whereby in the face of resistance, parties rearrange their mutual distributions of obligations, benefits and burdens (Dwyer, Schurr and Oh 1987, p. 16)." They note that "If the parties effectively communicate, negotiate roles that reflect 'just' inputs from the parties, and form expectations for promising future interactions, the association enters the expansion stage (p. 20)." Thus, negotiation (bargaining) is a critical process in the progress from exploration to expansion, or, in other words, in establishing an on-going relationship. In addition, Dwyer and colleagues call for laboratory testing of the negotiation process in buyer-seller relationships and note that it is an excellent framework for studying these types of issues, and include this type of study on their research agenda.

Wilson (1995) expands on the Dwyer, Schurr and Oh (1987) perspective, identifying variables that are of particular importance in each stage. Performance (product or service) satisfaction is important to partner selection. Mutual goals are critical for selection, boundary setting and creating relationship value. Adapting comes in to play in setting boundaries and creating value. Finally, cooperation is used to create value. Wilson notes that we can fare better by focussing on the different stages to gain a better understanding of how a relationship progresses. In a response to this perspective,
Anderson (1995) describes cooperative relationship development as a repeated sequence of negotiation, commitment and execution stages.

In the earlier stages, the importance of negotiation and cooperation for progressing toward a more positively interdependent relationship is highlighted. Thus, the use of the cooperative (integrative) negotiation framework is valuable in understanding how relationships progress from an exploration to an expansion phase. However, since empirical investigation of these issues has been limited, I will begin with a discussion of the antecedents of the more general concept of sales performance, before turning to the outcomes of cooperative relationships and to negotiation studies in the selling literature.

Antecedents of Effective Sales Performance

In 1977, Lamont and Lundstrom noted the problems with inconsistent results in explaining sales performance. They undertook a study to consider a wide range of possible antecedent conditions. They collected personality measures of dominance, endurance, social recognition, empathy, and ego strength, as well a variety of personal characteristics. Dependent measures included manager ratings of technical knowledge, selling skills, time and territory management, and managing interpersonal relationships, as well as objective measures of annual sales and number of calls. Although some of the antecedents were related to some of the behaviors and outcomes, no variable explained a great deal of variance in performance, and many of the findings were in the opposite direction expected. Lamont and Lundstrom explained these findings by noting that the
antecedents may interact with certain characteristics of the sample used (e.g., incentive structure and a highly technical sales force). This study was typical of earlier studies on antecedent conditions in sales performance, where a series of independent variables' impact on dependent variables were considered without much consideration for a theoretical rationale for the relationship (See Bush and Grant [1994] for a review on theory in personal selling research). Results were often inconsistent.

Churchill, Ford, Hartley and Walker (1985) performed a meta-analysis of 116 articles (1653 reported associations) in the sales literature that considered the antecedent conditions for sales performance. They considered six categories of variables including aptitude (includes personality factors) and organizational/environmental factors (includes situational characteristics). Other categories were role variables, skill, motivation and personal factors. Any category was unable for account for more than 4% of the variance in sales performance, with aptitude accounting for less than 2% of the variance and organizational and environmental factors accounting for approximately 1% of the variance in sales performance. Customer type was an important moderator of these relationships. One reason that the authors speculate the variance explained may be so low is the use of outcomes as dependent variables instead of behaviors. This adds a mediating process, and possibly additional moderators, between the independent and dependent variables, making it harder to detect any direct relationship.

In a conceptual review of the meta-analysis, Brown, Leigh and Haygood (1996) observe, "Careful attention and systematic investigation is therefore required to identify the special circumstances in which aptitude [personality characteristics] may predict
sales performance. Differences across selling context in factors such as product type, job type, selling process or customer type might be more likely to affect the aptitude-performance linkage (1994, p. 2)." The selling process is emphasized in this review, through the inclusion of mediator variables. In addition, Brown and colleagues’ concern with circumstance translates to a need for the inclusion of moderator variables. Some work in this domain has considered both the antecedents and the outcomes of the process. This work will be considered next.

Antecedents and Outcomes of Cooperative Sales Behaviors

Several studies have investigated on-going relationships in a sales context (e.g., Dion, Easterling and Miller 1995; Heide and Miner 1992; Perdue and Summers 1992). For example, in a survey of 136 industrial buyers and their suppliers, situational characteristics affected the amount of cooperation present in relationships (Heide and Miner 1992). These researchers considered four domains of potential cooperation: flexibility, information exchange, shared problem-solving and restraint in the use of power. Open-ended future interactions, as well as higher frequency of contact, significantly increased cooperation. Although performance ambiguity was hypothesized to decrease cooperation, no significant effect was found. Performance ambiguity occurs when it’s difficult to evaluate the outcomes from the other party (for example, low ambiguity might occur for payment, but higher ambiguity for superior customer service).
Another study also found that situational factors can affect cooperation, operationalized as problem-solving (Perdue and Summers 1992). In a survey of 300 purchasing agents nationally, Perdue and Summers attempted to determine what contextual factors predict the use three types of behavior: problem-solving, manipulating perceptions about the competition, and employing tough tactics. They found that material cost sensitivity, a cooperative orientation, formal planning, uniqueness of the specifications, and supplier competition had positive impacts on the use of problem-solving tactics, while supplier competition and a cooperative orientation had a negative impact on the use of tough tactics.

In addition to consideration of situational antecedents, other authors have considered the impact of personality traits in long term relationships (Dion, Easterling and Miller 1995). Dion and colleagues investigated the effect of types of trust on sales outcomes between business-to-business buyers and sellers. They define effective industrial marketing as the management of long term relationships. They found that only perceived personality similarities affected trust, which in turn affected cooperative performance. This study demonstrates the effect of personality on a mediator variable, trust, which in turn affects cooperative outcomes. Perceived similarities did not affect performance.

These last three studies show some important antecedents of cooperation and cooperative relationships. This next research effort focusses more specifically on sales behaviors and expertise. Macintosh and his colleagues (1990) reanalyzed two studies about relationship development in selling. These researchers concluded that higher
performing salespeople placed more emphasis on relationship building earlier in the
selling process and that their category structures about relationship building differ from
their lower performing peers (like in strategies available). They also tend to get
information about the client earlier in the process. Again, this analysis demonstrates
that differences in relationship strategies do exist, here at the individual level. Given
that the differences do exist, and that mediating behaviors may vary with antecedent
conditions, the next question is how the cooperative outcomes are affected by the
relationship behaviors.

Turning to the outcomes of using a relationship strategy, Crosby and Stephens
(1987) found that in complex services, relationship marketing added value but could not
substitute for a strong, up-to-date core service. If two products were equal, then
customers were willing to pay more, and were not dissatisfied about paying more, if the
relationship quality was higher. In a similar study, relationship selling behaviors
(cooperative initiation and mutual disclosure) led to higher relationship quality, which
in turn led to future sales opportunities (Crosby, Evans and Cowles 1990). Relationship
quality, was not, however, related to sales effectiveness. Sales effectiveness was a
function of experience and similarity. Anderson and Narus (1990) provide evidence to
support cooperation as an antecedent of trust, which, in turn, affects relationship
satisfaction.

What are the implications of these findings for this dissertation work? There are
several findings of particular import. These studies provide evidence that there are, in
fact, differences in the use of cooperative tactics, and that situational characteristics can
impact their use (Heide and Miner 1992; Perdue and Summers 1992). In addition, cooperative tactics are conceptualized as “problem solving”, “flexibility” and “information exchange”. Each of these tactics is consistent with an integrative negotiation framework. These findings also point to the need to consider mediators (process) between cooperative tactics and outcomes (e.g., Anderson and Narus 1990; Dion et al. 1995). Finally, the outcomes of cooperation are consistent with those considered in this research. The use of cooperative tactics is related to profitability (Crosby and Stephens 1987), satisfaction (Anderson and Narus 1990) and future opportunity [on-going relationship] (Crosby et al. 1990).

Though in the previous section, researchers call for the inclusion of moderators, several authors have continued in the more traditional vein of looking at how antecedent factors affect cooperative behaviors. These cooperative behaviors precede specific outcomes. Thus, though these studies aren’t focussing on moderators, they do focus on behavior. Because behaviors may mediate between inputs and effectiveness outcomes, these studies provide valuable insight about cooperation. These studies reveal differences in cooperative tactics and that both situational characteristics and personality variables can affect the use of cooperative tactics. While a limited amount of work has focussed on cooperation in buyer-seller relationships, more research has explored negotiation in the sales context.
Sales and Negotiations

The study of integrative negotiations in a sales context has considered antecedents, process and outcomes, although work within each area is limited. Much effort is needed to understand these factors since negotiation is such an important process in selling (Dwyer, Schurr and Oh 1987). In fact, the use of integrative negotiation in an on-going sales relationship has been documented (Rhinehart and Page 1992), including the process of information exchange.

A survey of buyers and sellers of contract motor carrier services attempted to document the perceived effect of one party's behavior on the other (Rhinehart and Page 1992). The researchers found that this was a cooperative environment and documented the regular use of integrative tactics in these on-going relationships. They also identified a high level of information exchange.

Given the fact that integrative negotiations are an important process in on-going buyer-seller relationships, understanding contextual and personality effects on negotiation has also been an area of interest for researchers. For example, two situational factors that affect integrative negotiations are goals and power. McAlister, Bazerman and Fader (1986) employed a leg-rolling negotiation simulation to consider the impact of goals and power on integrative negotiations. Four classes of MBA students were directed (or not) not to accept any deal under a certain dollar amount. In addition, power was manipulated by varying the number of sellers proportionate to buyers, and the number of transactions that could be completed (essentially varying
supply and demand). High and equal power players were more successful when given a moderately high profitability goal, whereas low power players were hurt by this goal.

In addition to situational factors that affect integrative negotiations, effects of dispositional factors have also been investigated (Alexander, Schul and McCorkle 1994). This study considered the impact of individual differences on a simulated sales negotiation, including age, income, education, experience, self-esteem and general dispositional measure of relationship emphasis of 60 industrial managers who negotiated in teams of three. Younger, more educated, more experienced, higher task-specific self-esteem teams used more cooperative tactics. Cooperative tactics were characterized as more flexible and led to less deadlock and more satisfaction with outcomes. One drawback of this study is that individual differences were averaged for the teams. These averages were then used as individual difference independent variables. Using a composite individual difference assumes a constant personal profile across team members. There may be possible synergies of certain personality combinations that occurred, and are not considered.

While certain factors affect integrative negotiations, less attention has been devoted to understanding the process of negotiation in selling. Perhaps the best documented process is that of reciprocation, whereby a behavior is responded to in kind. In one study, two male car buyers were preprogrammed (provided scripts) and negotiated with 48 salespeople (Galinat and Muller 1988). The researchers recorded each of the negotiations and content analyzed them. They found that soft bargaining
was reciprocated with cooperative influence, whereas tough bargaining was not. They also found that the salespeople made more concessions to a soft bargaining strategy.

While this study showed cooperation tends to be responded to with cooperation, the interaction of the two behaviors has also been considered (Campbell et al. 1988). Business people from four countries were engaged in buyer-seller negotiation simulations (Campbell et al. 1988). Individual profits were related to partner use of problem solving strategies, and the buyer’s use of problem solving strategies were related to the seller’s use of problem solving strategies. The seller’s profits were dependent on the buyer’s reciprocating problem solving strategies.

This same study also shed some light on the outcomes of cooperative negotiation (Campbell et al. 1988). There was a positive relationship between cooperation and profit. This finding has been replicated by Graham (1986), who also addressed process. Graham engaged 98 business people in a negotiation experiment. The experiment involved a face-to-face simulation. Problem-solving was treated as a process variable. Asking questions and getting information was important to problem solving. Graham found that use of problem solving had a positive influence on the source’s profits and the target’s satisfaction.

While there have been some empirical investigations of negotiation and relationships in selling, this work is fragmented and tends to be atheoretical in perspective (Bush and Grant 1994). In addition, the existence of mediators (e.g.,

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2A citation analysis revealed only 28% of 358 sales research articles reviewed had satisfactory evidence of a theoretical / conceptual foundation (Bush and Grant 1994).
bargaining strategies in Galinat and Muller [1988]) and moderators (e.g., power in McAlister et al. [1986]) is obvious, yet lack of a theoretical grounding makes interpretation or extension of this work difficult. There are certainly insights to be gained by considering this work. At the same time, there is a much larger body of work in the negotiation literature that deals with the questions of interest. At this point, I will review the negotiation literature that is relevant to the questions that are the focus of this research, before proposing a theoretical framework to address the questions asked in this dissertation research.

NEGOTIATION LITERATURE

Negotiation and Individual Differences

Many researchers have investigated individual differences in negotiation (e.g., Hamner 1980; Herman and Kogan 1977; Terhune 1970), but, as Lewicki and his colleagues (1994) note, "Findings from these studies are widely disparate, inconclusive and sometimes even directly contradictory (p. 325)." Lewicki and his colleagues (1994) propose that measuring instruments are not sensitive enough, the studies have used inconsistent research methods, and that researchers define key personality characteristics inappropriately. In addition, there may be moderators of the expected relationships that have gone unexplored.

Strong situations (that provide cues to the behaviors affected by the dispositional tendency) may override the effect of individual differences (Thompson 1990a). For example, the nature of the bargaining problem, the relative power between negotiators,
pressures from constituencies and the behavior of the other negotiator may all provide situational cues that override the person's natural behavioral tendencies (stemming from a personality trait). In the case of this dissertation research, strong situations provide characteristics which are directly relevant to motivational issues. In addition, the situation may not even be realistic to the negotiation process (Thompson 1990a). Research situations often involve only one issue for negotiation. The prisoner's dilemma game usually doesn't allow participants to talk or see one another (Lewicki et al. 1994). "Hence research settings must be rich enough to allow the impact of personality variables to emerge, but not so dominated by major structural relationships that when personality factors do emerge, they are quickly obscured (Lewicki et al. 1994, p. 326)." In addition, Neale and Northcraft (1991) note that much of this work has had a lack of relevance to practice.

Thompson (1990a) adds the additional criticism of problems with student subjects. She believes that student samples may be too homogenous and offer a potential self-selection bias from those who choose not to negotiate at all. However, use of extreme scores and phone recruiting can help overcome these issues. In addition, a study by Neale and Northcraft (1986) supports the use of student subjects to investigate negotiation processes (The study will be reviewed in detail in the next section). Finally, Lewicki et al. (1994) observe that the majority of personality difference research has focussed on distributive negotiation. In fact, they cite only one study that has used an integrative negotiation as the dependent measure (Thompson 1990b). Neale and Bazerman (1991) summarize, "a number of authors have reached the conclusion that
individual differences offer little insight into predicting negotiation behavior and negotiation outcomes (p. 4)."

Despite the number of researchers who have noted the poor results of individual difference research, the problems that have been outlined can be overcome. The criticisms point to several requirements of research using a negotiation paradigm to study individual differences in the initiation of integrative negotiations or cooperative relationships. First, the development of hypotheses must be based on theory, and include the possibility of moderator roles for variables and interactions. Second, research settings in negotiation must be sufficiently realistic to allow for multiple negotiations on multiple issues and to allow individual differences to be revealed. Third, there may be a need to use a contingency approach (Thompson 1990a), in which person x situation interactions are explored. In addition, there is a strong need to consider individual differences in integrative, as opposed to distributive, negotiation. Finally, effects of personality on specific negotiation and social interaction behaviors, as opposed to only outcomes, should be explored.

Swap and Rubin (1983) make one attempt to overcome many of the problems with individual difference research in negotiations, by identifying a composite negotiating personality type. They develop a measure of interpersonal orientation (IO), designed specifically for negotiation situations. High IOs are interested in and respond to other people. Low IOs are less interested in people and more interested in the economics of the situation. The research found that males with low IO allocated rewards according to equity standards, whereas females with low IO seemed more
concerned with the equality of the outcomes. However, no subsequent research has followed up on this work.

An additional perspective is offered by Greenhalgh, Neslin and Gilkey (1985). Despite the lack of a theoretical rationale, they address issues of mediational processes, by looking at how preferences intercede between personality influences and specific outcomes. They used 31 personality traits, which were factor analyzed to reveal 10 dimensions. In a study designed to detect the effect of personality on negotiating outcomes, results show that the effect of personality on outcomes was mediated by preferences.

At this point, there is no clear picture of how individual differences affect integrative negotiations. What does arise is a clearer picture of the need for systematic, high quality research on this topic. While this area lacks attention, the situational factors that affect integrative negotiation have received more attention.

Negotiation and Situational Factors

A variety of situational factors have been shown to affect integrative negotiation. Research has shown that integrative tactics are more likely when negotiators have higher aspirations or constraints (Bazerman et al. 1985), positive affect (Carnevale and Isen 1986), a problem solving orientation (Pruitt and Lewis 1975), a cooperative orientation (Carnevale and Lawler 1986), expected future cooperative interaction (Ben-Yoav and Pruitt 1984), a positive frame (Olekalns 1994), and engage in simultaneous rather than sequential issue consideration (Weingart et al. 1993). In addition, power has
been considered by several researchers (e.g., Sondak and Bazerman 1991; Tjosvold et al. 1984) with mixed results.

Three particular studies may have important implications for the research questions considered in this dissertation. First, Bazerman, Magliozzi and Neale (1985) found that when subjects engaged in multiple negotiations (a series of deals were negotiated sequentially), they arrived at better (more integrative) solutions with more experience. The study involved 178 students in the same log rolling simulation that will be employed in this dissertation research. Thus experience in the simulation must be equalized across subjects and considered as a potential covariate.

Another situation consideration related to the dissertation studies is the effect of deadlines. In a laboratory study of time pressure’s effect on negotiated outcomes, with 96 students subjects, more non-agreement and poorer outcomes was found for individualistic style negotiators, with a high concern for their own goal when under a deadline (Carnevale and Lawler 1986). No effects of deadlines were seen for cooperative negotiators. In the individualistic x deadline condition, there was less information exchange and increased aspirations (competitiveness). Therefore, within the constraints of a laboratory study for extra credit, care must be taken to assure that deadlines do not pressure students toward less integrative tactics. Attention will be given in the experimental procedures to minimizing the salience of deadlines and controlling deadlines across conditions.

Finally, Kramer and colleagues (1993) address a lack of research on motivational and affective processes in the negotiation area with their study on
integrative bargaining. They use 48 MBA students. Self-esteem was measured, with the desire to maintain high self-esteem viewed as a motivational process. Mood was manipulated by showing subjects a positive or neutral video clip. Thus, here mood refers to a temporary feeling of positivity or negativity. Subjects then participated in a negotiation simulation. Mood affected both pre-negotiation expectations and post-negotiation judgments. Since aspirations have been seen to impact integrative bargaining, it is important that any manipulations that are used do not differentially affect mood or that mood is treated as a covariate, if it is affected. This research will manipulate motivation by varying rewards. Rewards could affect mood and thus mood will be considered as a possible confound. Each of the three studies in this section raise important considerations in designing the type of simulation experiment to be used in the dissertation studies. While these findings are important to the design, other researchers provide important background for considering the approach to personality and situation interactions, like those proposed in the dissertation. A contingency approach to the interaction issues will be discussed next.

Contingency Approach

Several researchers have employed a contingency approach to study the interaction of situational characteristics with individual differences. For example, Fisher (1983) noted that previous work on gender differences in negotiation had been plagued with mixed results. In an attempt to explain these findings, Fisher looked at the interaction of gender with the manipulation of competitive or cooperative orientation.
Fisher found that the orientation manipulation clearly overwhelmed any gender differences in interaction patterns. Fisher considers this effect one possible explanation for inconsistent gender difference findings. This same rationale might also help to explain inconsistent findings with individual differences in negotiation.

Along similar lines, Stevens, Baretta and Gist (1993) also looked at gender differences and various training conditions in a salary negotiation simulation. Sixty MBA students negotiated salary and rated their training satisfaction. Perceived control, self-efficacy and self-set goals were also measured. Each of these measured characteristics mediated effectiveness. Self-management training made subjects feel more perceived control and eliminated any gender differences in negotiated outcomes.

This study, along with the study by Fisher (1985), demonstrates how a contingency approach can help to explain inconsistent results in the individual difference area. In addition to a concern with explaining how situational factors might account for individual difference finding inconsistencies, another explanation can be the use of outcome rather than process behaviors as dependent variables. Therefore a focus on behaviors as process (mediators) between situation characteristics or individual differences and outcomes is important.

Negotiation Process and Outcomes

The process that has been proposed to be related to integrative bargaining was described in the introduction of this paper. It is believed to include flexibility, information sharing, problem solving and a concern for the other's interests (Lewicki et
al. 1994). In addition, integrative outcomes, by definition, mean higher joint profits (however, this does not necessarily imply that initiating cooperative tactics automatically results in higher joint profits). Integrative bargaining is thought to result in a long term relationship orientation toward the other and higher satisfaction with the process.

This dissertation relies on an input, throughput, output model. Individual differences and situational characteristics provide inputs that affect negotiation behavior. These behaviors are the throughput. The behavior of interest here is whether or not a person introduces integrative negotiation tactics into the dealing. The behaviors then affect the output of the deal. Output is characterized by such outcomes as joint profit and satisfaction. Most of the studies described so far have focussed on input and output. No studies focussed on the initiation of integrative tactics as a behavioral dependent variable. However, a few authors have looked at how the behaviors engaged in may affect the outcomes. These studies will be reviewed now.

One study considered whether misperceptions of the other's interests may cause suboptimal (non-integrative) solutions (Thompson and Hastie 1990). The researchers involved 180 student subjects in a log-rolling simulation. They asked students to complete three think-aloud protocols throughout the negotiation process, to get judgements of the other party's actual payoffs. They found that most learning occurred in the first few minutes, that most negotiators initially expected the other's outcomes to be completely opposite their own, that accurate perceptions resulted in higher payoffs and that it was difficult for subjects to realize that some dimensions were completely
compatible. What is important about this study is that it helps explain why antecedent conditions may not directly affect outcomes. Antecedent conditions can affect the accuracy of perceptions directly but the optimal solution only indirectly.

Another study (Thompson 1991) considered the role of a behavioral process, information sharing, in integrative negotiation. Students engaged in a negotiation simulation were directed to seek, to provide, or to seek and provide information about interests. Both “seek” and “provide” directions led to more accurate perceptions and more mutually beneficial, integrative negotiated agreements. These results held even if only one party was directed to seek and/or provide information. The behaviors of seeking or providing information are the determinants of the outcomes.

Understanding that behaviors mediate outcomes is crucial to the research questions behind these studies. However, this research also looks at how the behaviors will affect the outcomes. Several studies have provided evidence of how both cooperative attitudes and reaching an integrative solution affect outcomes. These findings can be used to predict how the behavior of interest might affect outcomes. For instance, Kleinke and Pohlen (1971) found that cooperative negotiators were liked more by their partners. Use of an integrative approach has been show elsewhere to lead to both more satisfaction and higher profits (Esser et al. 1991; Graham 1986).

While most of these studies focus on students, their importance to buyer-seller relationships should not be diminished. If a company decided to improve effectiveness by limiting the number of suppliers dealt with, criteria for inclusion in the new set would undoubtedly be overall satisfaction and profitability. Hence, negotiation provides
a framework for studying cooperation in buyer-seller relationships. It does not, however, make specific theoretical predictions about which variables should affect negotiation behavior and how these effects will manifest. I now turn to a theory of motivation which has been used elsewhere to help understand relationship behavior. Self-determination theory can be used to make predictions about the impact of motivational situational characteristics and dispositional differences on the use of cooperative tactics in business relationships.

REVIEW OF SELF-DETERMINATION THEORY LITERATURE

To what extent can people feel they determine their own behaviors? Do they have the control to determine their own actions according to their wishes, judgement, perspective, cognitive dimensions, emotional desires and other mental inclinations? The operation of will, the capacity to choose how to behave based on inner desires and perceptions, is the basis of self-determination theory (Deci 1980; Deci and Ryan 1985b). This behavior is, however, limited by physiological and psychological forces. When a person feels this type of "free will", he or she is said to be “self-determining”. Behavior is non-self-determining when the person behaves automatically by not considering various behavioral options when they do exist or not accommodating and responding flexibly when only one behavioral option exists.

\[\text{Automatic behavior is considered by Deci and Ryan (1985b) to be behavior which is non-conscious or routinized.}\]
"Self-determination is a quality of human functioning that invokes the experience of choice, in other words, the experience of an internal locus of causality. It is integral to intrinsically motivated behaviors. Stated differently, self-determination is the capacity to choose and to have those choices, rather than reinforced contingencies, or any other forces or pressures, be the determinants of one's actions (Deci and Ryan 1985b)." Self-determination is a global theory of human motivation that highlights the interplay of self-determined and non-self-determined behaviors, while integrating empirical findings. Self-determination theory relies on the premise that there are three motivational sub-systems which determine behavior (Deci and Ryan 1985b). The intrinsic sub-system regulates conscious, chosen behavior, also called self-determined or autonomous. The extrinsic sub-system regulates behavior that is more automatic in nature, where the feeling is that the behavior was not chosen but driven by the environment, also called controlled. Finally, the amotivation sub-system regulates behavior that is felt as helpless or pointless in nature and is purely automatic. This behavior is not at all self-determined and is also called impersonal.

An example of how self-determination might work can be seen in the sales area. A salesperson who is self-determined may feel as though his sales approach is his own. He knows that the background research he does on a customer can affect the likelihood of success. He chooses to do this research in order to do his best when he meets the customer. A non-self-determined salesperson on the other hand, may feel as though the company directs his approach and background research is done in order to meet
performance objectives. The sale is driven by getting the commission and the
salesperson may attribute much of whether success or failure occurs to the situation.

Self-determination implies a belief in personal freedom and has empirical
implications including increased motivation, learning and well-being. It is not "being in
control", although being in control may often be self-determined. However, a self-
determined person may choose not to be in control in certain situations. One doesn't
have to succeed to be self-determined . . . it may be enough to take on a tough
challenge, in and of itself (Deci 1980).

Self-determination is concerned with the locus of causality, but it differs from
locus of control. A high external locus of control individual believes that her behavior
has little to do with whether or not she receives rewards. A person with a high external
locus of causality, on the other hand, believes that the rewards are what is controlling
the behavior. The outcomes cause behavior and the person is the effect (Deci and Ryan
1987). A person high in internal locus of control believes that there is a high
correspondence between her responses and outcomes. The autonomous, internal, locus
of causality person selects goals for intrinsic rewards and believes that behaviors are
internally controlled. The person causes behavior and outcomes are the effect (Deci and
Ryan 1987). Self-determination also recognizes amotivated people who perceive
consequences are not caused by intentions, but by some unknown (impersonal)
environmental forces.

For example, a salesperson is approaching a customer for new business. The
customer agrees to see the salesperson but says she has no interest in the salesperson's
product at this time. A high external locus of causality person attributes the reason he is approaching the customer (the behavior) to an incentive. He may believe that approaching the customer will eventually lead to a reward. However, a high external locus of causality person attributes the failure to some random act of the environment, e.g., the customer wasn’t going to buy from anyone and it didn’t matter what he did. A high intrinsic locus of causality person attributes the reason for approaching the customer to the challenge of getting new business or meeting/beating new call objectives. The intrinsic locus of causality person attributes the failure to poor tactics on her part.

Each person has all three causalities (autonomous, control and impersonal) but differs in the relative degree to which each operates, based on which motivational subsystem is most available. "A given subsystem will be called into play by an interaction of environmental forces (the situation) and one's causality orientation (a personal trait) (Deci 1980, p. 210)." Control/non-control elements of the environment shift motivation. Information salience about competence and “choice” versus “demand” work together to determine motivation. Perception of “choice” is autonomous; perception of “demand” is controlling.

One of the critical aspects of behavior that is self-determined is its flexibility (Deci and Ryan 1985b). A self-determined person is responsive to the environment and adapts with changes in the environment. Automatized behaviors are rigid. Events and contexts can support autonomy (promote choice) or control one's behavior. These

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include specific external events, general interpersonal contexts, specific internal events and general personality orientations (Deci and Ryan 1987).

Intrinsic Motivation

When an intrinsic motivational orientation is adopted, the satisfaction of internal desires is salient, the selection of activities is guided by their ability to satisfy motives, such as curiosity and effectance, and the form of actual engagement in the activity will be guided by those motives. When an extrinsic motivational orientation is taken, the selection of activities will instead be controlled by the nature of the contingency in effect, and the form of actual engagement in the activity will be guided by a focus on the external contingency (Pittman and Heller 1987, p. 463.)

Intrinsic motivation is the human need to be competent and self-determining in relation to the environment; to engage one's interests and exercise one's capacities (Deci and Ryan 1985b).

When intrinsically motivated behavior becomes rewarded or controlled, instrumentality develops between the activity and the reward. Now the activity becomes a means to an end, rather than interesting in its own right. When external factors promote choice and are responsive to initiations, they may facilitate a shift to the intrinsic motivation sub-system. In order to undermine intrinsic motivation, external rewards must be salient while performing the activity, the rewards must be expected and there must not be a norm for payment. These are situational factors which affect intrinsic motivation. Intrinsic motivation can be dispositionally operationalized. This section will focus on research about situational factors. The following section will
discuss research on dispositional motivation, more commonly referred to as the general causality orientation.

Intrinsic motivation is affected by multiple situational factors, such as competition, external rewards, perception of choice, surveillance and deadlines. For example, subjects given a choice on what activities to work on and how much time to work on them are more intrinsically motivated than subjects given similar tasks without the choices (Swann and Pittman 1977; Zuckerman et al., 1978). Mossholder (1980) found that externally mediated goals tended to decrease interest in an interesting task, while these same goals tended to increase interest in a boring task.

Much of the work on situational determinants of intrinsic motivation has been concerned with rewards. Deci and Ryan (1985b) outline four types of rewards, with various implications for intrinsic motivation: task non-contingent, task contingent, performance contingent and competitively contingent rewards.

Task non-contingent rewards are given for participating in a session (i.e., pay for presence). These rewards have been found to have no detrimental effect on intrinsic motivation, relevant to no rewards, because they do not create instrumentality and are not controlling. Deci (1972) paid college students $2 to attend a puzzle solving session and found no effect on intrinsic motivation relevant to subjects who participated and were not paid. This study was replicated by Pinder (1979). Salesperson salary might be equated to task non-contingent rewards.

Task contingent rewards are given for actually doing a task. Deci (1972) found that giving students $1 for each puzzle completed decreased intrinsic motivation,
relevant to task non-contingent and no reward conditions. Ross (1975) qualified these findings, noting that the reward had to be salient and desirable in order to have the effect on intrinsic motivation. Danner and Lankry (1981) found that, in addition, the task itself had to be intrinsically interesting. Finally, Swann and Pittman (1977) found that these effects could be offset by providing the students with positive feedback about their performance. In another study, Caldwell, O'Reilly and Morris (1983) found that MBA students whose tuition was reimbursed by their companies showed lower levels of intrinsic motivation for their program. Salesperson spiffs based on volume would be another example of task contingent rewards.

Performance contingent rewards are given for a specified level of performance. While these rewards are more controlling, they are also more informative about performance. Ryan et al. (1983) found that if a performance reward was used and controlling aspects highlighted, it was detrimental to intrinsic motivation; whereas if informational components were highlighted, it could actually increase intrinsic motivation. In a field experiment of the design of various compensation systems, Jordon (1986) investigated the use of a performance contingent incentive program with one shift of workers (pay for cost reduction) versus another shift that was given a non-performance contingent incentive. He found that performance contingent incentives reduced intrinsic motivation, while the non-contingent reward increased intrinsic motivation. Commission systems for salesperson quotas are typically performance contingent rewards.
Competitively contingent rewards have subjects compete directly for a limited number of rewards. For example, Pritchard et al. (1977) offered a $5 reward to the best performer in a group and found that intrinsic motivation was decreased. Subjects perceived these rewards as very controlling. An example of competitively contingent rewards in selling might be a sales contest.

Certain outcomes have been shown to be associated with high levels of intrinsic motivation. Intrinsic motivational processes have been shown to have a less critical, more relaxed attitude and less negative emotional tone than extrinsic motivational processes (Ryan et al. 1983). In addition, McGraw and McCullers (1979) found that paid subjects had more difficulty breaking set (deviating from a learned pattern) on puzzles than non-paid. Finally, Amabile (1983) demonstrated that people are more creative when they are intrinsically motivated. Controlling events impair creativity.

To summarize, an event that is inherently interesting may be approached with intrinsic motivation, unless certain conditions are present: either a dispositional or situational factor is controlling or extrinsically motivating. If intrinsic motivation is high, the event is more likely to be approached positively, flexibly, creatively and with a more open mind. Each of these characteristics is consistent with behaviors that would be conducive to the use of integrative negotiation tactics.

Personal Selling and Intrinsic/Extrinsic Motivation

Intrinsic and extrinsic motivation have been an on-going interest in the sales management literature since Oliver's initial work (1974). There have been three
separate research streams that have been concerned with intrinsic and extrinsic motivation of salespeople, although operationalization of intrinsic and extrinsic motivation has been in terms of intrinsic and extrinsic outcomes, and therefore is not completely consistent with self-determination theory. These three streams are particularly relevant to the issues of interest in this dissertation. These studies look at how organizational characteristics affect intrinsic/extrinsic motivation, the effect of compensation structure on intrinsic/extrinsic motivation and how intrinsic rewards affect adaptive selling or working smarter.

Tyagi (1982) investigated the effect of organizational climate on intrinsic and extrinsic motivation. In a survey of 80 insurance salespeople, he found that increased job importance, increased identification with the organization, increased perceived leadership consideration and increased management concern and awareness all had positive impacts on intrinsic motivation (instrumentality and or valence). Role overload and task conflict led to decreased levels of intrinsic motivation. Only job importance, organizational identification and task conflict impacted extrinsic motivation. In addition to the influence of culture on motivation, Tyagi (1985) has looked at job dimensions and leader behavior with similar results. In general, he found that job dimensions were more important to intrinsic motivation, while leadership behavior was more important to extrinsic motivation. Finally, Tyagi (1990) looked at the effect of perceived equity on motivation. Perceived inequity tended to decrease the valence of rewards, more strongly influencing extrinsic than intrinsic motivation.
Additional work by Ingram and colleagues considered compensation and motivation. Ingram and Bellenger (1983) found that intrinsic motivation was positively related to straight salary and a lower earnings potential, although the directionality of these results was not considered. Ingram, Lee and Skinner (1989) studied the relationship of effort to intrinsic and extrinsic motivation. They found that intrinsic motivation was not significantly related to effort, but extrinsic motivation was.

With regard to effort, the perspective taken by Sujan and colleagues more specifically addresses these issues. Weitz, Sujan and Sujan (1986) developed a model of sales performance in which non-contingent rewards lead to an intrinsic reward orientation, which leads to the motivation to practice adaptive selling⁴ which in turn leads to performance, as moderated by environmental conditions. This perspective is consistent with self-determination theory in that adaptive selling would be equivalent to flexible behavior. They also propose that the use of incentive compensation decreases intrinsic reward motivation, especially early in a salesperson’s tenure with an organization. In a similar vein, Sujan (1986) considers the notion of working smarter, rather than harder. Working harder involves persistence or intensity, whereas working smarter involves making better choices about the approach to use (e.g., adaptive selling). Sujan (1986) tests this notion with a mail survey of 123 companies, in which he measures reward orientation (intrinsic versus extrinsic), attributions and working harder versus smarter on self-report scales. He found that attributions about reasons for

⁴Adaptive selling is engaging in unique behavior oriented to each customer (Weitz 1981).
failures mediate whether a salesperson works smarter or harder after a failure. An attribution of failure to lack of effort would result in working harder, whereas attributing failure to strategy would result in working smarter. Finally, individuals with a high intrinsic reward orientation don't attribute failures to themselves.

The work on motivation in the sales literature generally supports the notions of self-determination theory, and thus supports its applicability in the context used here. The same type of antecedent conditions which have been shown to affect intrinsic motivation according to self-determination theory are affecting intrinsic motivation, as defined by sales researchers. In addition, if working smarter and adaptive selling are more creative, challenging behaviors, then intrinsic motivation's anticipated effect on them is consistent with self-determination theory. These findings then shed light onto the process of how intrinsic motivation may result in initiation of integrative tactics. High intrinsically motivated people would not necessarily put in more effort but might be more adaptable. Research reviewed thus far has emphasized situational factors that affect motivation. At this point, a dispositional operationalization of self-determination, the general causality orientations, will be presented and relevant research reviewed.

General Causality Orientations

In his 1980 book, Deci introduces the notion that intrinsic and extrinsic motivation might also be operationalized in personality dispositions. Deci and Ryan (1985a) developed the General Causality Orientation Scale (GCOS), which is a general cross-domain scale of causality orientation (autonomy, control or impersonal.
dimensions, with three dimensions corresponding to the three motivational subsystems
... intrinsic, extrinsic and amotivational). Three dimensions allows for the use of the
theoretically appropriate sub-scale or combination of sub-scales to predict affect,
cognitions or behaviors (Deci and Ryan 1985a).

Deci and Ryan (1985b) have proposed that locus of causality is a different
construct than locus of control. They found no relationship between autonomy and a
measure of locus of control, while the control and impersonal dimensions correlate with
extrinsic locus of control as expected. Autonomy is positively related to ego
development (integrated self) and self esteem, as well as the tendency to support
autonomy in others. Control is positively related to public self-consciousness and type
A personality. Impersonal is positively related to social anxiety and negatively related
to self esteem. None of the dimensions correlate with social desirability.

The GCOS also relates to emotions and attitudes. The impersonal dimension is
related to fear, shame, feeling pressure and guilt; negatively related to being relaxed and
positive. The autonomy dimension is negatively related to guilt and hostility, but
positively related to interest. The control dimension is related to the importance of
doing well. There is also limited evidence to suggest the GCOS is related to behaviors.
Control orientation also has been shown to be negatively related to grades for college
students (Deci and Ryan 1987).

Since the initial introduction, this dispositional characteristic has been used in a
number of different research domains. For example, an autonomous orientation has been
shown to lead to more self exploration and career exploration (Blustein 1988), lower
centrality of money-related life values (Kasser and Ryan 1993), improved attitudebehavior consistency (Koestner et al. 1992), less dogmatic religious beliefs (Ryan, Rigby and King 1993), a reduction in addictive buying behavior (Scherhorn, Reisch and Raab 1990), improved weight loss efforts (Williams et al. 1996), and more influenced from quality than image advertising (Zuckerman, Gioioso and Tellini 1988).

One example of research using the GCOS was conducted by Koestner and Zuckerman (1994). They found that autonomous college students are more likely to adapt learning goals and to have higher confidence in their academic abilities. They respond to failure in a mastery-oriented manner. In contrast, controlled students are likely to adopt performance goals and have high confidence as well. They react to failure in a reactive manner. Categorization as autonomous or controlled was based on calculation of z-scores for each dimension. Subjects were then classified on the basis of the higher z score.

Self-determination theory focusses on autonomous, controlled and amotivated behavior. One way to operationalize this behavior is through a dispositional tendency. The autonomous causality orientation affects attitudes and behaviors in the same way as intrinsically motivating situations. These effects (e.g., confidence and mastery orientation) are correlated with integrative negotiation behavior. In addition to general work using the GCOS, several studies have focussed on the effects of an autonomous orientation on relationship behaviors. These studies have direct implications for the questions under consideration in this dissertation and will be reviewed next.
Self-determination and Relationships

Several studies based on self-determination theory have specifically looked at relationship issues. Hodgins, Koestner and Duncan (1996) considered college student relationships with their parents, and their interactions across all of their relationships, in two different studies. Study one asked college students to record every interaction of 10 minutes or more that they had with their parents for three weeks. They rated self-honesty and other-honesty, and obtained qualitative ratings of interaction initiation, influence, self disclosure, other disclosure, interaction quality and felt self-esteem. The purpose of the study was to try to determine if autonomy and relatedness could be two naturally coexisting needs. They found that students higher on the autonomy dimension of the GCOS had more pleasant interactions with their parents, had higher self esteem and were more honest. It supported their contentions that autonomy promotes connectedness, positivity and open, non-defensive interaction. They believe that this occurs because the autonomous individual doesn't have to worry about influence or feeling threatened. These results were replicated in study two, across all of the students' relationships, using the same method.

Another relationship study was conducted by Blais, Sabouria, Boucher and Vallierand (1990), who also found support for the use of self-determination in adult long term relationship development and continuation. They proposed that when relational behaviors are self-determined, partners tend to see relationship problems more as challenges than as hassles, and may be less distressed by such events. They would be more inclined to meet the inevitable problem situations that arise. Self-determined
partners should also be more open to learn and improve their social competencies than would partners under less self-determined motivation, where they experience tension and anxiety, are more rigid and vulnerable to less adaptive problem solving.

Both members of 63 couples completed a situation-specific version of the GCOS, measures of perceived couple adaptive behaviors and dyadic happiness. Motivation accounted for 61% of men's and 55% of women's relationship happiness. It explained 32% of the variation in adaptive behaviors for both men and women. Similar findings by Rempel et al. (1985) showed that love and happiness were closely related to the attribution of intrinsic motivation to self and partner.

Given the areas where self-determination theory has helped to gain insight into various processes, especially its success in the relationship domain, the use of self-determination theory in the present studies seems appropriate. The present work will utilize the theory with both dispositional and situational operationalizations of intrinsic and extrinsic motivation to examine the initiation of integrative negotiation tactics in salesperson-customer relationships. Successful study of this area will also extend the application of self-determination theory from personal relationships to economic exchange relationships.

HYPOTHESES GENERATION

Individual Differences

Based on research on the self-determination concept, we know that there are differences in the way that individuals approach different situations. Some individuals,
high in autonomy orientation, operate from the intrinsic motivation sub-system. These individuals have a predisposition to approach situations for the inherent interest of the task. They treat the situations they encounter as challenges. Their behavior would tend to be more flexible and they feel more competent and in control, as though their behavior determines the outcomes of the situation (Deci and Ryan 1987). High control oriented individuals operate predominantly from the extrinsic motivation sub-system and have a predisposition to look for the extrinsic rewards inherent in a situation. Their behavior tends to be more rigid and they feel as though the situation controls their behavior. This trait represents a dispositional operationalization of intrinsic or extrinsic motivation (Deci and Ryan 1987).

Because integrative negotiation requires more flexibility, requires a concern for the other party, requires a high degree of information sharing and may require more consideration to find the "better" solution, I take the position that we would expect autonomy-oriented individuals to initiate integrative tactics more than high control oriented individuals. High control individuals are more driven by the situation and don't look for the challenge in it. Therefore, they would be more likely to respond to the obvious situational cues that indicate that issues under negotiation are opposed and, thus, pursue distributive tactics. Therefore:

H1: People with higher levels of autonomy causality orientation relative to control orientation will initiate integrative tactics more than people with higher levels of control orientation.
Situational Differences

As intrinsic and extrinsic motivation can be operationalized as a dispositional characteristic, so too can it be operationalized by manipulating the situation. We have shown that one way to manipulate intrinsic or extrinsic motivation can be through the use of rewards. Following the same logic as that just described for individual differences, situations that encourage higher intrinsic (compared to extrinsic) motivation should encourage integrative bargaining, whereas situations that encourage higher extrinsic motivation should encourage more distributive tactics. Thus:

H2: People in situations that encourage intrinsic motivation will initiate integrative tactics more often than people in situations which discourage intrinsic motivation.

Interaction of Dispositional and Situational Conditions

Much of the earlier work in negotiation has shown contradictory findings with regard to individual differences. Many of these inconsistencies may be resolved by searching for situational moderators of the impact of personality on negotiating. The work on gender differences cited earlier takes one such approach (Fisher 1983; Stevens et al. 1993). In these articles, adding situational conditions to explore gender differences could eliminate gender differences previously seen. Applying this same rationale to these dissertation studies, it is proposed that the situational manipulation of intrinsic/extrinsic motivation will reduce the dispositional effects when situational cues are salient and relevant to the behavior. Individual differences may be more important
in ambiguous situations than in strong situations (Neale and Northcraft 1991; Snyder and Ickes 1985). Thus:

H3: Situations that encourage or discourage intrinsic motivation will interact with personality causality orientations in such a way as to reduce any personality effects on the initiation of integrative tactics observed in situations that provide no strong motivation cues.

Outcomes of Integrative Negotiation

Outcomes of integrative negotiation solutions have been previously demonstrated. Integrative solutions increase satisfaction and joint profit for those who use them. Along the same lines, it follows that integrative behaviors, operationalized here as the initiation of integrative tactics, will have a positive effect on satisfaction and joint profit. Thus H4 and H5 replicate these findings, and extend them from integrative solutions affecting outcomes to integrative behaviors affecting outcomes, within the self-determination perspective utilized here. Therefore:

H4: Initiation of integrative tactics will result in higher satisfaction for the person who uses these tactics.

H5: Initiation of integrative tactics by either party will result in higher joint profits for the negotiating pair.
Other Considerations

In addition to the specific hypotheses under consideration, the dissertation studies will consider these questions:

* What is the specific cognitive process by which intrinsic motivation translates into initiation of an integrative tactic?
* Are effort or involvement important aspects of this process?
* Does the situation manipulation affect mood, and if so does mood play a specific role in initiating integrative tactics?
* Does prior experience vary systematically across personality types, and, if so, does it play a role in the initiation of integrative tactics?
CHAPTER 3

EXPERIMENTAL METHODOLOGY

INTRODUCTION

This chapter will describe the methodology used to test the hypotheses developed in the previous chapter. I will begin by reviewing the simulation method employed. Next, I will discuss the subjects, experimental procedure and independent variables, both measured and manipulated. Methods appropriate to test the hypotheses will be reviewed, before reviewing measurement issues, including manipulation checks, confound checks, dependent measures and process measures.

THE SIMULATION

As noted in the literature review section, the research setting in negotiation must be realistic enough to allow individual differences to manifest. Parasimulation (also called behavioral simulation or simulation) represents one method for achieving this end. Keys and Wolfe (1990) define "a simulated experimental environment as a simplified and continued situation that contains enough verisimilitude or illusion of
reality to induce real world-like responses by those participating in the exercise (p. 308)."

Dutton and Stumpf (1991) note that simulations are suited to study the process of strategy implementation because they can measure variables at multiple levels, control the environment, deal with history effects, capture process and link that process to outcomes. In addition, Wolfe and Roberts (1993) believe that simulation provides for external validity over other experimental methods, although there is a paucity of research on this notion. They conducted a study that demonstrated that career success is related to simulation findings five years after the simulation. Kinnear and Klammer (1987) surveyed managers to determine that they do view Markstrat (a marketing computer simulation) as "real world." Smith and Arlington (1992) discuss the growing trend toward use of experimental economics (simulations that involve the use of buyers and sellers negotiating deals in a simulated environment), noting that they can be used to shed light on commercial world principles that govern trading.

A wide variety of research projects are made possible through the use of simulations. Simulation research has been used in marketing to study various strategy and negotiation issues (for example, see the December 1987 issue of Journal of Business Research, entirely devoted to the use of the Markstrat simulation; also, e.g., McAlister, Bazerman and Fader, 1986). It has been widely employed as a method in negotiation research (e.g., Bazerman, Magliozzi and Neale 1985; Slusher, Sims and Thiel 1978) and has also been used to study personality (Schneer and Chanin 1984; Jones and White 1985).
McAlister, Bazerman and Fader (1986) employ a log rolling integrative negotiation task in their simulation study of dependence and goal setting in channel negotiations. This paradigm has also been used successfully elsewhere (e.g. Bazerman, Magliozzi and Neale 1985). Use of this paradigm allows for collection of both individual and joint profit outcomes. I use this same simulation, described below, modifying the paradigm to collect process data and to include a practice round\(^3\).

The exercise involves a free market simulation between buyers (retail stores) and sellers (shoe manufacturers). In the simulation, profits are affected by three factors: delivery, discount and financial terms. Each buyer or seller subject is given a profit schedule with nine profit levels for each of the three factors, labeled A through I. Subjects see the profit schedule only for their role. Buyers received the highest possible profit and sellers the lowest possible profit at the A levels of the three terms. For buyers, delivery had the highest potential profit and financing, the lowest potential. Financing has the highest potential for sellers and delivery, the lowest potential. The simulation offers integrative potential (log rolling) by trading off delivery for finance terms. It is extremely unlikely that one party could be convinced to take the optimal solution for the other party since that would result in 0 profit for the first party, while yielding $8000 for the other party. The compromise position of EEE (distributive solution) yields $4000 for each party. However, an optimal integrative solution of AEI

\(^{3}\)Although there is no direct evidence reported in the literature that individual differences are observed in this simulation, experience using the simulation indicates that there are, in fact, substantial individual differences. In addition, the dissertation will pilot the simulation to assure its appropriateness in this task.
yields $5200 for each party. Over the course of the exercise, subjects can negotiate multiple deals with the same or different partners.

This simulation overcomes many of the problems often associated with field research on negotiation, such as inaccessibility of private information, difficulty in collecting data to make causal inferences, and difficulty of obtaining data on the same variables across transactions. It also overcomes many of the problems of laboratory research on negotiation such as "one-shot" negotiations, and ignoring the existence of economic markets that surround the transaction. However, a great deal of control of the environment is still maintained, normally afforded by laboratory experiments (McAlister, Bazerman and Fader 1986).

SUBJECTS

Undergraduate students were used and individual differences that are not being studied were randomized. Although the use of student samples has been questioned by some (e.g., Thompson 1990a), a study by Neale and Northcraft (1986) is directly relevant to this issue. Using the same simulation employed in the dissertation studies, they compared results of 178 amateurs (students) to 80 professionals (corporate real estate negotiators). Their results indicated that, although there are some differences in the levels of dependent variables, the pattern of results is the same for both groups.

A personality measure of self-determination (Deci and Ryan 1985a) was administered to approximately 500 students in a large classroom setting, approximately one month prior to conducting the experiments. Individuals higher on either dimension
of the self-determination trait will be identified to comprise the subject pool. Subjects are given extra credit in partial fulfillment of course requirements if they agree to participate in the experimental simulations. Although students will be selected for their participation in the various experiments based on their personality differences, they will be randomly assigned within conditions.

Experiment One tests the hypothesis that individual differences in self-determination affect the initiation of integrative tactics. For this first experiment, forty subjects who are higher in autonomy orientation (dispositional operationalization of intrinsic motivation) and forty subjects who are higher in control orientation (dispositional operationalization of extrinsic motivation) were recruited to participate in four simulations of ten buyers and ten sellers each. The higher dimension was determined by having a z-score higher on one dimension than on the other.

Experiment Two tests the hypothesis that situational differences in self-determination affect the initiation of integrative tactics. For experiment two, forty subjects were recruited, randomized on personality, for two simulations of ten buyers and ten sellers each, one which manipulated the situation to encourage high intrinsic motivation, and the other manipulated for high extrinsic motivation.

For Experiment Three, to test the interaction of individual differences with situational factors, eighty subjects of each high autonomy and high control self-determination traits, were recruited to eight simulations in which the situational intrinsic/extrinsic motivation also will be manipulated. The final subject pool consisted of 280 undergraduate students.
INDEPENDENT VARIABLES

The independent variables for this study include the personality measure of interest (self-determination; autonomy and control orientations), as well as the situation manipulations of intrinsic/extrinsic motivation.

Measurement of Personality Traits

Personality was measured with a commonly accepted and fully validated measure from psychology. Self-determination (Deci and Ryan 1985a) has been measured with a scale, the general causality orientations scale or GCOS, to identify the levels of self-determination or causality on three dimensions: autonomy, control and impersonal. Because this study is interested in people who will demonstrate high levels of intrinsic or extrinsic motivation, I will use the autonomy and control orientation portions of this scale (consistent with Koestner and Zuckerman [1992]).

People who are high in autonomy are those who have high levels of intrinsic motivation across situations. They tend to approach situations feeling as though they are able and willing to affect the situation. People who are high in the control dimension tend to feel as though the situation controls their behavior. They approach situations, looking for what behaviors they feel are demanded, in order to receive external rewards. The measure has the advantage of being piloted and tested (e.g., Deci and Ryan 1985a). In addition, the GCOS was used by Hodgins et al. (1996) to study a dyadic relationship context.
The GCOS consists of 12 brief vignettes, each presenting a situation followed by two possible responses to that situation: one that is autonomy-oriented and one that is control-oriented (impersonal orientation was not included in the current studies, as it represents amotivation and the present studies focus on operationalizing intrinsic and extrinsic motivation). Each response is followed by a 9 point scale. Respondents rate the extent to which each response is characteristic of the respondent in that situation. For example, "You are embarking on a new career. The most important consideration is likely to be..." An autonomy orientation is measured by the response "how interested you are in that kind of work." A control orientation would be measured by the response "whether there are good possibilities for advancement." The GCOS can be found in Appendix A.

Deci and Ryan (1985a, 1985b) describe some of the properties of this scale. They report alphas of .744 for autonomy and .664 for control. They also report acceptable levels of test-retest reliability. To consider validity, they analyze the relationships of this scale to several others for convergent and discriminant validity, as well as looked at its relationships with emotions, attitudes and behaviors.

Situational Motivation

When people receive a task contingent reward for working on an interesting activity, their level of intrinsic motivation is reduced, called the undermining effect, whereas task non-contingent rewards have no effect on intrinsic motivation with an interesting activity (Deci 1980, Deci and Ryan 1985). These rewards must be expected,
salient and contingent on performing the activity (Deci and Ryan 1987). Task contingent rewards for doing the activity, have been most successful in undermining intrinsic motivation; whereas those for good performance have mixed results. Therefore, in order to reduce intrinsic motivation (increase extrinsic motivation), this study employs a manipulation that involves paying subjects based on the number of transactions that they complete. In the low intrinsic motivation condition, subjects, after receiving the directions, are told that they will receive compensation of $1.00 for each transaction that is completed. Therefore, subjects have the potential of making $5.00 for participating in the task, and this payment is contingent completely on participation.

In the opposite condition, that of higher intrinsic motivation, a non-contingent reward is used. Following the directions, subjects are paid $5 for their participation. In both conditions, subjects are alerted to the payment when they agree to participate over the telephone. They are told that in addition to bonus points they have the opportunity to earn up to $5. No details are given so that subjects cannot detect whether payment will be task contingent or not.

MEASUREMENT

This section will deal with dependent measures, process measures, manipulation checks and confound checks, to be collected in these experiments.
Dependent Measures

The first dependent variable under consideration is that of initiation of integrative tactics, a behavior in the process of integrative negotiating. Subjects make 5 deals throughout the negotiation. Each deal is made according to the profit schedule that they are provided (See Appendix B). Subjects are asked to record their initial offer. If the offer demonstrates a giving up of profit on the term most important to the other of at least three profit levels, or giving up one level on each dimension in order of importance, then the offer is recorded as integrative in nature. Each of the five offers is recorded this way, allowing for a potential of 0 to 5 offers that initiate integrative tactics.

The second dependent measure of interest is joint profit, an outcome measure. Profit is recorded from the final terms agreed on for each of the five deals that are made. For example, if the subjects make a deal that is fully integrative (AEI), then their profit associated with this deal is $5200, and the profit for the partner is also $5200. This would yield a joint profit of $10,400. A deal of AAA would yield a profit of $8000 for one partner and $0 for the other partner, or a joint profit of $8000. A deal with

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*I determined this method by considering which deals would increase the pie, consistent with the definition of integrative bargaining. A cutoff of any offer which would result in expanding the pie by at least 15% (of a possible 30% increase) was employed.

Consideration was given to defining the degree of integrativeness. Since this represents an offer to be perceived by the partner (not a final deal), it is impossible to judge whether AEI, AII or ADG represents a more integrative offer. However, all could be objectively categorized as an integrative tactic. Therefore, an integrative offer for any negotiation is coded as a 0/1 variable (initiation of an integrative tactic) and summed across all 5 deals made.

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compromises each dimension separately (EEE) would result in $4000 each and still represent joint profit of $8000. Joint profit is calculated for each deal individually.

The final dependent measure of interest is satisfaction, an outcome measure. Satisfaction is measured for each deal made on a scale of 1 to 10, with 10 being very satisfied and one being very dissatisfied in dealing with that particular partner on that particular deal.

Process Measures

One of the objectives of these experiments is to determine the process by which people decide to initiate integrative tactics, as well as determining whether the initiation of integrative tactics is part of the process of developing satisfying, mutually beneficial, cooperative relationships. Because it is thought that subjects who are more intrinsically motivated will be more likely to demonstrate concern for the other’s priorities, are more likely to be flexible with the other, and are more concerned with finding the "optimal" solution, we test this notion by having subjects finish the questionnaire (Appendix C) with a thought listing and description of the steps of negotiating. At the very end, subjects will be asked to:

1. write down all the thoughts that went through your mind as you participated in the negotiations, and

2. write down each of the steps that you went through in making a negotiation.

Responses will then be coded as to whether or not the subject was concerned with the other’s outcomes.
Manipulation Checks

In the final questionnaire after the simulation, levels of intrinsic motivation will be checked to see if differences actually exist between situations that encourage intrinsic/extrinsic motivation. Intrinsic motivation will be assessed using two questions pertaining to interest and enjoyment. Although much of the psychological literature assesses intrinsic motivation with behavioral measures of continued participation, Deci and Ryan (1987) observe a significant correlation ($r=.42$) between self-report measures, such as the one employed here, and behavioral measures of intrinsic motivation. They also report that this type of measurement has been used in lieu of a behavioral measure in several studies.

Confound Checks

Four variables which may have potential confounding effects are included in these studies. First, mood could affect performance. Since one group of subjects receives payment prior to participation, and with no contingencies, subjects in this condition could experience a more positive mood than subjects who must earn their payment (task contingent reward condition). Therefore, the Mood Short Form Or MSF (Peterson and Sauber 1983) was included in the final questionnaire. Subjects completed a four-item Likert type scale, rating the extent that they agreed or disagreed with each of four statements on a five point scale. The scale has been used previously, measures general positive or negative mood, and shows high reliability and validity (Bearden, Netemeyer and Mobley 1993).
The second variable of concern is negotiation experience (frequency with which a student has participated in negotiation situations). Because subjects with different personality characteristics might differentially seek out certain types of situations, there is a possibility of systematic differences on negotiation experience between subjects high in autonomy or high in control causality orientations. Therefore, subjects were also asked to report the amount of negotiation experience, relative to other students, that they have that would prepare them for this type of activity. Responses were recorded on a 10 point scale, with 1 being no experience and 10 being a great deal of experience.

In addition, involvement and effort both offer potential alternative explanations for integrative offers. Therefore, two items were included on the final questionnaire. The first item asked the extent that the subject was involved in the simulations, on a scale of 1 to 10, with 10 representing very involved. The second item asked how much effort the subject put into participating in the simulations, on a scale of 1 to 10 with 10 representing a great deal of effort. Appendix C contains all confound measures.

**EXPERIMENTAL PROCEDURE**

This section will address three aspects of experimental procedure: the procedure for the screening or mass testing, the procedure for recruiting subjects, and the procedure for the actual simulations.
Mass Testing (Screening)

At the beginning of the quarter, a faculty member from the marketing department visits the Principles of Marketing Class and explains to students the purpose and procedures related to the participation in marketing experiments (See Appendix D for procedures). The subjects will be given a questionnaire including the self-determination instrument (general causality orientation scale, GCOS), embedded in a series of other questions. This instrument is administered to all Principles of Marketing students present on the day of the screening. For the present studies, the subjects are contacted over the phone. The students are informed of this procedure during the discussion session at the beginning of the quarter.

Recruitment of Subjects

After standardizing scores by calculating z-scores on the autonomy and control dimensions of the GCOS, subjects are classified as either autonomy oriented or control oriented, depending on which of their z-scores is higher. This classification has been used previously (e.g., Koestner, Bernieri and Zuckerman 1992; Koestner and Zuckerman 1994) and Deci and Ryan (1991) suggest that it may be useful to combine or compare scores to test specific hypotheses. Within these classifications, subjects are randomly contacted by telephone. (A copy of the phone solicitation script is included in Appendix E). Subjects in the situation x personality conditions are told they will have the opportunity to earn up to $5. Subjects in the second study (situation only) can sign up for the extra credit on the sign up board for the experiments.
The Simulation

Students are ushered into a classroom at their appointed time. They are told they are to participate in a marketplace simulation, that the entire study will take approximately 45 minutes to complete, and reminded that their participation is voluntary. They then sign a consent form and pick up a packet of experimental materials in which the two roles are included by random assignment. The materials contain two pages of directions, and include a brief quiz to check students’ understanding of the payoff schedules they are to use (Appendix F). Students are asked to read these directions and complete the quiz. The experimenter then reviews these directions with them and answers any questions that they have about the game.

At this point, subjects are 1.) paid $5 (task non-contingent), or 2.) told that they will be paid $1 for each deal that they complete (task contingent). Then subjects participated in a 3 transaction practice round and any directions not understood are clarified. Bazerman, Magliozzi and Neale (1985), demonstrated that, with this simulation, subjects show learning effects -- they arrive at better solutions with experience. The practice round was designed to help equalize this effect, as well as assure understanding of playing the game.

Subjects then proceed to the actual face-to-face simulation which involves negotiating five sales according to directions. Subjects may choose to work with any buyer, if they are a seller, or any seller, if they are a buyer, and they can work with the same person any number of times they choose. Time for completing these five deals is limited to 20 minutes (shown in pilot studies to be adequate time to complete this many
transactions). However, subjects are told they should attempt to complete 5 deals and that it should take about 20 minutes to complete, in order to eliminate any effects of deadlines on use of integrative bargaining tactics (Carnevale and Lawler 1986) or on intrinsic motivation (Amabile, DeJong and Lepper 1976). Information about each transaction is recorded on the actual form (Appendix G). The entire simulation takes place in a standard classroom where the chalkboard area is used for selecting partners to work with and the students can go to any desk area to actually negotiate.

Finally, after completing the simulation, students are asked to complete a questionnaire, contained at the end of the simulation materials. This questionnaire recorded the manipulation checks, confound checks and process measures described previously. Subjects were then debriefed (Appendix H) and excused.

HYPOTHESES

The following summarizes the hypotheses:

H1 People with higher levels of autonomy causality orientation relative to control orientation will initiate integrative tactics more than people with higher levels of control orientation.

H2 People in situations that encourage intrinsic motivation will initiate integrative tactics more often than people in situations which discourage intrinsic motivation.

H3 Situations that encourage or discourage intrinsic motivation will interact with personality causality orientations in such a way as to reduce any personality effects on the initiation of integrative tactics observed in situations that provide no strong motivation cues.

H4 Initiation of integrative tactics will result in higher satisfaction for the person who uses these tactics.
H5  Initiation of integrative tactics by either party will result in higher joint profits for the negotiating pair.

H1 and H2 are tested using a one-way analysis of variance with two levels of the treatment factors (high autonomy or high control causality orientations; situational intrinsic or extrinsic motivation), with the dependent variable the number of times that their initial offer was categorized as integrative (0 to 5 times possible).

H3 is tested with a 2 x 2 analysis of variance with high autonomy or high control orientation and high intrinsic or extrinsic situational motivation. The dependent variable is the same as for H1 and H2.

H4 and H5 are tested with one-way analysis of variance to determine the influence of the initiation of integrative tactics (did or did not) on satisfaction and joint profits (specific to one deal). Satisfaction is a score of 1 to 10. Joint profits could range from $8000 to $10,400 in intervals of $100.
CHAPTER 4

PILOT TESTING

Pilot studies were tested in order to determine the best experimental procedure for running the simulation, to test the measures to be used on the target population and to test the effectiveness of the situational manipulations. In addition, an initial paper and pencil test of the individual difference hypothesis was conducted to confirm the appropriateness of the personality variables under study and the general approach employed. This section will discuss each of 4 sets of pilot studies conducted before reviewing the results of these studies. Table 1 details the key elements of each of the pilots, and more specific details are provided for each.

SIMULATION TEST

The simulation was run over the course of two years in upper level undergraduate marketing courses as part of the course learning experience (both the Marketing Management class and the Cases in Marketing}
Management class). Throughout this time, the experimenter gradually modified
directions and simulation materials until students indicated clarity in understanding.
This qualitative evaluation was made in conjunction with course instructors. Of specific
interest were the length of the simulation would take to complete, the types of questions
that students might have and how many subjects were optimal during the running of the
simulation.

In the final conduct of the simulation prior to approving simulation materials,
means were calculated to determine the degree of variance across individuals in the
deals that they negotiated. These results will be presented subsequently.

Subjects

Subjects were undergraduates, predominantly marketing majors, enrolled in
upper level marketing courses. The simulation was run eight times, with an average of
20 subjects per session, although sessions varied from as few as 14 to as many as 24. No serious differences were observed on the basis of the number of participants.

Procedures

Subjects participated in the simulation, following the basic procedure outlined in the method chapter. Several minor modifications were made over time. For example, subjects initially completed 6 deals. Most subjects could complete 6 deals in 20 minutes. However, some subjects rushed through the last deal. Since many of the extra credit opportunities require only 30 minutes of the students’ time, it was determined that the number of deals would be reduced to 5 in order to assure that most subjects could comfortably complete the simulation.

The most common question encountered was whether the buyer payoff schedule represented cost to the buyer or profit. The directions were changed slightly so that the experimenter made sure to point out that the profit schedule represented money made for both the buyer and the seller’s company, when reviewing directions. In addition, the experimenter made sure to review how to complete the paperwork, since some students did not complete all of the information fully.

Results

In the final two simulation tests, all dependent measures were included and means and variances were checked to make sure that adequate differences did exist across subjects. Table 2 summarizes these results.
Table 2: Descriptive Statistics, Pilot of Dependent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>N⁷</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Integrative Offers</td>
<td>41</td>
<td>2.46</td>
<td>1.64</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td># of Integrative Deals</td>
<td>41</td>
<td>3.46</td>
<td>1.38</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>190</td>
<td>7.44</td>
<td>1.25</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Profit</td>
<td>195</td>
<td>4732.8</td>
<td>603.1</td>
<td>2500</td>
<td>6200</td>
</tr>
<tr>
<td>Joint Profit</td>
<td>195</td>
<td>9450</td>
<td>603.4</td>
<td>7600</td>
<td>10400</td>
</tr>
</tbody>
</table>

MEASURE PRETEST

A questionnaire containing the GCOS was administered to 378 Principles of Marketing students according to the mass test (screening) procedures described earlier. Cronbach's Coefficient Alpha and Factor Analyses were run on both the autonomy and control dimensions to confirm the appropriateness of the scale for the subject population for future use in identifying subjects for experiments one and three.

⁷Recall that each subject's number of integrative offers was based on a sum of five deals made. H4 and H5 are based on every deal. Since each subject completed four or five deals, 195 deals were available. In addition, one subject did not complete satisfaction measures.
Results

Table 3 shows the means and standard deviations of the autonomy and control causality orientations.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>56.58</td>
<td>8.62</td>
</tr>
<tr>
<td>Control</td>
<td>42.45</td>
<td>8.12</td>
</tr>
</tbody>
</table>

Each scale was constructed from 12 individual items. The two dimensions significantly correlate with one another ($r=.248$, $p<.01$). Deci and Ryan (1985a) propose that an individual will have some degree of each of the dimensions, so the correlation is not necessarily problematic. In addition, the independent variable calculation focuses on the predominant dimension.

Autonomy correlates with curiosity ($r=.244$, $p<.01$), adaptability ($r=.239$, $p<.01$), and innovation ($r=.160$, $p.01$), all of which are consistent with self-determination theory and the perspective of this research. Control, on the other hand, is not significantly correlated with any of the above measures, but is correlated with self-monitoring ($r=.273$, $p<.01$). This correlation is consistent with findings by Zuckerman, Gioiosso and Tellini (1988). They found that high control oriented individuals are high self-
monitors and replicated Snyder and Debono's (1985) preferences for image advertising, where high self-monitors (and in this case control-oriented people) were more persuaded by image than quality advertisements.

Based on the above discussion, the use of the GCOS scale with undergraduate students for the purposes here seems appropriate. In addition to these general qualities, the psychometric properties were analyzed. The autonomy dimension has a Cronbach's Alpha of .7713, while the control dimension has a Cronbach's Alpha of .6035. Both of these alphas demonstrate acceptable reliability.

Principal Component Factor Analysis of the autonomy dimension indicates unidimensionality, according to a scree criteria, with all variables loading at least .40 on the first factor. The control dimension can also be considered unidimensional based on a scree criteria, with all variables loading at least .20 on the first factor. The factor loadings are presented in Table 4. The results confirm the factor structure.

SITUATION MANIPULATION

The complete simulation was run according to procedures described in the method chapter, including the situation manipulation. Each manipulation was run for 20 subjects from the undergraduate Marketing Cases course. Data were submitted to the same analyses as the actual experiment test of H2, as well as one-way analysis of

---

8Using a mineigen of one, autonomy has a three factor solution and control, four factor. These solutions can be found in Appendix I.
variance with two levels of the treatment to predict the manipulation check of intrinsic motivation.

---

**Table 4: Factor Loadings for GCOS**

<table>
<thead>
<tr>
<th>Autonomy Variable</th>
<th>Loading</th>
<th>Control Variable</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>A9</td>
<td>.634</td>
<td>C1</td>
<td>.601</td>
</tr>
<tr>
<td>A2</td>
<td>.630</td>
<td>C9</td>
<td>.562</td>
</tr>
<tr>
<td>A10</td>
<td>.625</td>
<td>C2</td>
<td>.527</td>
</tr>
<tr>
<td>A8</td>
<td>.589</td>
<td>C7</td>
<td>.511</td>
</tr>
<tr>
<td>A11</td>
<td>.574</td>
<td>C3</td>
<td>.462</td>
</tr>
<tr>
<td>A7</td>
<td>.571</td>
<td>C10</td>
<td>.451</td>
</tr>
<tr>
<td>A5</td>
<td>.528</td>
<td>C12</td>
<td>.437</td>
</tr>
<tr>
<td>A12</td>
<td>.488</td>
<td>C11</td>
<td>.424</td>
</tr>
<tr>
<td>A3</td>
<td>.487</td>
<td>C5</td>
<td>.382</td>
</tr>
<tr>
<td>A4</td>
<td>.426</td>
<td>C8</td>
<td>.275</td>
</tr>
<tr>
<td>A6</td>
<td>.425</td>
<td>C4</td>
<td>.231</td>
</tr>
<tr>
<td>A1</td>
<td>.410</td>
<td>C6</td>
<td>.227</td>
</tr>
</tbody>
</table>

---

Subjects

Subjects were 42 undergraduate students enrolled in a marketing case class.

They participated as part of their classroom learning experience.
Procedures

Since there were 42 students in one class, the class was randomly divided into the two conditions. A second experimenter, who had previously run the simulation and who was trained and briefed by the lead experimenter, took responsibility for one simulation session. The instructor was not present, so as not to confound the motivation manipulation.

The lead experimenter went through the directions with both groups. The groups were then split and one group moved to a nearby classroom. Once the groups had been separated, the situation manipulation was executed, according to the procedures defined in the method chapter. Generally, this involved paying students in the intrinsic motivation condition $5 at the start of the simulation (task non-contingent reward), whereas students in the extrinsic motivation condition were paid $1 for each deal that they completed (task contingent reward). Students then participated in one practice round of three deals and proceeded to the actual simulation. Experimenters recorded the time from the start of the game round until the last party completed their last deal. In the higher intrinsic motivation session, two students did not complete 5 deals, but were stopped because time did not allow for them to continue within class time. Several students in the higher extrinsic motivation session completed more than 5 deals. Number of deals completed divided by total time was used as an additional indication of motivation, under the assumption that people who treated the exercise as a personal challenge (high intrinsic motivation) would be more likely to take a longer
time per deal. After the simulation, students completed a questionnaire with the manipulation checks.

Results

The two intrinsic motivation questions (manipulation check) averaged over 8 on a 10 point scale (8.00 for interest and 8.10 for enjoyment) after the omission of one outlier (all responses ranged from 6-10, with the outlier at 1 on each question), with a standard deviation of around 1 (1.04 and 1.17 respectively). Descriptive statistics on other measures were similar to those from earlier simulation tests. See Table 5.

A one-way ANOVA using intrinsic/extrinsic motivation as the independent variable was run on each of the manipulation checks (the two questions and time per deal). The experimenter expected that there would be a significant difference between the intrinsic and extrinsic motivation conditions on all measures. Neither manipulation check question was significant, although they were both in the appropriate direction (interest, F(1,39)=1.51, p=.23; enjoyment, F(1,39)=1.23, p=.27). The researcher believed that this was due to lack of variance. The students did not know that they would be receiving any type of compensation during their class, and this activity is significantly different than what they would normally do during their class time. Therefore, all subjects reported extremely high levels of interest and enjoyment. The results might also represent a need to increase power, and a decision was made to run a second simulation for each condition. In addition, the one-way ANOVA on time spent
per deal was significant ($F=214.89$, $p<.01$), revealing, as expected, that intrinsically motivated subjects spent more time than extrinsically motivated on each negotiation.

Finally, to verify that the manipulation was working, an analysis was conducted to see if there was a significant effect of the manipulation on any of the dependent measures. Table 5 summarizes these findings. Given that hypothesized results did occur, a decision was made to use the manipulation.

Because of concern that the manipulation check had not worked, the pilot was repeated in another class, following the same procedures with an additional 34 subjects. Analysis on the effect of the situation manipulation on the two self-report questions was conducted for the two classes combined. The effect of situation on interest was significant ($F(1,73)=4.52$, $p<.05$), as was the effect on enjoyment ($F(1,73)=5.09$, $p<.05$). Means across these conditions are included in Table 6.

PERSONALITY HYPOTHESIS

An initial test of H1 was conducted using 76 subjects from two different undergraduate marketing courses. Subjects initially completed the GCOS and sometime later the experimenter attended class as a guest lecturer (2 days later for one class, one week later for the other). The experiment was administered as a skill building activity to introduce the lecture topic of negotiation. By imbedding the study in a standard class, effects on motivation associated with extrinsic rewards such as extra credit were reduced. This was done so that differences in intrinsic motivation of the students could be manifest.
Table 5: One way ANOVAs of manipulation on DVs

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>F-test</th>
<th>p-value</th>
<th>Intrinsic Mean</th>
<th>Extraneous Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td># Integrative Offers (5 possible)</td>
<td>4.06</td>
<td>.0510</td>
<td>3.00</td>
<td>2.00</td>
</tr>
<tr>
<td># Integrative Deals (5 possible)</td>
<td>13.66</td>
<td>.0007</td>
<td>4.21</td>
<td>2.82</td>
</tr>
<tr>
<td>Total Reported Satisfaction (50 possible)</td>
<td>1.62</td>
<td>.2115</td>
<td>37.39</td>
<td>40.32</td>
</tr>
<tr>
<td>Total Joint Profit (60,000 possible)</td>
<td>6.19</td>
<td>.0175</td>
<td>48,482</td>
<td>46,209</td>
</tr>
<tr>
<td>Total Individual Profit (40,000 possible)</td>
<td>2.24</td>
<td>.1428</td>
<td>24,324</td>
<td>23,156</td>
</tr>
</tbody>
</table>

Students were provided with a questionnaire that contained the profit schedule from the simulation and two practice questions in using the profit schedule. The experimenter checked their work on the practice questions before they proceeded to the rest of the questionnaire. The questionnaire then presented six scenarios and asked subjects to identify what they would offer (counteroffer) in this situation. Appendix J presents the study materials.
Table 6: Results of Follow Up Manipulation Check Study

<table>
<thead>
<tr>
<th>Dependent Measure</th>
<th>Intrinsic Motivation</th>
<th>Extrinsic Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>Interest</td>
<td>36</td>
<td>8.47</td>
</tr>
<tr>
<td>Enjoyment</td>
<td>36</td>
<td>8.50</td>
</tr>
</tbody>
</table>

The first scenario is an ambiguous situation where the only information provided to the subjects is that the buyer's important issue is the least important to them. The second situation increases the importance of the buyer by emphasizing the need to establish a long term relationship. The third scenario adds power (alternatives available; see Lewicki et al. [1994] for a review of power), noting that the buyer is powerful and could choose to work with another person. For each of these, subjects are asked to develop an initial offer. Scenarios were designed to provide a test of individual differences in a highly ambiguous situation, as well as to simulate the type of information that subjects might receive from partners in the actual simulation.9

9Power and long term cooperation are not actually manipulated in the dissertation studies but subjects have been observed to try to obtain long term cooperation and to use personal power in the actual simulation.

86
The next three simulations asked the subjects to make counteroffers to several offers from a hypothetical buyer. The buyer made a highly competitive, a compromising and an integrative offer and subjects were asked to develop a counteroffer. Results were analyzed separately for offers versus counteroffers because of the possible effects of reciprocation on counteroffers.

Once the six scenarios were complete, the experimenter proceeded into a discussion of integrative versus distributive negotiation. The complete study took about 20 minutes. Subjects were run in two separate classes of 35 and 50. Based on having both the personality score and a completed study questionnaire, 76 usable results were obtained.

Data collected in these studies were analyzed using one way analysis of variance to see if differences in personality (high autonomy or control causality orientation) resulted in a differential initiation of integrative tactics. Each response was coded as integrative or not according to the coding scheme described in the methodology chapter\textsuperscript{10}. Number of integrative tactics initiated was counted across the three initial offer situations and the three counteroffer situations, so the dependent variables ranged from 0 to 3.

\textsuperscript{10}Any offer that resulted in giving up at least three levels on unimportant profit dimensions or that showing a willingness to give up at least one profit level on dimensions in order of importance was coded as integrative.
Results

A one-way ANOVA performed on the number of initial offers that were integrative, with autonomy/control orientation as the independent variable revealed that there was a significant effect of causality orientation on the initiation of integrative offers (F(1,74)=5.15, p<.05). However, this same result was not obtained on counteroffers, possibly due to reciprocation\textsuperscript{11}. If reciprocation represents the explanation for this finding, then we would expect that more students, irrespective of their causality orientation, would use distributive tactics for the first two scenarios, where more students would use an integrative counteroffer for the final scenario. This was in fact the case, with 46 of 53 subjects using an integrative counteroffer in response to the integrative offer.

This final pilot study provides evidence that individual differences, when they are based on a theoretical rationale and link individual differences to specific process behaviors rather than outcomes, can be important indicators of cooperative negotiation behaviors. These findings provide initial support for hypothesis one and for the general approach taken here.

In summary, the pilot tests accomplished several things. First, they allowed for refinement of the experimental procedures, through extensive observation of the simulation dynamics. Second, they assured the appropriateness of the personality scales for the student subject sample that had been identified for use in the dissertation studies.

\textsuperscript{11}Reciprocation is the tendency to respond in kind and is an important and well documented construct in negotiation (Lewicki et al. 1994).
Third, the situation manipulation was shown to work, and situation effects were demonstrated in a very preliminary manner. Finally, because of issues identified in earlier chapters surrounding individual differences and negotiation research, a preliminary test of hypothesis one was made. This test showed the rationale behind the personality factor chosen was appropriate.
CHAPTER 5

EXPERIMENTAL RESULTS

INTRODUCTION

This chapter presents the results of the three main dissertation studies, which were conducted late in the Spring of 1996. The chapter is broken down into the following sections: first, a general description of the subjects who participated in each of the first three studies is presented. Next, the checks on the situational manipulation of intrinsic/extrinsic motivation are presented. Third, results from the tests of potential confounding variables are discussed. Fourth, results of the thought listing are presented. The final section presents the major findings of the studies: the tests of the experimental hypotheses. The implications of the findings will be discussed in the next chapter.

SUBJECTS

Subjects in the three main dissertation studies were undergraduate students drawn from the Principles of Marketing course at the Ohio State University. Typical students in this class are sophomore standing and come from a variety of majors.
although the majority are business students. One hundred seventy-six subjects completed the simulation and questionnaire materials, all providing usable data, and providing 894 individual deals. Certain items were missing, however, for particular tests. For example, one subject didn’t rate her satisfaction on any deal, and three other satisfaction codes could not be read. Therefore, satisfaction tests are based on 886 usable responses. Sixty-eight subjects participated in experiment one; thirty-six, in experiment two; and one hundred and fifty-four, in experiment three. Because results were collapsed across all three studies for the tests of hypotheses four and five, and each deal was treated separately (usually five deals per subjects) 894 observations are available for these tests. Table 7 presents the means and standard deviations for the dependent measures of each study.

MANIPULATION CHECKS

Although extensive pretesting was undertaken to test the situation manipulation of intrinsic/extrinsic motivation (see Chapter 4), checks of the manipulation were also included in the questionnaire, administered following the simulation used in the dissertation experiments. A discussion of the results of the manipulation checks follows.
<table>
<thead>
<tr>
<th>Study Variable</th>
<th>N</th>
<th>Mean(Std)</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (H1) #Integrative Offers</td>
<td>63</td>
<td>1.71(1.59)</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Mood</td>
<td>68</td>
<td>9.15(1.54)</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Experience</td>
<td>66</td>
<td>5.32(2.28)</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Effort</td>
<td>68</td>
<td>8.03(1.34)</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Involvement</td>
<td>68</td>
<td>8.09(1.42)</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>2 (H2) #Integrative Offers</td>
<td>36</td>
<td>3.31(1.65)</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Mood</td>
<td>36</td>
<td>9.44(1.30)</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Experience</td>
<td>36</td>
<td>5.39(2.36)</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Effort</td>
<td>36</td>
<td>7.97(1.48)</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Involvement</td>
<td>36</td>
<td>8.28(1.52)</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>3 (H3) #Integrative Offers</td>
<td>147</td>
<td>2.53(1.69)</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Mood</td>
<td>152</td>
<td>9.26(1.62)</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>Experience</td>
<td>152</td>
<td>5.75(2.28)</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Effort</td>
<td>152</td>
<td>7.91(1.39)</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Involvement</td>
<td>152</td>
<td>8.24(1.48)</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Combined (H4 &amp; H5) Satisfaction</td>
<td>886</td>
<td>7.78(2.25)</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Joint Profits</td>
<td>894</td>
<td>8940(968)</td>
<td>5600</td>
<td>10200</td>
</tr>
</tbody>
</table>
As discussed in Chapter 3, other researchers have found self-reported interest in, or enjoyment of, an activity to be highly correlated with a behavioral measure of intrinsic motivation (Deci and Ryan 1987). Therefore, two items were included in the final questionnaire asking subjects to indicate their degree of interest (enjoyment) in the simulation, by circling a number from 1 to 10, with 10 being the most interest (enjoyment). If the manipulation was successful, it was expected that subjects in the intrinsic motivation condition would indicate they were more interested in (enjoyed more) the simulation, than subjects in the extrinsic motivation condition.

Results from the subjects self-reported interest (enjoyment), tested in a one-way ANOVA, did not support the success of the manipulation. Specifically, subjects in the intrinsic motivation condition indicated a mean score of 7.81(1.42) for interest and 8.06(1.44) for enjoyment. Subjects in the extrinsic motivation condition indicated a mean score of 7.65(1.60) for interest; 7.65(1.69) for enjoyment. These differences were not statistically significant but were in the predicted direction. Given that when statistical power was increased in the pilot testing of the manipulation, the manipulation checks were significant, this does not appear to be problematic. The manipulation check is tested on only 35 subjects. While a similar number was insignificant in the pilot tests, when doubled, results were statistically significant.

CONFOUND CHECKS

Four variables having the potential to serve as confounds were checked for each of the three studies. Mood, experience, involvement and effort were tested as
alternative explanations for the effects observed. These were tested with the dispositional operationalization of motivation in study one, situational motivation in study two, and both personality and situation in study three.

For each study, each possible confound was included with the independent variable(s) in an ANCOVA. Mood was measured with a four item scale (available in Appendix C), with each item rated on a scale of one to five. Experience was a single item indicator in which subjects rated their experience that would have helped them prepare for this type of negotiation, relative to other college students, on a scale of one to ten. Effort and involvement were also single item indicators in which subjects self-reported their effort and involvement on scales of one to ten.

For the first study, when each covariate was included the F was not significantly changed, nor were any of the covariate F's significant. For the second study, only experience was significant ((2,33), F=7.09, p<.05). Since experience was a significant covariate, it was submitted to an additional test. An ANOVA was run to see if the situation manipulation had a significant effect on experience. The effect of situation manipulation on experience was not significant (F(1,34)=.54, p=.466). This additional analysis indicates that while experience is not a confound, it may play an important role in the process and thus deserves additional attention. For the third study, none of the covariates in the study were significant.

In the tests of the last two hypotheses, in which the data from all three experiments were combined, one additional covariate was tested. The order of the deal (first deal made, second deal made, and so on) was included as a covariate, for reasons
discussed in the method chapter. When run with satisfaction, order number was not significant ((2,885), F=.94, p=.334). However, for joint profits, the order was significant ((2,885), F=14.39, p<.01), replicating previously observed learning effects.

In general, confounds were not a problem in these studies. Order effects were expected, and were included in the analysis of integrative offers on joint profits. While experience was not expected to be significant, there is no reason to believe that experience actually was different across the two situational conditions as subjects were randomly assigned to conditions. Therefore, it is more likely that something about the studies affects the subjects' impressions of their own experience. Further discussion of possible reasons for this result will be included in the next chapter and experience was included as a covariate in the analysis of H2. Table 8 summarizes results of the confound checks.

THOUGHT LISTING RESULTS

Cognitive responses were collected on two questions in order to gain insight into the process by which motivation affects the use of integrative tactics. Subjects were asked to list all of the thoughts that went through their minds while participating in the negotiations. In addition, they were asked to list the steps that they went through to complete a deal. Many subjects combined these two responses or referenced one in the other. In addition, some subjects described the tactics they used in one answer, while others did so in the other answer. Therefore, thoughts were coded across the two questions.
### TABLE 8: CONFOUND CHECK RESULTS

<table>
<thead>
<tr>
<th>Study</th>
<th>Possible Confound</th>
<th>F Value</th>
<th>N</th>
<th>Extrinsic Mean(Std)</th>
<th>Intrinsic Mean(Std)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mood</td>
<td>.49</td>
<td>62</td>
<td>9.16(1.52)</td>
<td>9.14(1.57)</td>
</tr>
<tr>
<td></td>
<td>Experience</td>
<td>.97</td>
<td>62</td>
<td>5.28(2.56)</td>
<td>5.36(2.04)</td>
</tr>
<tr>
<td></td>
<td>Effort</td>
<td>3.85</td>
<td>62</td>
<td>8.25(1.55)</td>
<td>7.83(1.11)</td>
</tr>
<tr>
<td></td>
<td>Involvement</td>
<td>2.17</td>
<td>62</td>
<td>8.25(1.48)</td>
<td>7.94(1.37)</td>
</tr>
<tr>
<td>2</td>
<td>Mood</td>
<td>1.14</td>
<td>35</td>
<td>9.63(1.15)</td>
<td>9.30(1.42)</td>
</tr>
<tr>
<td></td>
<td>Experience</td>
<td>4.16*</td>
<td>35</td>
<td>5.06(1.95)</td>
<td>5.65(2.66)</td>
</tr>
<tr>
<td></td>
<td>Effort</td>
<td>.79</td>
<td>35</td>
<td>8.13(1.02)</td>
<td>7.85(1.79)</td>
</tr>
<tr>
<td></td>
<td>Involvement</td>
<td>.00</td>
<td>35</td>
<td>8.50(1.10)</td>
<td>8.10(1.80)</td>
</tr>
<tr>
<td>3</td>
<td>Mood</td>
<td>.18</td>
<td>154</td>
<td>8.94(1.28)</td>
<td>9.29(1.84)</td>
</tr>
<tr>
<td></td>
<td>Experience</td>
<td>.99</td>
<td>154</td>
<td>5.74(2.34)</td>
<td>6.39(2.14)</td>
</tr>
<tr>
<td></td>
<td>Effort</td>
<td>.33</td>
<td>154</td>
<td>7.85(1.46)</td>
<td>8.03(0.91)</td>
</tr>
<tr>
<td></td>
<td>Involvement</td>
<td>.33</td>
<td>154</td>
<td>8.15(1.74)</td>
<td>8.53(1.22)</td>
</tr>
<tr>
<td></td>
<td>AUT:</td>
<td></td>
<td></td>
<td>9.50(1.56)</td>
<td>9.26(1.73)</td>
</tr>
<tr>
<td></td>
<td>CON:</td>
<td></td>
<td></td>
<td>5.66(2.18)</td>
<td>5.26(2.37)</td>
</tr>
<tr>
<td></td>
<td>AUT:</td>
<td></td>
<td></td>
<td>7.89(1.52)</td>
<td>7.88(1.58)</td>
</tr>
<tr>
<td></td>
<td>CON:</td>
<td></td>
<td></td>
<td>8.15(1.42)</td>
<td>8.14(1.52)</td>
</tr>
</tbody>
</table>

**Combined**

- **H4**  Order:  .94, 887
- **H5**  Order:  14.39, 887

* *p<.05*
A coding scheme was developed by randomly sampling 25 of the subjects' cognitive responses. Attention was given to concern for own and other's objectives and to specific tactics or strategies employed. Based on the thought listings sampled a coding scheme was developed that rated the thought listings on these two dimensions (Appendix K contains the specific scheme used). First, concern for own relative to other goals was coded on a scale ranging from "high concern for own goals only" to "high concern for other's goals". Next, tactics were coded as "competitive" (e.g., tries to beat last performance each time), "compromising" (e.g., tried to come to a median point) 'collaborative" (e.g., traded off on dimensions that were important to each) or other (e.g., gave in; tried to trick the other). Two researchers coded the responses independently on the criteria. Judges agreed on more than 80% of the responses; disagreements were resolved by discussion. Percentages of thoughts classified into each category are presented in Table 9.

For the first study (personality, H1), subjects with an autonomy orientation had significantly more concern for others (Chi=.78) than subjects with a control orientation (Chi=.21) (F(2,61)=11.78, p<.01). Autonomy-oriented subjects also reported using a collaborative tactic (Chi=.84) significantly more than control-oriented subjects (Chi=.16) (F(2,61)=14.41, p<.01). For the second and third studies, however, no results were significant.

Results of the first study strongly support the process discussed in Chapter 3, in which subjects who have higher levels of intrinsic motivation show more concern for others and are more flexible in selecting appropriate tactics. However, the power may
be at issue in the other two studies. The average cell size is seven for studies two and three. Subjects were not asked to discuss tactics or concern as part of the thought listing questions (see Appendix C), so failure to detect significant results in these studies does not refute the process that has been proposed.

HYPOTHESIS TESTS

In the previous sections, evidence was provided that the experimental treatments affected extrinsic versus intrinsic motivation and did not have unintended effects on other variables believed to affect the use of integrative negotiation tactics. Having produced this evidence, it is now possible to examine the effect of the manipulations and personality operationalization on actual integrative negotiation tactics. In other words, attention can now be given to addressing the experimental hypotheses developed in chapter 2.

Hypothesis 1

People with higher levels of autonomy causality orientation will initiate integrative tactics more than people with higher levels of control orientation.

There are two levels of the personality variable, high autonomy (intrinsic motivation) or high control (extrinsic motivation) causality orientation, based on a higher z score in one dimension or the other. In the first study, 68 subjects participated in four simulations designed to test this hypothesis. The dependent variable was the
number of times (out of 5 possible) that the first offer made by the subject was integrative in nature. A one-way ANOVA was conducted and showed a significant effect of personality on the initiation of integrative tactics ($F=6.42, p<.05$), with a mean level of integrative offers in the autonomy causality group of 2.24 ($s=1.57$) and 1.26 ($s=1.48$) in the control causality orientation. These data provide support for hypothesis 1. Results of the first three hypothesis tests are summarized in Table 10.

Hypothesis 2

People in situations that encourage intrinsic motivation will initiate integrative tactics more often than people in situations that discourage intrinsic motivation.

There are two levels of the situation variable, high intrinsic motivation or high extrinsic motivation. In the second study, two simulations with 36 subjects tested the second hypothesis. The dependent variable was the same as that reported in the first study. An ANOVA procedure was used. In the ANOVA, the situation manipulation had a significant impact on the initiation of integrative tactics ($F(1,34)=8.62, p<.01$). Mean integrative offers in the intrinsic motivation condition was 4.13 ($s=1.41$), and 2.65 ($s=1.57$) in the extrinsic motivation condition. These results support hypothesis 2 and are summarized in Table 10.
Hypothesis 3

Situations that encourage or discourage intrinsic motivation will interact with personality causality orientations in such a way as to reduce any personality effects on the initiation of integrative tactics observed in situations that provide no strong motivation cues.

The third study combined the effects of personality and situational factors on the number of integrative offers initiated, in order to consider boundary conditions/moderating effects. In the third study, 154 subjects participated in the 2 x 2 design. The dependent variable was the same as in the first two studies. A 2 x 2 ANOVA was conducted. Results were significant (F(3,143)=6.84, p<.01) and are shown in Table 10. A graphical representation of these results is presented in figure 1.

Additional tests were made to see if the differences between autonomy and control dispositions were significant across the intrinsic motivation situation condition. These results are significant (F(1,65), F=11.21, p<.01). In addition, a significant difference exists between situational conditions within the autonomy causality condition (F(1,69)=4.07, p<.05). Differences in situation within the control causality condition were marginally significant (F(1,74)=2.87, p<.10).

Hypothesis 4

Initiation of integrative tactics will result in higher satisfaction for the person who uses these tactics.
### TABLE 9: THOUGHT LISTING RESULTS
Percentage of thought listings categorized in each cell

<table>
<thead>
<tr>
<th>Concern for Goals</th>
<th>Tactics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Only</td>
</tr>
<tr>
<td></td>
<td>Own</td>
</tr>
</tbody>
</table>

**Study 1**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>15</td>
<td>10</td>
<td>24</td>
<td>00</td>
<td>09</td>
<td>12</td>
</tr>
<tr>
<td>Control</td>
<td>35</td>
<td>11</td>
<td>06</td>
<td>00</td>
<td>14</td>
<td>32</td>
</tr>
</tbody>
</table>

**Study 2**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic</td>
<td>23</td>
<td>19</td>
<td>16</td>
<td>00</td>
<td>03</td>
<td>16</td>
</tr>
<tr>
<td>Intrinsic</td>
<td>13</td>
<td>19</td>
<td>03</td>
<td>06</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

**Study 3**

<p>| | | | | | | |</p>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aut/IM</td>
<td>05</td>
<td>12</td>
<td>08</td>
<td>00</td>
<td>06</td>
<td>07</td>
</tr>
<tr>
<td>Aut/EM</td>
<td>05</td>
<td>11</td>
<td>08</td>
<td>00</td>
<td>04</td>
<td>04</td>
</tr>
<tr>
<td>Con/IM</td>
<td>12</td>
<td>10</td>
<td>03</td>
<td>00</td>
<td>03</td>
<td>07</td>
</tr>
<tr>
<td>Con/EM</td>
<td>08</td>
<td>12</td>
<td>04</td>
<td>00</td>
<td>07</td>
<td>01</td>
</tr>
<tr>
<td>SOURCE</td>
<td>F VALUE</td>
<td>INTRINSIC MEAN(STD)</td>
<td>EXTRINSIC MEAN(STD)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>---------</td>
<td>---------------------</td>
<td>---------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study 1:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personality</td>
<td>6.42**</td>
<td>2.24(1.57)</td>
<td>1.26(1.48)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IO Mean=1.71</td>
<td>R-square=.095</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study 2:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Situation</td>
<td>8.62***</td>
<td>4.13(1.41)</td>
<td>2.65(1.57)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IO Mean=3.31</td>
<td>R-square=.200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study 3:</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personality</td>
<td>2.35*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Situation</td>
<td>0.19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P * S</td>
<td>1.28***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autonomy:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.21(1.49)</td>
<td>2.45(1.67)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.91(1.68)</td>
<td>2.57(1.70)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IO Mean=3.07</td>
<td>R-square=.052</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p < .10  **p < .05  ***p < .01
Figure 1: Interaction between general causality orientations and situational motivation
Deals made in all of the above experiments were combined. Each person negotiated 5 deals, and for this analysis, they were treated as 5 observations. Therefore, the total number of observations is 887. The initiation of integrative tactics represents a 0 (not)/1 (did) independent variable. The dependent variable is a 1 to 10 measure of satisfaction with the partner. The initiation of an integrative offer had a significant effect, in a one-way ANOVA, on satisfaction with the partner ((1, 886), F=4.14, p<.05), supporting H4. The mean of satisfaction was 8.04(σ=1.82) for deals where integrative tactics were initiated and 7.62(σ=2.49) where they were not. See Table 11.

Hypothesis 5

Initiation of integrative tactics by either party will result in higher joint profits for the negotiating pair.

The independent variable and observations were the same as hypothesis four. The dependent variable was the actual summed profits of the two negotiators (joint profits), ranging from $7000 to $10,400. The analysis was an ANCOVA, including order number, as this was a significant covariate discussed earlier. Initiation of an integrative tactic had a significant effect on joint profits ((2, 885), F=197.59, p<.01). The mean of joint profits was 9501.71(σ=727.51) when integrative offers were made and 8475.73(σ=818.77) when they were not made. See Table 11.
TABLE 11: ANOVA TESTS OF H4 AND H5

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>F VALUE</th>
<th>IO MADE MEAN (STD)</th>
<th>IO MADE MEAN (STD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 4 (satisfaction):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IO</td>
<td>4.14</td>
<td>8.04(1.82)</td>
<td>7.62(2.49)</td>
</tr>
<tr>
<td>Satisfaction Mean=7.78</td>
<td>R-square=.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 5 (joint profits):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IO</td>
<td>197.59</td>
<td>9501.71(727.51)</td>
<td>8475.73(818.77)</td>
</tr>
<tr>
<td>Joint Profit Mean=8940</td>
<td>R-square=.31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p<.05  **p<.01

In sum, H1, H2, H4 and H5 were fully supported. H3 was partially supported. Effects of personality were reduced under an extrinsic motivation induction, but not under an intrinsic motivation induction. No major confound issues were problematic. Finally, results provided some insight into the general process by which intrinsic motivation affects integrative negotiation behavior.
CHAPTER 6

DISCUSSION AND CONCLUSIONS

INTRODUCTION

The purpose of this research was to explore factors that affect buyers’ and sellers’ initiation of cooperative relationships. I define cooperative relationships as those employing win-win strategies. The initiation of such relationships (i.e., the transition from an exploration of partner alternatives to an expansion of interdependence in one partnership) is accomplished by using integrative negotiation tactics. Specifically, this research looked at the likelihood that subjects, playing either a buyer or a seller role, will begin negotiations with an attempt at log rolling, when such a solution exists in the problem. We have shown that, theoretically, intrinsic versus extrinsic motivation should affect the use of such tactics. Both an autonomy causality orientation (dispositional operationalization of intrinsic motivation) and situations that encourage intrinsic motivation should increase the likelihood of integrative tactic initiation. In addition, an interaction effect between personality and situation does exist. Finally, I replicate outcomes of integrative negotiation (e.g., Campbell et al. 1988; Graham 1986; higher satisfaction and joint profit) for integrative tactic introduction.
This chapter begins by discussing the major findings of the dissertation. Next, research related findings are discussed, focusing on the process by which intrinsic motivation affects integrative offers and exploring experience as a covariate. Then, I present limitations of the present research, before discussing the theoretical, methodological and managerial contributions. Finally, directions for future research in this area are discussed.

DISCUSSION OF MAJOR FINDINGS

This section will deal with the results of the experimental hypotheses developed in Chapter 2. Specifically, I will discuss the effects of both dispositional and situational intrinsic motivation on the initiation of integrative tactics. Next, I address the interaction between dispositional and situational intrinsic motivation. Finally, the effects of initiation of integrative tactics on satisfaction and joint profits are presented.

Effects of Personality

The data support the first hypothesis: people with higher levels of autonomy causality orientation relative to control orientation will initiate tactics more than people with higher levels of control orientation. Results were significant and consistent with predictions. As expected, results support the notion that individuals who are dispositionally high in intrinsic motivation (autonomy causality orientation), rather than those dispositionally high in extrinsic motivation (control causality orientation), are more likely to initiate the use of integrative negotiation tactics.
Previous research on intrinsic motivation supports the notion that high autonomy causality orientation individuals are more open to information sharing, more problem-solving oriented and more adaptable with other relationship partners (e.g., Blais et al. 1990). There is support for the notion that autonomy promotes open, non-defensive interaction (Hodgins et al. 1996). Since integrative negotiation requires more flexibility, more open information sharing and a higher concern for others (Lewicki et al. 1994), it is not surprising that we have evidence to support the notion that more autonomous individuals are more likely to employ integrative negotiation tactics in economic exchange relationships. We have shown a relationship between the dispositional operationalization of intrinsic motivation and the likelihood of initiation of cooperative relationships.

These results suggest that win-win negotiations are indeed a product of the motivation of the individuals involved. If motivation affects the willingness to engage in open communication, the flexibility and the confidence of individuals engaging in business relationships, these findings imply that individuals whose motivation is more autonomous in nature will be more successful at forming win-win cooperative relationships.

In addition, these results provide evidence of individual differences in integrative negotiations. As discussed earlier, there has been a failure to identify systematically those individual differences that affect negotiations (e.g., Lewicki et al. 1994). Additionally, there has been virtually no work on individual differences in integrative negotiations. The first study demonstrates the ability to identify individual

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differences when previously identified problems are carefully attended to. These problems include homogeneity of samples, situational constraints on personality differences, self-selection biases, lack of attention to integrative negotiation and lack of reliance on theoretical frameworks. More importantly, the dissertation research identifies specific individual differences likely to affect integrative negotiations.

Finally, these findings demonstrate the applicability of self-determination theory to economic exchange relationship development. I successfully derive predictions about the effect of intrinsic versus extrinsic motivation on business behaviors from self-determination theory. The theory is valuable in understanding economic exchange relationships. While the behaviors here were making an integrative offer and the relationship was between buyer and seller, motivation may affect other business relationships and behaviors similarly. For example, the formation of close work relationships may enhance a market oriented culture (Dickson 1994). Situational intrinsic motivation may then play an important role in teamwork and interfunctional coordination. Motivation may affect also the nature of supervisor-subordinate relationships.

Effects of Situation

The data support the second experimental hypothesis: people in situations that encourage intrinsic motivation will initiate integrative tactics more often than people in situations that discourage intrinsic motivation. Results were significant and consistent with predictions. As expected, situations that encourage high levels of intrinsic
motivation (compared to extrinsic motivation) are more likely to encourage the initiation of integrative tactics. The rationale for this finding is consistent with the first hypothesis, as rewards represent a different operationalization of the same construct. An autonomy causality operationalizes a tendency toward high intrinsic motivation in an individual. Non-task contingent rewards are consistent with high intrinsic motivation in an interesting situation. Both are alternative operationalizations of intrinsic motivation.

One interesting observation is the differences in means from study one to study two. In study one, the means were 2.24 for autonomous individuals and 1.26 for controlled individuals. In the second study, however, means were 4.13 for intrinsic motivation and 2.65 for extrinsic motivation, almost twice that of study one. Why would these differences be revealed? At this point, we can only speculate. It seems likely that the difference is due to the presence of cash payouts. It is possible that cash payment increased effort or conscientiousness relative to no payment.

These results support sales research propositions that salespeople work smarter, versus harder, when intrinsically motivated (Sujan 1986; Weitz et al. 1986). Previous findings have shown a possible relationship between intrinsic motivation and working smarter (defined as making better choices about the approach to use). While this dissertation research doesn't specifically address working smarter, it has implications pertinent to the working smarter stream of literature. Intrinsically motivated individuals were more likely to use integrative, win-win tactics, more effective for the situation. Therefore, intrinsically motivated subjects in the dissertation studies “worked smarter.”
These results also provide evidence that self-determination theory, previously applied to personal relationships (e.g., Blais et al. 1990), but not to business relationships, is directly applicable to understanding business relationships. Predictions derived from this theoretical foundation were supported in a business environment. Findings imply that self-determination theory would be useful for enhancing our theoretical understanding of other cooperative business relationships and other behaviors in buyer-seller relationships.

In addition to extending self-determination theory, the present work also extends current understanding of those situational factors that affect the likelihood of integrative negotiations. Previous research considered factors such as goals and deadlines (e.g., McAlister et al. 1985). The findings of this research imply that reward structure is an important situational factor for understanding how individuals negotiate. This is important to academic understanding of integrative negotiations, since it adds an additional boundary condition. It is also important in practice when cooperation should be encouraged.

Interaction of Personality and Situation

The data partially supported the third experimental hypothesis, for extrinsically motivating situations: Situations that encourage or discourage intrinsic motivation will interact with personality causality orientations and reduce personality effects on the initiation of integrative tactics seen in situations that provide no strong motivation cues. Results show a significant interaction effect. I found no personality differences under
task contingent reward conditions: that is conditions that should discourage intrinsic motivation in favor of extrinsic motivation. However, contrary to predictions, I found accentuated personality differences under conditions designed to allow for a high level of intrinsic motivation. In addition, situational differences exist within personality groupings.

The main goal of this dissertation was to explore factors that moderate the initiation of cooperative relationships. These findings show that individual differences, situational factors, and their interactions can serve in that moderating role. Individual differences are important, except when task contingent rewards (extrinsic motivation cues) set boundary conditions on these differences and their effect on the introduction of integrative tactics is reduced. Differences in dispositional motivation are important in situations that either provide no strong cues about motivation or when situations encourage intrinsic motivation. This finding shows how individual differences may manifest in some situations, but not in others. Had only individual motivation differences been tested, it is possible that two different studies would have two different findings.

Another interesting point about these findings is that the highest level of performance for each personality group occurs when the rewards match the personality orientation. High autonomy orientation individuals in situations that encourage intrinsic motivation made significantly more integrative offers than they did in situations shown previously to reduce intrinsic motivation. Likewise, findings that control-oriented subjects made more integrative offers in situations that encourage extrinsic motivation
rather than intrinsic motivation were marginally significant. These results suggest that to encourage maximum performance on cooperative behaviors, rewards should match the disposition. Additional consideration of this issue is included in the managerial contribution section below.

Throughout the dissertation, we have discussed the problems in understanding individual difference effects on negotiation. Use of a contingency framework emphasized the effects of individual differences on behavior rather than outcomes. These findings help to support the validity of the approach. If individual differences manifest themselves under some conditions (e.g., intrinsic motivation) but not others (e.g., extrinsic motivation), then this provides an explanation of seemingly inconsistent results (see Lewicki et al. 1994 for a review). In addition, effects on the integrative behavior, as opposed to outcomes, were robust.

Finally, research stemming from self-determination theory has not focussed on the interaction of personality and situation. Though the theory recognizes that both dispositional and situational motivation are critical determinants of behaviors, no studies identified looked at the interaction of the two. In the present research, I demonstrate these interaction effects. The fact that they interact helps to support the idea that they represent alternative approaches to operationalizing the construct of self-determination, and to show the importance of looking at both to explain behavior.
Outcomes of the Initiation of Integrative Tactics

Data patterns were supportive of the final two hypotheses: Initiation of integrative tactics will result in higher satisfaction for the person who uses these tactics and higher joint profit for the negotiating pair. As expected, initiation of integrative tactics (the behavior considered in these studies) affects both satisfaction and joint profits (outcomes of integrative negotiations). These hypotheses replicate previous findings about the outcomes of integrative negotiations (e.g., Esser et al. 1991; Graham 1986). Previous work has considered the outcome of an integrative solution, as opposed to the initial behavior of introducing integrative tactics into the negotiation. These findings point to the need for using cooperative, win-win negotiating tactics when the long term possibilities in the relationship are important. It helps affirm that the benefits of cooperative relationships have positive effects like increased satisfaction and greater joint profits. These outcomes support the assumed value of "relationship marketing."

Cooperative relationships between buyers and sellers appear, in fact, to be more profitable, at least for the jointly and when a win-win solution is possible in the situation.

In addition, support is shown for earlier findings (McAlister et al. 1986) of learning effects (i.e., that subjects were more likely to negotiate integrative solutions as they gained experience with the specific negotiation environment). Including order as a covariate with initiation of integrative tactics significantly affected joint profit, supporting the earlier work. Again, this earlier work looked at integrative solutions. This implies that initiating integrative tactics early or in the negotiation also affects
these outcomes. From a practical standpoint, these findings can be applied in training efforts designed to provide the opportunity for practice of integrative negotiation tactics. Furthermore, experience and learning need to be included in any future studies that extend the external validity of the work presented here.

DISCUSSION OF OTHER RESEARCH RELATED OUTCOMES

In addition to the main experimental hypotheses, two other issues arose during this research that deserve additional attention. First, cognitive response measures provide some insight into the possible process by which intrinsic motivation results in initiation of integrative tactics. In addition, experience was a significant covariate in the second study, manipulating situation, and thus deserves further exploration.

Process Insights

Including thought listing questions in the studies revealed some support for the process by which intrinsic motivation results in the introduction of integrative tactics. In the first study, there were clearly differences between concern for self versus mutual concern for self and other. People who were high in autonomous causality orientation showed a higher concern for own and other goals in the simulation. This mutual concern could result from increased flexibility or the confidence in the ability to meet both parties' objectives. Either way, this increased concern for both parties' goals explains, at least in part, why intrinsically motivated individuals were more likely to offer integrative deals.

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The negotiation literature has emphasized the importance of concern for own and other goals to integrative negotiations (Lewicki et al. 1994). Negotiation theorists believe that this mutual concern underlies win-win solutions. The dissertation studies provide support for this idea. Practically speaking, these findings are important in training salespeople. If cooperative relationships are to be encouraged, then training efforts should focus on the appreciation of both parties' concerns.

In addition, there is some evidence that intrinsically motivated individuals were more likely to identify the use of an integrative tactic. Intrinsically motivated individuals are more apt to say, "I tried to find out what was important to the other person and compare that to what I needed" or "I realized that they needed financial terms much more than I did and that I couldn't give anything on delivery." These tactics identified an awareness of the situation and a willingness to adapt to it. While study two or three did not replicate these results, one reason may be the extremely small cell sizes. I did not ask subjects explicitly to describe goals or tactics, so the number of individuals who discussed these issues in the thought listing was low. Still, preliminary evidence supports the proposed way in which intrinsic motivation translates into making an integrative offer.

Experience as a Covariate

Although experience was included as a confound check, it was expected that experience would more likely be problematic in the personality conditions. This is because some researchers believe (e.g., Snyder and Ickes 1985) that individuals high or
low in a certain trait may select situations that are comfortable to them given their disposition. For example, it could be possible that individuals high in autonomy would be more likely to have sought out challenging negotiations in the past. If this was the case, then there could be systematic differences between the high and low conditions in experience. However, there were no differences reported in the personality study.

Instead, there was a significant difference in self report of experience (relative to other students) between the situation conditions. Individuals in situations that encouraged intrinsic motivation were more likely to report lower levels of experience compared to other college students. Since experience is not a confound, the results provide some initial support for the idea that experience in negotiation may have important implications for the ability to initiate integrative offers and deserves attention in the future. While it is assumed that motivation is an aspect of the willingness to make an integrative offer (e.g., high intrinsic motivation subjects want to perform well and are more willing to be flexible), the experience factor may point to a need also to consider the ability to find integrative potential in the situation. The importance of experience also may be supported by the significance of order of deal (learning effect) in the outcome analysis.

LIMITATIONS

Although the situation was controlled as much as possible, several possible limitations still exist. First, because of the high level of control, including the use of student subjects, there may be some question about the external validity of these
findings. Second, all subjects may have participated for extrinsically motivated reasons (e.g., extra credit for course requirements). Third, the variance accounted for in these studies was still low, at a high of 20%. Each of these limitations is addressed below.

External Validity

First, there is the question of external validity. One aspect of this question is the use of student subjects to represent actual salespeople and industrial buyers. Are these results applicable to actual business people? I believe that they are. Although the absolute values for experienced business people may vary, there is evidence that the same differences will exist as student subjects (Neale and Northcraft 1986). Therefore, I expect differences in initiation of integrative tactics across different personality types and different situations to occur in studies using salespeople and industrial buyers, though they may initiate integrative tactics more anyway. There has been a great deal of debate on this topic. For a thorough discussion of the appropriateness of student subjects in research efforts like this one, see Petty and Cacioppo (1996).

In addition, because the situation is so highly controlled and seemingly artificial, there may be some concern about the applicability of these findings. Recall in the preliminary discussion of the experimental design, there has been a call for research that does just this (e.g., Dutton and Stumpf 1991; Wolfe and Roberts 1993). The need for this type of research arises from the need to understand the underlying theoretical processes that are occurring in buyer-seller relationships. Therefore, it is not the intent of this research to have direct and immediate application to a particular situation, but
rather to have a more global understanding of the process. In addition, there is a recognized future need for more specific external validity testing, and for testing of boundary conditions that arise from adding variables and complexity to the situation in a systematic, theoretical manner.

Extra Credit Points as Incentive

Another possible limitation is the subjects' incentive for participating. There does exist a possibility that subjects who choose to participate in this type of experiment do so to receive the extra credit points: an extrinsic reward. This, however, is not problematic in this study for several reasons. First, even if an outside condition that encourages extrinsic motivation exists, it would be the same condition for all subjects. Differences in perceptions of extra credit would be random. In addition, there are still differences in intrinsic motivation. Therefore, it can still be said that subjects in high intrinsic motivation conditions still have relatively higher intrinsic as compared to extrinsic motivation. Second, as pointed out in a review of current intrinsic/extrinsic sales studies, there is a difference between intrinsic and extrinsic rewards and intrinsic and extrinsic motivation (Deci and Ryan 1985b; Weitz, Sujan and Sujan 1986). Self-determination theory allows that an intrinsically motivated individual may pursue extrinsic rewards and still feel autonomous. Finally, extra credit points would represent a non-contingent task reward. Students would receive the bonus points simply for attending the study; they are not contingent on performance. Task non-contingent
rewards can decrease intrinsic motivation or increase extrinsic motivation (e.g., Deci 1972; Pinder 1979).

Variance Explained

Finally, in looking at the variance explained, it is 9.5% for personality, 20% for situation, and 7% for the interaction. While these variances may seem somewhat low, they represent large improvements over previous variances found in the personal selling literature (Churchill et al. 1985). It is through the systematic addressing of previous problems in this type of research, focus on behavior (initiation of tactic) and reliance on a theoretical perspective that these variances show some improvement. Additional discussion about increasing the variance explained is included in the future directions section of this chapter.

CONTRIBUTIONS

This dissertation contributes to improving understanding of buyer/seller negotiations on several levels. It contributes to our theoretical understanding by providing a conceptualization of one link in the development of cooperative buyer-seller relationships, as well as by extending the applicability of self-determination theory. It also makes a contribution to methods for investigating individual differences in negotiation. Finally, it offers insights to managers by providing information about both the type of people and the types of situations that encourage the development of cooperative relationships. I discuss each of these contributions below.

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Theoretical Contributions

The main goal of this dissertation was to uncover factors that moderate the initiation of cooperative relationships, that is, how relationships transition from the exploration phase to the expansion stage via a negotiating process. The problem was approached as one of input, throughput and output. I show that antecedent conditions can affect the initiation of behavior through concern for both parties’ goals and identification of log-rolling tactics. Whether the behavior occurs affects the outcomes expected. In this case, we have shown that both an autonomy causality orientation and non-task contingent rewards can encourage the use of cooperative tactics. This may happen because of a higher concern for both parties’ goals, and the identification of appropriate tactics. If an integrative offer is made, then positive outcomes are achieved, including higher satisfaction with the partner and higher joint profits to the pair. Thus, I achieve the main goal of the dissertation.

Marketers and those who study marketing are very interested in the area of relationship marketing. There have been several calls for additional definition and conceptualization of relationships in marketing (e.g., Iacobucci 1994; Webster 1992). This dissertation addresses these calls by focussing in on one particular transition point in the deepening of relationships, the link between the exploration and expansion phases. Further, it concentrates on the individuals who establish the relationship. As such, it is one of the first systematic attempts to uncover variables that affect the likelihood that cooperative behaviors are used to establish relationships. It provides a framework for additional investigation of other variables that may play important roles
in establishing cooperative, mutually beneficial relationships between buyers and sellers. The findings here are relevant only to the early stages of a call. It is quite possible that later stages, in a deepening relationship, may be quite different. As the relationship becomes stronger, it is likely that the relationship norms will provide the strong cues and override both the effect of disposition and situational rewards observed here.

In addition to providing a framework for studying questions about variables that affect the initiation of marketing relationships, the dissertation also extends the applicability of self-determination theory. Self-determination theory helps explain a variety of phenomenon, including personal relationships. This work extends the theory to include explaining economic exchange relationships through work motivation. When an economic exchange relationship is under consideration, it varies on a variety of dimensions (e.g., intimacy) from more personal relationships. In the transition from exploration of multiple exchange partners to an expanding relationship with one partner, criteria are more formally based on negotiation inputs and outputs than in personal relationships. Possibly in later relationship phases, personal relationships may then develop.

Whether individuals who are engaged in business negotiations are intrinsically or extrinsically motivated can affect the likelihood that they will be more integrative in their approach. Individuals who are high in intrinsic motivation are more likely to use win-win tactics. With increasing attention on relationships in business (e.g., Webster 1992), additional understanding is imperative for those who study and use these
concepts. It provides a springboard for additional relationship marketing work. It also emphasizes the importance of reward systems when businesses use strategic relationships. If a business is focusing on cooperative relationships for competitive advantage, then it should consider how its situation affects intrinsic motivation, especially its reward structures.

Further, this work provides additional evidence of the relationship between self-determination and behavior. The theory of self-determination states that self-determination should affect attitudes, emotions and behaviors. Evidence that it affects specific behaviors is limited (Deci and Ryan 1987). More recently, research on self-determination has been focussed more on dysfunctional behavior, such as addictive buying and over-eating. This dissertation shows a direct relationship between the effect of self-determination, (dispositional or situational) and functional negotiating behaviors, specifically, the likelihood that an individual will initiate a log-rolling tactic when negotiating with a partner.

Finally, the dissertation replicates previous outcome findings for integrative negotiation. It extends this work by looking at whether the introduction of such tactics (instead of final resolution) is more likely to lead to higher joint profits and higher satisfaction with the partner. Initiation of such tactics does appear to increase the likelihood of higher joint profits and higher satisfaction with the partner. Both outcomes are related to the establishment of cooperative relationships (e.g., Campbell et al. 1988; Galinat and Muller 1988).
Methodological Contribution

I devote much attention in earlier chapters to the various problems that have been met in understanding individual differences in negotiating. This research attempts to address systematically these methodological issues, which include ignoring moderators, measuring instruments that are not sensitive enough, strong situations that override individual differences, and a focus on outcomes over process, for instance. It does so by relying on a strong and useful theory to make predictions about the impact of certain relevant variables. In addition, the focus is on a mediating variable that is a behavior (introduction of log rolling tactics), between the antecedent conditions and the outcomes (e.g., profits). I have shown that strong individual difference results are found by systematic attention to each of the problems identified. This research addressed the issues by application of a general theoretical framework and the use of simulation. In addition, dependent variables are behaviors and moderator variables are highlighted.

Managerial Contributions

The findings of this research are also important to managers. First, not all buyers and sellers make the critical transition to cooperative relationships equally well. Second, management can control situational factors to increase the likelihood that mutually beneficial relationships will develop. Additionally, managers must consider the effects of how both individual differences and situational factors work together. Finally, establishing cooperative relationships can be both satisfying and profitable.
It is important for both sales and purchasing managers to recognize that not all individuals are equally suited to establishing cooperative relationships. Current thinking indicates that some customers should be targeted for the development of long-term relationships (e.g., Jackson 1985). If some salespeople are more likely to be successful at this type of development, then these salespeople should be assigned to the appropriate customers (those customers who represent higher potential and should be courted with a long-term, cooperative relationship).

The finding that personality is important in relationship establishment has implications for training, assigning and assessing both salespeople and purchasing agents. For example, if management assigns salespeople to certain types of accounts, with different objectives, then their evaluations also should consider this difference. In addition, training of salespeople or purchasing agents can focus on self-identification of intrinsic motivation when strategic initiatives are focusing on relationship development. Salespeople may then select accounts for which they are best suited. For example, if a firm was focusing on cost reduction by limiting the number of suppliers, high levels of intrinsic motivation in buyers may be preferred for working in the now more cooperative environment. Another possibility exists in providing tracks which allow the salespeople (and possibly buyers if that is the focus of the firm), to decide whether to be in a long-term relationship, or immediate sales (purchases) oriented position. This would help to overcome issues of equitable treatment that might arise if salespeople were evaluated or assigned differentially, on the basis of the causality orientation.
Aspects of the situation can encourage relationships, and might even overcome dispositional differences. Managers may not always know the personalities of their employees. Even when they do, they may have many employees whose personality is not suited to their objectives. Therefore, managers can control situational variables that would impact the use of cooperative tactics in a manner like disposition. Results of the research reported in this dissertation show this type of control is possible through reward systems.

Compensation structure has been an ongoing topic of interest in sales management (e.g., Anderson and Oliver 1987; Oliver and Anderson 1994; Cravens et al. 1993). Compensation structure receives much attention in the academic literature (Strahle and Spiro 1986). There are questions of when to use salary or commission (Dickson 1994). Authors have even suggested that the compensation structure can be an important effect on relationship selling (Cravens et al. 1993). One perspective, in particular, relates to the findings of these studies (Anderson and Oliver 1987).

Anderson and Oliver (1987) propose a typology of management control of the sales force that sheds light on the debate of salary versus commission compensation. They propose a continuum of control from behavior-based to outcome-based. For example, salary characterizes behavior-based control and commission, outcome-based control. However, compensation is not the only aspect of control. For example, behavior-based control has more structure, a management focus on monitoring behavior, a narrow span of control, a high level of interpersonal contact, higher tracking
and more paperwork, and subjective performance reviews. Thus, control system effects are not due to rewards alone.

Researchers have empirically tested this framework (Cravens et al. 1993; Oliver and Anderson 1994; Oliver and Anderson 1995). Behavior-based control was operationalized as compensation control (CC) and field sales management control (FSMC) by Cravens and his colleagues (1993). They found high correlations between CC and cooperation with team members and with customer-orientation. Both factors relate to the process measures in this dissertation. Both concern for other and use of collaborative tactics, noted in a thought listing, were more common for intrinsically motivated individuals. However, CC was not significantly correlated with intrinsic motivation in the Cravens study. Preference for intrinsic rewards operationalizes intrinsic motivation (similarly to Tyagi 1982), so the effects of CC on IM as defined in these studies was not disproved. Cravens and colleagues also found that the control system does affect performance outcomes indirectly.

Another study sheds additional light on these findings (Oliver and Anderson 1994). In this study, the authors found that perceptions of the control system impact affective (e.g., organizational commitment and cooperation as part of a team) and motivational (e.g., less extrinsic motivation) factors, as well as working smarter (Sujan 1986). What may be important in this study is the focus on perceptions. Oliver and Anderson (1995) note that these findings only explain a limited amount of variance and suggest "something" may be missing. That "something" could be a general causality orientation, which might explain how the salesperson perceives the reward system.
Oliver and Anderson (1994) do not find a significant correlation between behavior-based control and intrinsic motivation. Oliver and Anderson (1995) propose a need to separate the characteristics of the control system, since they may work in opposite directions.

The results of the second dissertation study support the idea that the impact of the compensation system may be important to intrinsic motivation. A non-task contingent reward, like salary, resulted in higher intrinsic motivation. A task contingent reward, like commission, resulted in less intrinsic motivation, more extrinsic motivation. These findings are consistent with predictions by the Anderson and Oliver framework. The dissertation study extends on this work by showing that intrinsic motivation can then result in cooperative behaviors, which in turn, affect performance outcomes.

The debate between commission and salary remains unresolved (Dickson 1994). This dissertation sheds some light on when to use each type of system. When a company is emphasizing long term relationships with customers or suppliers, it may be more important to use salary incentives. Salary represents a task non-contingent type of reward. Commission, on the other hand, is task contingent. Therefore, it seems likely that salary is more appropriate for long term cooperative relationships than commission.

On the interaction of personality and situation, the fact that the two factors interact cannot be overlooked by management. Ideally, the two factors should be considered together. If managers do not know personalities, then task contingent rewards may be the most appropriate; however, it should be recognized that the best
cooperative behavior performers (autonomy-oriented individuals) may be "undermined." While commission may actually help control-oriented individuals, the best possible combination remains high autonomy individuals combined with non-task contingent rewards. In the perfect situation, managers could tailor the rewards system to the individual or use one reward system but assign salespeople to certain accounts based on their strengths. An additional option might be to allow salespeople to choose a compensation system, thereby assuring a fit of personality and rewards.

Findings connect the behavior, making a cooperative offer, to positive outcomes for business. While business may attend to satisfaction when looking for long term relationships, profitability is an additional result. In today’s business environment, the profitability of one supply chain over another may serve as a sustainable competitive advantage. Higher joint profits, resulting from win-win tactics, provide this advantage. Management may choose these types of relationships when profit goals of both partners are a priority.

FUTURE DIRECTIONS

There are several future directions for research in this area, depending on whether one wants to focus on negotiation, personal selling, relationship marketing or self-determination theory. The work could extend naturally in any of these directions. I will discuss each, however, first attention will be given to external validity. Then attention will be focussed on explaining variance, before turning attention to each of the three substantive areas in turn.
Expanding Generalizability

Some may question the applicability of these findings to natural settings, richer in nature. This research specifically chose to focus on the laboratory environment to isolate the processes that are at work. Since additional variables may contribute to the complexity of natural situations, those variables that may interact with motivation deserve additional investigation. In addition, future research should explore how intrinsic motivation operates in a field setting. Similarly, some may question the use of student subjects. Field investigations would also show the generalizability of these findings to working adults.

Ideally, expanding the generalizability of these findings should occur in two stages. First, we need to engage professional salespeople and professional buyers in the simulation used in these studies. Given a trend toward joint training across supply chains, this possibility may exist. A study such as this would provide for direct replication of the results of these studies with buyers and sellers.

The second stage would be to conceptually replicate the results in a field setting. This might be accomplished by observing a series of calls by a number of salespeople. If these calls could then be classified, calls which were geared at directing the relationship from exploration to expansion could be further analyzed. Content analysis should reveal whether integrative or distributive tactics were being used. This could be related to additional measures collected from the participants, like compensation
structure and personality measures. An alternative method might involve critical incidents reporting.

Explaining More Variance

While the results of these studies explain more variance than many similar studies, there is still much variance to explain. Future efforts should focus on explaining additional variance. Behavior is a function of both ability and willingness. In these studies, the focus has been on motivation, which probably impacts the willingness to find these integrative tactics. This is only half of the equation. The present research does not focus on the ability to initiate integrative tactics. Finding additional ways to explain willingness, like focussing on ability, may explain more variance. Each of these routes will be explored briefly for additional research directions.

Numerous other personality and situational factors may affect the willingness to negotiate. One possible route would be to test involvement through both dispositional (need for cognition) and situational (personal relevance) manipulations, like Haugtvedt and his colleagues (1992). Future efforts also should focus on gender differences (e.g., Stevens et al. 1993) and given limited marketing findings that show different nationalities negotiate differently (Campbell et al. 1988), nationality differences. In addition, another factor that may account for a significant amount of variance is personality matching. What interaction effects occur between the personality factors of the two negotiators?
Certain variables, like similarity, consider both parties, but work of this nature is limited (e.g., Crosby et al. 1987). Synergies in personalities may represent a promising future direction. Do two autonomous causality oriented individuals perform better than a mixed orientation dyad? How do mixed orientation dyads compare to two control oriented individuals? Based on Thompson’s (1991) findings that only one party had to seek or provide information to make integrative solutions more likely, mixed dyads may outperform control-oriented dyads and explain additional variance.

Matching is an interesting empirical question which can be tested. Is one high intrinsically motivated party enough to accrue the additional benefits of integrative negotiation or would two similar (matched), extrinsically motivated individuals perform better. Based on Thompson’s (1991) work, one intrinsically motivated person might result in more integrative negotiation than two extrinsically motivated individuals. If these findings could be identified, then managers might do best to use autonomous individuals across the board, for all types of customers.

While other effects on willingness could help to explain additional variance in the introduction of integrative tactics, attention also must be focussed on the ability. An individual must both identify the integrative offer, and then express the desire to collaborate, and persuade or educate the partner on the benefits of collaborating. Therefore, we should test variables like cognitive flexibility or creativity for their impact on whether parties identify integrative tactics. These variables are relevant within the self-determination framework in other relationship studies (e.g., Blais et al. 1990). With regard to the ability to express the desire to collaborate or to persuade the
other to collaborate, both situational and dispositional operationalizations of extroversion and persuasiveness should be considered.

Perhaps the most important explanation of variance due to differences in ability might be experience. This study provides limited evidence that self-reported experience relevant to other students, and that learning effects within the simulation are both important factors. Neither of these operationalizes business experience, or negotiation experience in business. This kind of experience might affect both the ability to identify win-win tactics and the ability to express the desire to collaborate or persuade the other to collaborate. Future research efforts need to introduce this variable into the current framework to account for additional differences in the introduction of integrative tactics. One way to test whether experience affects identification of tactics or the ability to persuade would be to provide subjects with the information needed to identify the solution, in order to see if it is the ability to persuade or express a desire to collaborate that accounts for much difference.

Future Negotiation Directions

In the area of negotiation, additional personality differences should be generated from strong theoretical bases, and testing in the framework developed, to figure out the profile of individuals who are more likely to use integrative tactics. Additional boundary conditions on these individual differences also should be explored.

For example, flexibility and concern for others are important conditions for integrative negotiations. Therefore, personality operationalizations of flexibility and
empathy may affect integrative negotiation. Application of these particular traits should be driven by theory. One possibility is to explore self-monitoring through self-presentation theory. Flexibility could then be operationalized dispositionally (self-monitoring) or situationally per self-presentation theory.

In addition to pursuing more antecedent conditions for integrative tactic introduction, additional work can be done on the effects of this behavior. Using cooperative tactics can result in more satisfaction and higher joint profits. How is this related to individual profits? At least one party must do better than non-integrative pairs. Who accrues the additional benefit? When the pie expands, do the slices expand proportionately? Under what conditions?

Future Personal Selling/Relationship Directions

Because of the success of self-determination and negotiation in these studies in explaining selling behaviors, there are several future research opportunities in personal selling interactions. First, consideration to additional testing of Anderson and Oliver's management control framework (1987) is needed. Inclusion of general causality orientations, redefinition of intrinsic motivation and insights from self-determination may all help to further understand how to design effective sales force compensation systems. Questions also remain about the effects of performance-contingent and competitively-contingent rewards on the use of cooperative relationship tactics. Additional work might include these aspects in the understanding of sales force compensation systems.
In addition, how intrinsic and extrinsic motivation affect other interaction behaviors, such as the ability to close, would be an interesting direction. Another situation where integrative tactics may come into play is in dealing with difficult customers. Additional investigation also should explore when (under what circumstances) it is effective for salespeople to employ integrative negotiation tactics.

With regard to relationships, there are some similar questions about other stages and other transition points of relationships that need attention. How does the negotiation process change when an existing relationship is in place? An existing relationship provides a rich situation, because there are a number of norms and routines in place that would provide cues to appropriate behavior. Would individual differences still manifest themselves the same when the relationship has been in existence for some time? Are there differences in how autonomous versus controlling individuals handle relationship termination? In this area, there is also a need to determine how business relationships differ from personal relationships, and how self-determination theory's predictions might change across the two situations.

Future Self-Determination Theory Directions

With regard specifically to self-determination theory, what other business behaviors might self-determination theory affect through differences in motivation? Business relationships exist in a variety of capacities. Salespeople and buyers interact with their managers, with peers, with competitors, and with other internal personnel. Autonomy oriented employees may be more likely to use problem solving, relationship
oriented tactics with a variety of these interactions. Future attention could explore these
issues and continue to expand the applicability of self-determination theory.

This dissertation has shown that situational motivation can set boundary
conditions on dispositional motivation. Research under the umbrella of self-
determination has not considered the interaction of personality and situation, although
the theory emphasizes the importance of both in determining behavior. Many of the
questions explored using self-determination may need to include a search for boundary
conditions.

Finally, intrinsic motivation affects the initiation of cooperative tactics.
However, only some very preliminary evidence supports the process by which this
occurs. The self-determination literature has much to say about the process of how self-
determined behavior occurs. Additional attention should address these questions. Does
motivation affect the willingness to engage in open communication, flexibility in
approach and an individual's confidence? What is the complete process for motivation
affecting the use of integrative tactics? Additional exploration on the process of self-
determination could provide much insight on these questions.

CONCLUSION

This dissertation research set out to explore issues related to how dispositional
and situational factors affect integrative negotiation in transitioning toward cooperative
relationships. I derived predictions from self-determination theory. Findings supported
the application of self-determination to economic exchange relationships. Individual

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differences do affect the likelihood of cooperative tactics use. In addition, features of
the situation also affect this likelihood, and interact with personality differences such
that general causality orientations are important determinants of the use of cooperative
tactics when non-contingent rewards are present. However, the situation limits
personality differences under extrinsically motivating conditions. To encourage the use
of cooperative tactics, rewards should match the personality orientation. The fact that
personality factors can affect the use of integrative tactics in negotiation was
demonstrated, establishing a methodological approach to studying individual
differences in negotiation. These factors ultimately affect relationship satisfaction and
profit.
APPENDIX A

GENERAL CAUSALITY ORIENTATION SCALE

138
Completing this questionnaire will make you eligible for Extra-Credit in your marketing 650 class. The purpose of the questionnaire is to obtain your opinions on a number of issues. Please answer the questions honestly on the scan sheet provided. Please do no write on this questionnaire. Please answer all of the questions by coding in a response next to the corresponding number on the scan sheet.

It is important that you code in the following information on the SCAN SHEET. Do not write on the questionnaire.

PRINT and code in your Last Name, first name; gender;

Code in your student number in columns "A" through "I" in the bottom left of the scan sheet.

Code in your telephone number in columns "J" through "P"

Individual Styles Questionnaire
On the following pages you will find a series of vignettes. Each one describes an incident and lists three ways of responding to it. Please read each vignette and then consider the responses in turn. Think of each response option in terms of how likely it is that you would respond in that way. We all respond in a variety of ways to situations, and probably each response is at least slightly likely for you. If it is very unlikely that you would respond the way described in a given response, you would code a or b. If it is moderately likely, you would respond in the mid range; and if it is very likely that you would respond as described, you would code f or g. You should select one letter for each of the three responses on each vignette. Below is a sample item. The actual items begin on the next page. Use the following scale to respond:

a .... b .... c .... d .... e .... f .... g
very unlikely  moderately likely very likely

Sample

You are discussing politics with a friend and find yourself in sharp disagreement. It is likely that you would:

* Press forward with your viewpoint and try to get him/her to understand it.

* Try to understand your friend's position to figure out why you disagree.
Use the following scale to answer items 1-24:

a . . . . b . . . . c . . . . d . . . . e . . . . f . . . . g
very unlikely moderately likely very likely

You have been offered a new position in a company where you have worked for some time. The first question that is likely to come to mind is:

1. Will I make more at this position?

2. I wonder if the new work will be interesting?

You have a school age daughter. On parents' night the teacher tells you that your daughter is doing poorly and doesn't seem involved in the work. You are likely to:

3. Talk it over with your daughter to understand further what the problem is.

4. Make sure she does the assignments, because she should be working harder.

You had a job interview several weeks ago. In the mail you received a form letter which states that the position has been filled. It's likely that you might think:

5. It's not what you know, but who you know.

6. Somehow they didn't see my qualifications as matching their needs.

You are a plant supervisor and have been charged with the task of allotting coffee breaks to three workers who can not all break at once. You would likely handle this by:

7. Telling the 3 workers the situation and having them work with you on the schedule.

8. Simply assign the times that each can break to avoid any problems.
Use the following scale to answer items 1-24:

a .... b .... c .... d .... e .... f .... g
very unlikely          moderately likely      very likely

A close friend of yours has been moody lately, and a couple of times has become very angry with you over "nothing". You might:

9. Share your observations with him and try to find out what is going on for him.

10. Tell him that you're willing to spend time together if and only if he makes more effort to control himself.

You have just received the results of a test you took, and you discovered that you did very poorly. Your initial reaction is likely to be:

11. "I wonder how it is I did so poorly", and feel disappointed.

12. "That stupid test doesn't show anything", and feel angry.

You have been invited to a large party where you know very few people. As you look forward to the evening you would likely expect that:

13. You'll try to fit in with whatever is happening in order to have a good time and not look bad.

14. You'll find some people with whom you can relate.

You are asked to plan a picnic for yourself and your fellow employees. Your style for approaching this project could most likely be characterized as:

15. Take charge: that is, you would make most of the major decisions yourself.

16. Seek participation: get inputs from others who want to make them before you make the final plans.
Use the following scale to answer items 1-24:

a .... b .... c .... d .... e .... f .... g
very unlikely    moderately likely    very likely

Recently a position opened up at your place of work that could have meant a promotion for you. However, a person you work with was offered the job rather than you. In evaluating the situation, you are likely to think:

17. The other person probably "did the right things" politically to get the job.

18. You would probably take a look at factors in your own performance that lead you to be passed over.

You are embarking on a new career. The most important consideration is likely to be:

19. How interested you are in that kind of work.

20. Whether there are good possibilities for advancement.

A woman who works for you has generally done an adequate job. However, for the past two weeks her work has not been up to par and she appears to be less actively interested in her work. Your reaction is likely to be:

21. Tell her that her work is below what is expected and that she should start working harder.

22. Ask her about the problem and let her know you are available to help work it out.

Your company has promoted you to a position in a city far from your present location. As you think about the move you would probably:

23. Feel interested in the new challenge and a little nervous at the same time.

24. Feel excited about the higher status and salary that is involved.
APPENDIX B

SIMULATION PROFIT SCHEDULE
### Buyer Profit Schedule:

<table>
<thead>
<tr>
<th>Terms</th>
<th>Delivery</th>
<th>Discount</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>I</td>
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<td>000</td>
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</table>

### Seller Profit Schedule:

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<th>Discount</th>
<th>Financing</th>
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</thead>
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<td>H</td>
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</tr>
<tr>
<td>I</td>
<td>1600</td>
<td>2400</td>
<td>4000</td>
</tr>
</tbody>
</table>
APPENDIX C
FOLLOW UP QUESTIONNAIRE
Follow Up Questionnaire
Please thoughtfully respond to each of the following items concerning the simulation that you just participated in. For the first six items, please respond by circling a number on the scale associated with the question.

1. Currently I am in a good mood.  
   
<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

   As I answer these questions I feel cheerful.  

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

   For some reason I am not very comfortable right now.  

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

   At this moment I feel edgy or irritable.  

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

2. How interesting did you find the learning experience?  

   |     |         |     |         |     |         |     |         |     |         |
   | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  |
   | Not at all Interesting | Very Interesting |

3. How enjoyable did you find the simulation?  

   |     |         |     |         |     |         |     |         |     |         |
   | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  |
   | Not at all Enjoyable | Very Enjoyable |

4. How involved were you in this simulation?  

   |     |         |     |         |     |         |     |         |     |         |
   | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  |
   | Not at all Involved | Very Involved |

5. How much effort do you feel that you put into participating  

   |     |         |     |         |     |         |     |         |     |         |
   | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  |
   | No effort | A great deal of effort |

6. How much negotiation experience, relative to other students, would you say that you have that would prepare you for this negotiation?  

   |     |         |     |         |     |         |     |         |     |         |
   | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  |
   | No experience | A great deal of experience |

On the reverse side of this page:

7. Write down all of the thoughts that went through your mind as you participated in the negotiations.

8. Write down each of the steps that you went through in making a negotiation.
APPENDIX D

SUBJECT POOL PROCEDURES
PRINCIPLES OF MARKETING EXTRA CREDIT PROCEDURES:

Typical research projects include viewing and rating advertisements, obtaining student’s perceptions and reactions to various marketing phenomena and marketplace simulations (either live or computer-generated).

Students may participate in up to four extra credit opportunities. In order to be eligible, they must complete the mass test in-class. The mass test does not count for extra credit.

Any study can only be participated in once. Signup sheets and descriptions are posted on a bulletin board near the instructor’s office. Some studies recruit by telephone and then a brief description will still be posted.

When students signup (board or phone), they are to note the study number, the date, time and place.

Students are asked to show up five minutes before a study starts.

Extra credit opportunities start the third week of the quarter and run through the last week.

Participation is designed to provide extra credit points, but also should aid students in a better understanding of the research process.
APPENDIX E

PHONE RECRUITING SCRIPT
Recruiting Script: Situation Manipulation

Hello! This is Ellen calling from the marketing department at Ohio State. You are enrolled in Marketing 650 this quarter, aren’t you? I am calling to offer you an opportunity to participate in an extra credit assignment for marketing 650.

Your participation in this study, as in any other study, is voluntary and you have the option of participating in other marketing studies if you decide not to participate in this one. You may withdraw from this study at anytime without being penalized.

The study will involve playing a marketing game in which you get to be a buyer or a seller for a hypothetical company. The study will take less than one hour. Verification of all of the information about this study is posted on the 650 sign up board. Would you like to participate in it?

The study will be conducted...

E3-1
Thursday April 25, 12:30

E3-2
Thursday April 25, 2:00

The study will last less than one hour.
The experiment number is (give number).
This is a university funded experiment and you can earn up to $5 for your participation.

Please make sure that you show up for the study 5 minutes before the time at the assigned room. Your scheduled time is (give appointment time) in room number (give location). Please make a note of it and remember that you can double check any of this information on the 650 sign up board.

This study is being conducted by Professor Curt Haugetvedt and doctoral student Ellen Pullins. If you have any questions, please call Ellen Pullins at 292-9549. Thank you.
APPENDIX F

SIMULATION DIRECTIONS
Negotiation Game
Buyer Instructions

a. This is an exercise which attempts to set up a real free market situation between manufacturers of athletic shoes (suppliers) and their customers (retail stores).

b. Your role will be that of a senior executive for a retail store. As such, you will be asked to negotiate contracts for the purchase of various quantities of shoes.

c. In this market, three issues will impact profits:
   1. Delivery terms
   2. Financial terms
   3. Discount terms

d. Thus, in your transactions with a seller, your function is to negotiate combinations of these factors which are most beneficial to your company.

e. The actual dollar values associated with the various levels of delivery, discount and financing for a $100,000 purchase are given in the accompanying chart labeled BUYER NET PROFIT SCHEDULE.

f. $100,000 is the only order size you can entertain. That is, each deal will be in terms of a $100,000 unit. You may purchase more than $100,000 from one seller, however, each $100,000 deal is viewed as a separate deal.

g. Buyers and sellers have similar schedules although the actual dollar amounts in the tables are, of course, quite different for buyers and sellers. Under no circumstances are buyers and sellers to share the actual dollar amounts of their pay-off schedules. Such sharing of information is illegal and will result in disqualification.

h. Parties will meet in the front of the room in the "meeting area" to make contact for negotiations. Parties will then proceed to the "bargaining areas" to engage in the actual negotiation.
Buyer Profit Schedule  
(For each $100,000 purchase)

<table>
<thead>
<tr>
<th>Terms</th>
<th>Delivery</th>
<th>Discount</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$ 4000</td>
<td>$ 2400</td>
<td>$ 1600</td>
</tr>
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</tbody>
</table>

The actual levels of delivery, discount and financing are immaterial so they have been simply labeled with the letters A through I. Beside each number is the dollars of net profit your company earns from purchasing $100,000 shoes at such terms. Your objective is to make the best three-letter deal you can. The first letter represents the deliver terms, the second letter represents the discount terms, and the third letter, the financing terms. A $100,000 HGC deal earns your company $2,300 ($500+$600+$1200). Please assume the quality is similar from all suppliers.

Schedule Quiz

Just to make sure you understand your schedule, compute the total net profit for the following transactions:

IAE  ____________________

EEE  ____________________

DHE  ____________________

EBF  ____________________

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### Game ROUND

Objective: To buy $500,000 (5 units) of shoes.

<table>
<thead>
<tr>
<th>Terms</th>
<th>Delivery</th>
<th>Discount</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$ 4000</td>
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</table>

After choosing a partner, please enter the identification code of your partner for each negotiation below. When one of you makes an offer, record it as your or their initial offer. Next, when you or your partner first respond to that initial offer, write it down too. Then, respond to the question of whether you opened first (Y) or, if the other person offered first, no (N). Finally, write down the final terms that you agree on and rate how satisfied you were dealing with this partner on a scale of one to ten, with ten being very satisfied and one being very dissatisfied. Then go on to the next deal by returning to the meeting area and choosing the same or another partner.

<table>
<thead>
<tr>
<th>Order</th>
<th>Seller ID</th>
<th>Your Initial Offer</th>
<th>Their Initial Offer</th>
<th>Did you offer first? (Y or N)</th>
<th>Final Terms</th>
<th>Profit Made</th>
<th>Satisfied? 1 to 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
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</tbody>
</table>

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155
Debriefing Script

Experimenter will explain to the students following the simulation:

_Some subjects were selected for this experiment on the basis of how they completed the questions in the mass test at the beginning of the quarter, while other students were randomly assigned to experiments conditions that attempted to increase either the intrinsic or extrinsic motivation to participate. For example, participating in order to earn cash has been shown to get people’s participation for reasons outside their own enjoyment in the activity. We were attempting to understand whether these individual differences and situational conditions make a difference in whether people approach this experiment in a more cooperative or a more competitive manner. We will consider the offers that you made in order to determine whether or not you acted in a manner that was more cooperative or more competitive. Neither tactic is correct or incorrect in this situation. We simply want to see if individual and situational differences can affect this type of behavior._
APPENDIX I

FACTOR STRUCTURE FOR CAUSALITY DIMENSIONS
### Autonomy Dimension

<table>
<thead>
<tr>
<th></th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>A9</td>
<td>.634</td>
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<td>.366</td>
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### Control Dimension

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<th>Factor 4</th>
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</thead>
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<td>.275</td>
<td>.061</td>
<td>.225</td>
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</tbody>
</table>
APPENDIX J

PILOT STUDY 4 MATERIALS
Please read the following directions and study the profit schedule given. Try to put yourself completely in the situation, as though you were playing this role. After you have read this page, the lecturer will explain the directions and answer any questions.

You are a salesperson for a shoe manufacturer and you make sales calls on shoe retailers. You usually make sales in quantities of 100,000 and negotiate with buyers on three aspects (terms) of the sale:
- discount
- financing
- delivery schedule.

For every deal, you must negotiate all three terms.

In order to make a profit, you use the following profit schedule:

<table>
<thead>
<tr>
<th>Discount</th>
<th>Financing</th>
<th>Delivery</th>
</tr>
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You make a certain amount of money for each of the terms you negotiate individually. For example, if you get an A for discount, you make $4000, plus the profit from the financing and delivery terms. If you get an H for financing, you make $300 plus the profit from the other terms. If you get E for delivery, you make $800 plus the profit from the other terms. So a deal of A(Discount)H( Financing)E(Delivery) would yield a total of $5100.

When the retailer gets favorable terms, you make less money. For example, a retailer who gets a very high discount, might get an I term, ($ 000), so that you make no money. If the retailer gets financing terms that put off payment or offer low interest, you make I or H ($ 000-300) on financing. If the retailer gets immediate or rapid delivery, you make less money and get an I ($ 000) on the delivery term.

Conversely, if you get to deliver the shoes on your own schedule, at your convenience, then you would get an A term and make $1600. If you compromised and set a delivery date that was not especially rapid, but which would allow you some time to schedule, you might get a D, E or F term, making $600 to $1000.
The terms are stated in the order of the profit schedule: discount, financing, delivery. So an offer of GFA would represent a G for discount, an F for financing and an A for delivery. So, lets say you make an offer, the buyer counteroffers, and you eventually settle on DDF. Your total profit would be $4600.

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Calculate the profit for the following two deals and record your answers below.

ACH  __________

EEE  __________

Once the lecturer has given you the answers to the above calculations, you are ready to start practicing your negotiation style.

Assume you are calling on a retailer who really needs immediate delivery, but who doesn’t necessarily care so much about a discount. Financing is only moderately important to this retailer. You know that the initial offer will usually be renegotiated through a process of several offers and counteroffers.

1. What would you make for your initial offer to this retailer?

Initial offer: __________  Profit on this offer if accepted: __________

2. You find out that this is a very important retailer with whom you may have many more dealings in the future. Now what initial deal you would offer?

Initial offer: __________  Profit on this offer if accepted: __________
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3. In addition to wanting future dealings with this retailer, you find out that this retailer could go to a number of other companies to buy its shoes if you cannot make a deal with it. It does not need to buy from you, and other manufacturers are very competitively seeking this manufacturer. Now, what would you offer to this retailer?

Initial offer: __________  Profit on this offer if accepted: __________

4. The situation is the same as above:

* delivery is still most important to the retailer and discount least important.
* you do not have to accept the retailer’s offer or counteroffer but will negotiate until you are both satisfied.
* this customer is still a valued customer.

Now, however, the retailer approaches you with an offer before you open the bidding. The retailer offers you H I I. What would you counteroffer this retailer?

Counter offer: __________  Profit if counteroffer accepted: __________

5. Instead of offering H I I, the retailer opens the bidding with an offer of EEE. What would you counteroffer?

Counter offer: __________  Profit if counteroffer accepted: __________

6. Instead of the above offers, the retailer offers you BDH. What would you counteroffer?

Counteroffer: __________  Profit if counteroffer accepted: __________

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APPENDIX K

THOUGHT LISTING CODES
NEGOTIATION EXPERIMENT CODING SCHEME

GOALS

5 Completely own goal oriented
4 Own oriented goals but considered other
3 Both own and other goals were important
2 Other goal oriented but considered self
1 Completely other goal oriented
0 No goal orientation mentioned

TACTICS

1 Compete - set minimum/set target/beat own performance/compete/beat other
2 Compromise - start high/work into center/look for medium
3 Collaborate - tradeoff/ask what's important/assess other's needs/focus on certain dimensions
0 No tactic mentioned
LIST OF REFERENCES


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