THE ANTECEDENTS AND CONSEQUENCES OF INTERPERSONAL TRUST IN MIXED-MOTIVE DYADIC NEGOTIATION

A DISSERTATION

Presented in Partial Fulfillment of the Requirements for
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By

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The major purpose of this study was to explore the antecedents and consequences of interpersonal trust in a mixed-motive dyadic negotiation. Specifically, this research examined propensity to trust, extent of past experience, and quality or nature of past experience as antecedents of interpersonal trust. Potential consequences included negotiation processes, negotiation outcomes, and negotiator satisfaction. In addition, the influence of distributive and integrative aspirations was explored.

These relationships were explored using a role play negotiation called "Sally Soprano." In this role play, participants were asked to negotiate the salary for a substitute singer; the role play contained both "win-lose" or distributive and "win-win" or integrative elements, making it mixed-motive. The role play was part of a second-year MBA course in which participants were enrolled. Participants were assigned to either the Opera or Sally role and to a particular negotiation partner.

Results showed that propensity to trust was unrelated to interpersonal trust. However, the extent of past experience was positively related to interpersonal trust. Also, extent and quality of past experience interacted as predicted to influence levels of interpersonal trust.
Disappointingly, interpersonal trust was not related to negotiation processes or negotiation outcomes. It was, however, related to negotiator satisfaction. In particular, levels of the identification-based trust component were a predictor of process satisfaction, own outcome satisfaction, and joint outcome satisfaction. Integrative processes, although unrelated to interpersonal trust, were also positively related to negotiator satisfaction. Distributive processes, on the other hand, were unrelated to negotiator satisfaction.

These findings suggest that interpersonal trust does matter, but in a different way than was predicted. Higher levels of interpersonal trust lead to higher levels of satisfaction, regardless of the actual outcome. Also, this study highlights the importance of a "win-win" or integrative negotiation process. Using a more integrative process creates more integrative outcomes and also leads to more satisfaction. Future studies need to explore these relationships further, preferably using participants who know each other well.
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CHAPTER 1

INTRODUCTION

A negotiation can be defined as a situation where multiple, interdependent parties with non-identical preferences make decisions that result in the allocation of resources (Neale & Northcraft, 1991). Of course, reaching this decision involves some degree of communication between parties. How much, or how well, parties communicate can differ dramatically. Some negotiations are extremely contentious, like the recent negotiations between the Teamsters and UPS. Other negotiations focus on achieving joint goals and producing a “win-win” solution that is beneficial to both parties; everyone is supposed to come out a winner in such situations. What factors help to determine which type of negotiation will occur?

An examination of the early literature on negotiation provides little insight into this question. Early studies on dyadic negotiation often used simple scenarios like the Prisoner’s Dilemma, but simple games do not reflect real-world negotiations, which are messy and complex (Northcraft & Neale, 1991). Additionally, studies often relied upon
undergraduate subjects, “usually with no prison experience” (Greenhalgh, Neslin, & Gilkey, 1985, p. 10). Sheppard (1995) describes how a fairly typical study involves two relative strangers, negotiating over a few dimensions who are given a set of information outlining returns to them for various settlements. This kind of situation is a poor proxy for real-world negotiations because real negotiations are not predefined problems with structured sets of solutions (Sheppard, 1995). Additionally, real-world negotiations occur in the context of a relationship where there is a past and a future, not as isolated, decontextualized events (Oliver, Balakrishnan, & Barry, 1994).

Recently, however, the context of the negotiation has emerged as an issue of research interest. This line of research goes against the transactional or economic view that persisted during the 1980s and follows more recent concerns about developing and maintaining successful business relationships (Sondak & Moore, 1993). From an economic perspective, people are viewed as utility maximizers and their actions in a negotiation are expected to reflect this orientation. However, people typically do not make decisions consistent with economic theory (Polzer, Neale, & Glenn, 1993). One important factor which may explain this is the nature of the relationship between negotiators.
When negotiators have a relationship with one another, the dynamics of the negotiation process are altered (Austin, 1980; Corfman & Lehmann, 1993; Kimmel, Pruitt, Magenau, Konar-Goldband, & Carnevale, 1980; Polzer et al., 1993; Pruitt & Carnevale, 1993; Sheppard, 1995; Valley, Neale, & Mannix, 1995; Wall & Blum, 1991). Austin (1980) found that individuals in previous social relationships were more likely to prefer equal pay-off distributions than individuals who were paired with strangers. Subjects in long-term relationships also have been found to be more willing to meet both parties’ needs or to sacrifice their own needs (Sondak, Neale, & Pinkley, 1995). Polzer et al. (1993) found that when negotiators are strangers, both parties demand more for themselves than when they are friends. Although these studies illustrate the importance of relationships, they fail to explore why relationships make a difference.

Why are relationships important in a negotiation? One key component of relationships is trust (Tuchinsky, Escalas, Moore, & Sheppard, 1994), which is also considered to be an important part of the negotiation process (Ben-Yoav & Pruitt, 1984; Kimmel et al., 1980; Lewicki, Weiss, & Lewin, 1992; Pruitt & Carnevale, 1993; Pruitt & Lewis, 1975). Reaching a negotiation settlement requires an exchange of information (Kimmel et al., 1980; Lewicki et al., 1994; Pruitt, 1983; Pruitt & Carnevale, 1993; Pruitt & Lewis, 1975) and individuals who have a close relationships have been found to share
more information than those who do not have a close relationship (Greenhalgh & Chapman, 1993). Sharing information can be risky, however, and that is where interpersonal trust between negotiators becomes important. Interpersonal trust allows negotiators to have confidence that their negotiating partners will not use the information they disclose to take advantage of the situation (Bazerman & Neale, 1992).

The importance of trust in a negotiation setting has been evoked by many researchers; for example, Kimmel et al. (1980) state that joint problem solving and information exchange in a negotiation require trust, and Bazerman and Neale (1992) believe that the first rule of successful negotiation is to build trust. However, although there has been a great deal of interest in trust, its study has remained problematic for several reasons: researchers often fail to define what trust is, there is a lack of clarity between what constitutes risk and trust, and there often is confusion about the antecedents and consequences of trust (Mayer, Davis, & Schoorman, 1995).

The purpose of this research is to examine the antecedents and consequences of interpersonal trust in a mixed-motive dyadic negotiation. Specifically, my dissertation will examine how an individual’s propensity to trust, and the quality and extent of past experiences with his or her negotiation partner impact interpersonal trust. I am also interested in exploring the consequences of trust between negotiators and will investigate
how interpersonal trust shapes the negotiation process, the nature of the solution, satisfaction with the negotiation process, satisfaction with own negotiation outcomes, and satisfaction with joint negotiation outcomes.

This chapter will first review the definition and development of interpersonal trust, including its antecedents. Next, the relationship between interpersonal trust and negotiation outcomes will be explored, including possible interactions between aspiration levels and interpersonal trust. Finally, this chapter will discuss how interpersonal trust and negotiation outcomes impact satisfaction with the negotiation process and the negotiation outcome.

Interpersonal Trust

When trust is discussed in the context of negotiation, the type of trust being referred to is usually interpersonal trust, or trust between two specific individuals. There has been some variation in the way researchers and theorists have defined interpersonal trust, but almost all of the definitions focus on the trustor’s willingness to be vulnerable or to take risks in the face of uncertainty (Boon & Holmes, 1991; Butler, 1995; Lewis & Weigert, 1985; Mayer, Davis, & Schoorman, 1995; McAllister, 1995; Schlenker, Helm, & Tedeschi, 1973). Interpersonal trust enables one to take risks;
where there is a feeling of trust, there is a feeling that one will not be exploited, even when the opportunity is available (Cummings & Bromiley, 1996; McAllister, 1995).

There is some disagreement as to whether trust involves actually taking risks in addition to the willingness to take risk. Schlenker et al. (1973) formulate a definition of interpersonal trust which stresses risk taking behavior. They define interpersonal trust as the reliance upon information received from someone else in a risky situation and state that in order for trust to be demonstrated, there must be behavior showing reliance upon this uncertain information. More recent work (Butler, 1995; Mayer et al., 1995; McAllister, 1995; Schoorman et al., 1996) separates interpersonal trust from its outcomes. Mayer et al. (1995) make a compelling argument that there is a fundamental difference between the willingness to assume a risk and actually assuming that risk, and that one does not need to actually risk anything in order to trust. One must take a risk in order to engage in a trusting action, but engaging in trusting actions is an outcome of interpersonal trust, not a part of the construct.

Schoorman et al. (1996) explored the relationship between managers' interpersonal trust for their subordinates and their willingness to take risks in their relationships with their employees through the increased delegation of authority. They found the expected positive relationship between interpersonal trust and delegation of
authority. However, delegation of authority was also influenced by contextual factors. This finding indicates that interpersonal trust or the willingness to take risks is not the only variable contributing to actual risk taking behaviors and illustrates the importance of separating behavioral intentions from behavioral outcomes.

In their discussion of interpersonal trust, Mayer et al. (1995) also discuss what interpersonal trust is not. Like Lewis and Weigert (1985), Mayer et al. (1995) argue that interpersonal trust goes beyond predictability. Both interpersonal trust and predictability are means of reducing uncertainty, but equating the two implies that someone who acts predictability in a self-interested manner can also be trusted, which clearly is not the case. What predictability does is allow one to make more accurate assessments about how much to trust the other party.

Additionally, Mayer et al. (1995) assert that interpersonal trust is not the same thing as cooperation. Although having trust in another individual frequently can lead to cooperative behavior, interpersonal trust is not a necessary condition for cooperation because cooperation does not necessarily put the trustor at risk. If there is no risk involved, people can work cooperatively with someone who they do not really trust.

Interpersonal trust is similar to a feeling of confidence that the other person has the ability and intention to produce desirable outcomes, but again, there are important
differences between the two constructs. Confidence and interpersonal trust both involve expectations about how others will behave and having either can lead to disappointment (Mayer et al., 1995). However, interpersonal trust differs from confidence because it requires the explicit recognition and acceptance of risk; interpersonal trust involves choosing one action over other actions despite the possibility of being disappointed (Mayer et al., 1995).

Mayer et al. (1995) define interpersonal trust as the “willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party” (Mayer et al., 1995, p. 712). Trusting actions or behaviors are not included in this definition of interpersonal trust. This definition is similar to that employed by McAllister (1995), who defines interpersonal trust as an individual’s belief in, and willingness to act on “the basis of, the words, actions, and decisions of another” (p. 25). Again, the definition focuses on behavioral intent rather than actual behaviors.

This study also will focus on behavior intent, rather than behavioral outcomes. Interpersonal trust will be defined broadly as one’s optimistic expectations of the behavior of the other party, under conditions of risk and dependence (Hosmer, 1995).
These optimistic expectations are shaped by several factors, including affective and cognitive components, which will be addressed in the section that follows.

Rotter (1971) developed a measure for what he called interpersonal trust. However, Rotter’s measure is actually a measure of a more generalized interpersonal trust or the propensity to trust than it is of interpersonal trust between two specific individuals. In this study, the term *interpersonal trust* will be used to refer to trust between two specific individuals, not the generalized propensity to trust others.

**A Developmental Model of Interpersonal Trust**

In order to understand and predict the antecedents of interpersonal trust between specific individuals, it is necessary to explore how interpersonal trust develops. Several theorists and researchers (Boon & Holmes, 1991; Lewicki & Bunker, 1995; 1996; McAllister, 1995; Shaprio et al., 1992; Sheppard & Tuchinsky, 1995) have addressed this question. Early work on trust development (e. g., Boon & Holmes, 1991) focuses on the development of interpersonal trust in romantic relationships. Later work by Lewicki and Bunker (1995; 1996) focuses on the development of interpersonal trust in business and professional relationships.

**Interpersonal trust development in romantic relationships.** Boon and Holmes (1991) present a model of interpersonal trust development in romantic relationships. Their
model includes three stages of interpersonal trust development: the romantic love stage, the evaluative stage, and the accommodation stage. The romantic love stage is characterized by a "profusion of positive feelings and idealization of the partner" (Boon & Holmes, 1991, p. 201). In this stage, trust and love are undifferentiable. Consistent with the surge of positive emotions experienced during this stage, the hope that the relationship will work out eclipses the fear that it will not work. During the evaluative stage, the imperfections of the other person are gradually discovered. There is a tendency to step back from the relationship and make an effort to get to know the other person better, to gain a clearer sense of their intentions (Lewicki & Bunker, 1996). Trust becomes a real issue at this stage because people put themselves at risk by disclosing their thoughts and feelings and trying to determine their partners' motives (Boon & Holmes, 1991; Lewicki & Bunker, 1996). The final stage, accommodation, involves the negotiation of conflicting needs and expectations. Parties must deal with the incompatibilities identified during the evaluative stage, which provides a good arena for them to solidify their interpersonal trust.

The development of interpersonal trust in professional relationships is believed to follow a similar process, although most professional relationships do not usually begin with the same type of "profusion of positive feelings." In romantic relationships, the
impetus for trust development in the early stages is emotional, romantic attachment to
the other person. As this infatuation fades, “real” interpersonal trust begins to form. In
professional relationships, trust first develops on a calculus or deterrence-based level as
the parties attempt to define the nature of their relationship. As knowledge about the
other increases, interpersonal trust grows (Lewicki & Bunker, 1996). However, as
Lewicki and Bunker (1996) note, interdependence and emotion ultimately become
entangled in both romantic and professional relationships.

Interpersonal trust development in professional relationships. Lewicki and Bunker
(1995; 1996) posit three stages of trust development in professional relationships:
calculus-based trust, knowledge-based trust, and identification-based trust. These three
stages are very similar to the types of interpersonal trust described by Shapiro et al.
(1992). However, the Lewicki and Bunker model (1995; 1996) extends the Shapiro et
al. (1992) conceptualization by suggesting that the three types of trust are linked and are
sequential in development rather than being three separate types of trust.

The first stage of interpersonal trust development in professional relationships is
calculus-based trust. Calculus-based trust is based on assuring consistency of behaviors;
individuals will do what they say because they fear the consequences of not behaving that
way. Trust can be sustained to the degree that punishment is available (Lewicki &
Bunker, 1995). At this stage, interpersonal trust is an “ongoing, market-oriented, economic calculation whose value is derived by comparing the outcomes resulting from creating and sustaining the relationship to the costs of maintaining or severing it” (Lewicki & Bunker, 1996, p. 145). Lewicki and Bunker feel that for calculus-based trust, the threat of punishment is more salient that the promise of reward.

Knowledge-based trust relies upon information rather than deterrence. It develops over time as the parties get to know one another; increased information enhances the predictability of the other party, which contributes to the development of interpersonal trust (Shapiro et al., 1992). An understanding of the other party develops over repeated interactions in a multidimensional relationship; multidimensionality is important because the more points of contact the parties have, the higher the probability that they will come to understand and predict each other’s behavior (Sheppard & Tuchinsky, 1995).

The third stage of interpersonal trust development, identification-based trust, is based on an understanding of the other’s needs and desires. Parties are confident that their interests will be protected, and little or no monitoring of the other is required. As identification-based trust develops, parties eventually come to understand what they must do to maintain the other’s trust, a process Lewicki and Bunker (1995) describe as
"second-order" learning. Increased identification allows one to think like the other and to respond to her or his needs. In order to move to the identification-based stage of interpersonal trust development, parties need to have a collective identity, common goals, and shared values (Shapiro et al., 1992).

Interpersonal trust develops gradually as the parties move from one stage to another. Lewicki and Bunker's model of interpersonal trust development is depicted in Figure 1. In this model, trust evolves and changes over time. Trust begins to develop as calculus-based trust develops; then, as parties get to know one another better, the relationship may move on to the knowledge-based trust stage. If only an arm's length transaction is required, the relationship may not move beyond calculus based trust. A similar process is involved in the movement from knowledge-based trust to identification.

Obviously, not all professional relationships reach the identification-based stage of interpersonal trust development. Parties may lack the time or energy to develop their relationship to this level. Also, the information gained during the knowledge-based stage of interpersonal trust development may cause an individual not to identify with the other party (Lewicki & Bunker, 1996). For example, if one learns that the other party has
**Figure 1**

Interpersonal Trust Development

\[ J_1 \] At this juncture, some CBT relationships become KBT relationships

\[ J_2 \] At this juncture, a few KBT relationships where positive affect is present go on to become KBT relationships.

*Adapted from Levid & Banker, 1995a*
been involved in questionable business practices in the past, he or she may decide that further development of interpersonal trust is unwise.

Additionally, it is important to note that in Lewicki and Bunker’s model, trust can \textit{decline} as well as develop. If one party does something that violates the other party’s trust, the level of trust in the relationship may move backwards through the stages of trust development. However, it appears that even when trust is violated, knowledge-based trust remains fairly high (Lewicki, Stevenson, & Bunker, 1997).

McAllister (1995) has a similar view of interpersonal trust, although he does not articulate a developmental model. He believes that interpersonal trust has both cognitive and affective foundations. In his study of managers, McAllister (1995) found that in general, levels of cognitive-based trust among managers were higher than levels of affective-based trust. This finding, which suggests that some level of cognitive- or knowledge-based trust is necessary for affective-based trust to develop, is consistent with the trust development model explicated by Lewicki and Bunker (1995; 1996).

Lewicki and Bunker (1995; 1996) and McAllister (1995) highlight the dynamic nature of interpersonal trust between specific individuals. Interpersonal trust changes over time, evolving with increasing information about and experience with the other party. However, what limited research there is on interpersonal trust and negotiation
fails to consider the interpersonal trust development process (Butler, 1995; Kimmel et al., 1980; Lindskold, Betz, & Walters, 1986; Schlenker et al., 1973; Zand, 1972). Butler (1995) used randomly assigned pairs of subjects and measured trust before the negotiation exercise began and again halfway through the exercise. He found that trust was built quickly when subjects shared information and helped the other party pursue his or her interests. However, this swift-forming interpersonal trust, based on one limited interaction, lacks the complexity and depth of knowledge-based and identification-based trust. It is difficult to know how Butler's (1995) results would generalize to real-world negotiations where the parties had a previous relationship.

Instead of letting trust develop naturally, many researchers manipulate trust. Zand (1972) offers the most sophisticated manipulation of trust. He manipulated interpersonal trust between negotiators by varying "past experience" based on a written paragraph given to participants, mutually compatible goals, and a mutual fate if the negotiations failed.

In the Kimmel et al. (1980) study, subjects were assigned to a high trust or a low trust condition. In the high trust condition, negotiating partners received a problem-solving orientation before being separated from one another. Subjects in the low trust condition were separated before being given the same problem-solving orientation and
were told not to assume that their partner had the same motivational orientation. Their measure of trust, unlike the manipulation used by Zand (1972), is based on just one of the factors that might shape trust between negotiators. In addition, they are assuming that trust is the same thing as cooperation, even though trust involves risk and cooperation does not necessarily involve risk (Mayer et al., 1995).

Lindskold et al. (1986) also manipulate trust by manipulating only one factor. Their study used a modified Prisoner’s Dilemma task and operationalized trust as the number of cooperative moves made by one’s negotiation partners, who was actually an experimental confederate. Similarly, Schlenker et al. (1973) used a computer simulated Prisoner’s Dilemma task. Trust was operationalized as “promise fulfillment.” Those individuals in the high trust condition had a computer partner who told the truth 90% of the time, while those in the low trust condition were only told the truth 10% of the time. These operationalizations over-simplify interpersonal trust, since they are looking at only one factor that might influence the development of interpersonal trust, fail to consider the impact of relationships between the parties, and ignore the fact that interpersonal trust changes and develops over time.

Interpersonal trust between two negotiators who have some knowledge of each other is likely to have a different impact on negotiation than manipulated interpersonal
trust between strangers. In an effort to move beyond the limitations of previous studies, this study will focus on “naturally occurring” interpersonal trust between negotiators. With this focus in mind, I shall now turn to a discussion of the possible antecedents of interpersonal trust.

Factors Influencing Interpersonal Trust

A number of factors contribute to the movement through the developmental stages. As the studies discussed above illustrate, people are more likely to trust those who act cooperatively (Lindskold et al., 1986), who follow through on their promises (Schlenker et al., 1973), and who they believe have similar motives (Kimmel et al., 1980). Also, individuals are more apt to trust those who they perceive as being similar to them and those who are dependent upon them (Lewicki, Litterer, Minton, & Saunders, 1994). However, the development of interpersonal trust is not influenced solely by factors in the negotiation situation.

Boon and Holmes (1991) believe that interpersonal trust will depend on the joint influences of a person’s chronic disposition to trust, the history of the relationship between the parties, and the features of the particular situation they face. Boon and Holmes (1991) highlight the importance of both the personal and the situation in shaping interpersonal trust between specific individuals. This study explores the propensity to
trust, a person variable, and the history of the relationship between parties, a situation variable, as antecedents of interpersonal trust in a negotiation setting.

**Personality factors: Propensity to trust.** One factor which impacts the development of interpersonal trust is the personality of the trustor (Boon & Holmes, 1991; Lewicki et al., 1994; Mayer et al., 1995; Schlenker et al., 1973). Several authors have considered trust from the perspective of a person’s general willingness to trust others (Boon & Holmes, 1991; Rotter, 1971; 1980). As mentioned earlier, Rotter (1971; 1980) refers to a person’s general willingness to trust others as interpersonal trust, which is different than the way the term is being used in this paper. This study defines interpersonal trust as trust between *specific* individuals. What Rotter called interpersonal trust will be referred to as the *propensity to trust*, following the language of Mayer et al. (Mayer et al., 1995; Schoorman et al., 1996).

As a personality trait or chronic disposition (Boon & Holmes, 1991), the propensity to trust is viewed as a belief, expectancy, or feeling that is deeply rooted in an individual’s early experiences. Rotter (1971) defines this type of trust as a generalized expectancy that the word or promise of another individual is reliable; the propensity to trust is a generalized response that develops from a person’s history of social interactions and is expected to generalize to novel situations to guide behavior (Rotter, 1971;
Schlenker et al., 1973). The propensity to trust is a stable within-party factor that will impact the likelihood that one will trust another person, especially in the absence of data about that person (Mayer et al., 1995). An individual who comes from an environment where everyone fulfills their promises would tend to have a high propensity to trust and might even trust others in situations that most people would agree to not necessarily warrant trust (Mayer et al., 1995).

Alternatively, an individual who often has been misled in the past would tend to have a low propensity to trust and is more likely to be skeptical about believing the promises that others make and may be unwilling to trust others in most situations (Schlenker et al., 1973). Having either a high or a low propensity to trust can create a kind of self-fulfilling prophecy in interactions with others since individuals tend to search for cues that confirm what they already believe (Lewicki et al., 1994). Individuals with a high propensity to trust may approach others in a way that communicates openness, which may facilitate the development of a high trust relationship between parties.

However, having a high propensity to trust does not mean that an individual will always trust others. The propensity to trust impacts a person’s readiness to trust. Boon and Holmes (1991) view the propensity to trust as a “preferred adaptation” or a predisposition to trust others given the appropriate set of circumstances.
The propensity to trust can be shaped by cultural differences in child rearing or by group membership (Lewicki & Bunker, 1996). Some theorists (Erikson, 1968) even trace the development of the propensity to trust back to infancy. According to Erikson (1968), this type of trust is the resolution of an early inner conflict centered around an infant’s dependency on his or her primary care giver. Infants are strongly influenced by how well their care givers respond to their needs; care giver responses shape an infant’s impressions of how dependable the care giver is, and this initial trust later is generalized to other individuals (Couch & Jones, 1995). Boon and Holmes (1991) believe that these expectations developed in early childhood are “critical bases for the development of a trusting orientation” (p. 195) that guides behavior in general.

Several studies (Schlenker et al., 1973; Schoorman et al., 1996) have found a positive relationship between the propensity to trust and interpersonal trust or behaviors exhibiting interpersonal trust. Using a modified Prisoner’s Dilemma task, Schlenker et al. (1973) found that individuals with a high propensity to trust were more likely to rely upon the promises of a computer simulated partner than those individuals with a low propensity to trust. Schoorman et al. (1996) found that the propensity to trust was linked to interpersonal trust; interpersonal trust was found to contribute to managers’ taking greater risks in their relationships with their employees through the increased
delegation of authority. The propensity to trust seems to be an important determinant of interpersonal trust. The propensity to trust is expected to influence the level of interpersonal trust between negotiation partners in this study as well. Specifically,

*Hypothesis 1: A direct, positive relationship is expected between one’s propensity to trust and the level of interpersonal trust for one’s negotiation partner.*

**Situational factors: Relationship history.** In addition to finding support for the propensity to trust as an antecedent of interpersonal trust, Schlenker et al. (1973) and Schoorman et al. (1996) found that the nature of the relationship between parties affects levels of interpersonal trust. In fact, Schlenker et al. (1973) found that the credibility of past communications was more important in determining trust behaviors than was the propensity to trust.

Boon and Holmes (1991) feel that the history of the relationship between parties is a contextual variables of “fundamental importance as it imparts a refined and perhaps unique quality to the expectations those involved possess about each other” (p. 198). The pattern of responsiveness that has characterized a relationship in past interactions provides information that the parties will use to determine how much they should trust one another. Past experiences of having one’s needs met or remain unsatisfied can have
a profound impact on one’s readiness to trust the other in the face of risk (Boon & Holmes, 1991).

Both the extent and the quality or nature of past interactions are expected to be important in negotiation because opportunities to gather additional information about one’s negotiating partner may be limited. An individual will have more opportunities to gain knowledge about his or her partner if past interactions with that partner have been extensive; since interpersonal trust is partially shaped by knowledge, a positive relationship between the extent of past experience and levels of interpersonal trust is anticipated.

Additionally, it is expected that the quality or nature of past experiences with a particular partner will impact an individual’s decision about how much to trust that partner. The nature of past experiences is expected to moderate the relationship between the extent of past experience and levels of interpersonal trust. If past experiences are either very negative or very positive in nature, a stronger relationship between the extent of past experience and levels of interpersonal trust is anticipated. The following relationships are proposed:
Hypothesis 2: The extent of past experiences with a negotiation partner will be positively related to the level of interpersonal trust for that negotiation partner.

Hypothesis 3: The nature of past experience is expected to moderate the relationship between the extent of past experience and the level of interpersonal trust. Specifically, the impact of the extent of past experience on interpersonal trust is expected to be stronger when the nature of past experiences are extreme (either very positive or very negative) than when past experiences have been neutral in nature.

The interaction predicted in Hypothesis 3 is illustrated in Figure 2.
Figure 2

Hypothesis 3: Interaction between Quality and Extent of Past Experience on Interpersonal Trust
Distributive and Integrative Negotiation

There has been little research on the outcomes or consequences of interpersonal trust on dyadic negotiations. As discussed previously, the few studies that have examined interpersonal trust and negotiation have not integrated the interpersonal trust development process (Butler, 1995; Kimmel et al., 1980; Lindskold et al., 1986; Schlenker et al., 1973; Zand, 1972). In addition, several of these studies (Butler, 1995; Kimmel et al., 1980; Schlenker et al., 1973) have measured negotiation outcomes on either an exclusively distributive or exclusively integrative continuum. Past research has failed to consider that most negotiations are mixed-motive and have both integrative and distributive elements.

In *The Manager as Negotiator*, Lax and Sebenius (1986) talk about the mixed-motive nature of negotiation. They feel that both distributive and integrative elements are present and must be disentangled:

Negotiators must learn, in part from each other, what is jointly possible and desirable. To do so requires some degree of cooperation. But, at the same time, they seek to advance their individual interests. This involves some degree of competition (p. 29).
Lax and Sebenius view negotiation as the process of creating or claiming value. Integrative approaches focus on creating value, on finding creative solutions that benefit both parties. Distributive approaches, on the other hand, focus on claiming value; outcomes are viewed as a pie that must be divided between negotiators. The goal is to get the biggest “piece” one possibly can, to claim as much as possible. Lax and Sebenius see the fundamental tension present in all negotiations; value creating and value claiming are intertwined parts of the negotiation process. To examine only one or the others cannot capture the essence of the negotiation process. Thus, this research will examine both distributive and integrative negotiation processes, beginning with a summary of each type of negotiation process.

**Distributive Negotiation**

Distributive negotiations, which involve more claiming than creating of value, often are characterized by fixed-sum payments, which creates a situation where one party will “win” and the other will “lose.” All negotiation situations, except those in which the parties have completely compatible interests, involve a distributive component (Thompson, 1990). Distributive negotiation occurs when each party attempts to maximize his or her share of fixed-sum payoffs (Lewicki et al., 1992). In a distributive
negotiation, negotiators are motivated to maximize their own profits and to keep a bargaining surplus (Thompson, 1990).

Walton and McKersie (1965) describe this type of negotiation by discussing preferred outcomes, resistance points, and the various strategies used to manipulate the other party's perceptions of these target and resistance points. Lewicki et al. (1992) discuss some of the tactics and strategies negotiators use in a distributive negotiation to keep the other party from obtaining accurate information about their position. Screening activities are part of the distributive negotiation process; these activities involve doing and saying as little as possible, looking bored, and concealment in general. Negotiators can also use more direct actions to alter the other party's impressions, such as engaging in selective presentation where only the facts that support their side of the argument are presented. Another set of strategies involves tactics that cause delays or create the threat of termination. These strategies include engaging in disruptive active, creating alliances with outside parties, and actively controlling the scheduling of negotiations (Lewicki et al., 1992). Distributive tactics discussed by Lewicki et al. (1994) include persuasive arguments, using threats, and making positional commitments.

In general, the strategies and processes that lead to a distributive settlement include: selective presentation, making extreme offers, making few concessions, trying to
discover the other party's resistance points, using delaying tactics, trying to control the scheduling of the negotiation, and withholding information (Lewicki et al., 1992; Pruitt, 1983; Thompson, 1990). All of these processes work to create an advantage for one's own party.

**Integrative Negotiation**

For negotiating "rights and responsibilities" instead of hard economic issues, Walton and McKersie (1965) proposed integrative negotiation. Integrative negotiation, which focuses more on the value creating side of the negotiation process, can be used in situations when parties' interests are not purely competitive and involves not just dividing resources but identifying additional value, benefits, and resources (Thompson, 1990). Pruitt (1983) feels that integrative potential is the highest when negotiators are concerned about their own welfare and the other party's welfare. Agreements are integrative to the extent that they reconcile, as opposed to merely compromise, the parties' needs and provide high joint benefit (Neale & Northcraft, 1991). The economic definition of integrative bargaining refers to whether negotiated outcomes are efficient, or pareto optimal. In empirical research, negotiators' outcomes typically are summed to form a measure of joint profit which is used as a measure of integration (Thompson, 1990).
The processes involved in integrative negotiation are very different from those in distributive negotiation. Walton and McKersie (1965) postulate several conditions which lead to the development of integrative agreements: (1) several issues are considered simultaneously, which permits the development of trade-offs and allows negotiators to "expand the pie"; (2) negotiators view the issues as problems to be solved, which should produce flexibility and creative behavior and allow negotiators to identify common goals; (3) negotiations avoid distributive behavior, which involve efforts to persuade the other party to make concessions through the use of threats and positional commitments; and (4) there is a free and accurate exchange of information about needs and preferences.

Pruitt's (1983) discussion of integrative tactics includes similar behaviors. Pruitt's (1983) integrative strategies are: (1) expanding the pie; (2) nonspecific compensation, where one party gets what he or she wants and the other party is repaid in some "unrelated coin"; (3) logrolling, a strategy where one concedes on a low priority issue in exchange for getting what he or she wants on a high priority issue; and (4) bridging, where neither party gets their initial demands, but new options are devised which satisfies their most important underlying interests. Pruitt (1983) stresses that some level of information sharing and understanding of the other party is required in all
of these strategies. He feels that the greatest amount of information is required for bridging, since this integrative tactic requires knowledge about the other party's needs and preferences (Pruitt, 1983).

The importance of information exchange in creating integrative agreements is a common theme (Lewicki et al., 1994; Northcraft & Neale, 1991; Pruitt, 1983; Pruitt & Lewis, 1975; Valley, Neale, & Mannix, 1995). Reaching an integrative agreement involves a problem-solving approach in which parties define the issues, explore different solutions, evaluate the solutions, and select the one which they feel best meets their needs (Lewicki et al., 1992). The critical aspect of this problem-solving approach is a willingness to share information in combination with open communication (Lewicki et al., 1992). Pruitt and Lewis (1975) found that integrative agreement resulted from non-contentious behavior, information exchange, and an understanding of the other party's priorities.

In summary, the strategies that lead to integrative agreements include: information sharing, probing of interests, finding common goals, expanding the pie, looking for means of nonspecific compensation, logrolling, and bridging (Lewicki et al., 1992; Lewicki et al., 1994; Northcraft & Neale, 1991; Pruitt, 1983; Pruitt & Lewis, 1975; Valley et al., 1995; Walton & McKersie, 1965).
Interpersonal Trust and Negotiation

One cannot assume that an entire negotiation can be described by either a distributive model or an integrative one (Lewicki et al., 1992). Often, negotiations are mixed-motive situations and negotiators can use either a distributive or an integrative approach. However, as mentioned previously, past studies have examined the effects of interpersonal trust on either distributive negotiation outcomes or integrative negotiation outcomes. Interpersonal trust is not only a determinant of the negotiation outcome, but also shapes the type of actions in which negotiations choose to engage. Higher levels of interpersonal trust are needed to achieve an integrative agreement because of the nature of the integrative negotiation process (Kimmel et al., 1980; Lewicki et al., 1992; Pruitt, 1983; Pruitt & Carnevale, 1993; Pruitt & Lewis, 1975).

Information exchange and joint problem solving, both components of integrative negotiation, require a high level of trust in the other party (Pruitt, 1983; Pruitt & Carnevale, 1993; Pruitt & Lewis, 1975). Trust encourages the parties to believe that their cooperation will be reciprocated and encourages them to believe that they will not be exploited (Pruitt & Carnevale, 1993). Negotiators regard statements about their needs and priorities as risky and are only willing to make such statements if they trust one another (Kimmel et al., 1980).
Kee's dissertation (1970; as cited in Ross & Wieland, 1996) found support for the connection between trust and information sharing. Although this study did not find a relationship between trust and payoffs, Kee concluded that distrust dramatically impacts the negotiating process. Subjects in the distrust condition in this study made fewer attempts to exchange information and frequently refused to bargain with each other at all.

Kimmel et al. (1980) found a similar relationship between trust and information exchange. When negotiators had high aspirations, high levels of trust led to more direct information exchange about underlying interests and more cooperation. When interpersonal trust was low, negotiators exchanged little information about their priorities and interests and were more likely to engage in competitive behaviors. Similarly, Zand (1972) found that managers who had high levels of mutual trust were more likely to disclose accurate information than those who had low levels of mutual trust.

Although there is no guarantee that high levels of interpersonal trust will lead to integrative agreements, low levels of interpersonal trust may inhibit collaboration and lead to more distributive settlements. A lack of trust creates fear that the other negotiator will misuse any information provided. In such situations, negotiators do not
tend to share much information (Kee, 1970; as cited in Ross & Wieland, 1996), which leads to a distributive as opposed to an integrative process of negotiation (Pruitt & Carnevale, 1993). Low levels of interpersonal trust can also lead to contentious behavior, a distributive negotiation process which interferes with the development of agreements that are high in joint benefit (Ben-Yoav & Pruitt, 1984), and may cause negotiators to act defensively (Lewicki et al., 1994).

In summary, in situations where there are high levels of interpersonal trust between negotiators, parties are more likely to communicate their needs and to share information, which facilitate the development of integrative agreements (Lewicki et al., 1994). In situations where there are low levels of interpersonal trust, parties are more likely to engage in positional bargaining, use threats, and stick to tough positions, which lead to the development of distributive agreements (Kimmel et al., 1980). These linkages suggest the following hypotheses:

**Hypothesis 4:** Levels of interpersonal trust are expected to be positively and directly related to integrative negotiation processes (information sharing, probing of interests, finding common goals, expanding the pie, looking for means of nonspecific compensation, logrolling, and bridging).
Hypothesis 5: Levels of interpersonal trust are expected to be negatively and directly related to distributive negotiation processes (selective presentation, making extreme offers, making few concessions, trying to discover the other party’s resistance points, using delaying tactics, trying to control the scheduling of the negotiation, and withholding information).

Hypothesis 6: Integrative processes are expected to mediate the positive relationship between levels of interpersonal trust and integrative outcomes.

Hypothesis 7: Distributive processes are expected to mediate the negative relationship between levels of interpersonal trust and distributive outcomes.

Implicit in both Hypothesis 6 and Hypothesis 7 is the assumption that the interpersonal trust-negotiation process linkages and the negotiation process-negotiation outcome linkages will be significant. They have to be significant in order for the proposed mediation relationship to occur.
Distributive Aspiration Level and Negotiation

The relationship between interpersonal trust and negotiation processes becomes more complex when one also looks at negotiators’ aspiration levels. A negotiator’s aspiration level is simply his or her goals or expectations for the negotiation outcome (Corfman & Lehmann, 1993); this conceptualization of aspiration level can be considered distributive aspiration level since it focuses exclusively on anticipated financial outcome. Walton and McKersie (1965) use the term “aspiration” to refer to both a negotiator’s target point, which is the hoped-for or ideal outcome, and resistance point, which represents the minimum acceptable settlement. The range between these two points is the considered the “aspiration zone” (Walton & McKersie, 1965).

Distributive aspiration level has been operationalized in several different ways. Chertkoff and Conley (1967) used opening offers as a measure of negotiator goals. A study by Greenhalgh et al. (1985) had subjects indicate their preferences for different outcomes and measured aspiration level using conjoint analysis as a multi-dimensional scaling techniques. Several studies (Ben-Yoav & Pruitt, 1984; Corfman & Lehmann, 1993; Kimmel et al., 1980; Pruitt & Lewis, 1975) have treated distributive aspiration level as an externally set profitability constraint. A common method used by these researchers is to instruct negotiators to meet or exceed an explicit, fixed pay-off level;
subjects are usually placed in a high or a low aspiration condition. However, experimenter-provided distributive aspirations “may not act as an aspiration as intended but may instead provide subjects with unintentional information about the structure of the bargaining task” (Thompson, 1990, p. 523). Typically, there is no manipulation check to indicate whether or not subjects accept these experimenter-provided goals (Thompson, 1990). To avoid this problem, the approach used by Oliver et al. (1994) in their study of aspiration level and outcome satisfaction will be followed. These researchers view aspiration level as an internally set scale reflecting a negotiator’s goals and ask participants to indicate their distributive aspirations instead of having the experimenter assign aspiration levels.

Levels of distributive aspiration have been found to impact settlements in distributive negotiations (Carnevale & Pruitt, 1993; Chertkoff & Conley, 1967; Corfman & Lehmann, 1993; Greenhalgh et al., 1985). In an early study, Chertkoff and Conley (1967) found that high aspirations lead to more profitable results for negotiators when outcomes are measured on a distributive scale. A direct link between levels of aspiration and distributive measures of negotiation outcomes was also found by Greenhalgh et al. (1985). Their results indicated that negotiator preferences or goals are a direct determinant of bargaining outcomes and that the effects of personality and power,
although significant, are mediated by negotiator goals. Both of these studies focused on outcomes, not on the processes that led to those outcomes.

A linkage between distributive aspiration levels and negotiation outcomes has also been found in integrative negotiation settings (Ben-Yoav & Pruitt, 1984; Kimmel et al., 1980; Pruitt & Lewis, 1975); research in integrative negotiation settings has paid more attention to how distributive aspiration levels impact the negotiation process. High distributive aspirations lead to settlements with higher joint agreement because negotiators who maintain a high level of aspiration are slower to make concessions and avoid premature compromises, which allows them to find an integrative solution instead of merely compromising (Pruitt & Lewis, 1975). When negotiators have low distributive aspirations, a problem-solving or integrative orientation simply encourages concession making, since this is the easiest way to find a mutually acceptable agreement (Kimmel et al., 1980).

Studies on distributive aspiration levels and negotiation, like studies on trust and negotiation, have focused exclusively on 

*either* distributive or integrative processes and outcomes. In both types of negotiation, level of distributive aspiration is positively related to the level of settlement reached. What kind of an effect would distributive
aspiration level have in a mixed-motive negotiation, where negotiators could use either integrative or distributive tactics?

To address this research question, the interaction between distributive aspiration level and interpersonal trust will be examined. A study by Kimmel et al. (1980) suggests an interaction between these two variables. Kimmel et al. (1980) found that in high distributive aspiration conditions, high trust leads to cooperative behavior in the form of direct information exchange, which in turn leads to agreements that were higher in joint utility. Conversely, a high distributive aspiration-low trust condition produced a great deal of distributive behavior. Negotiators in this condition seemed to give up on problem-solving and engaged in competitive bargaining. High distributive aspirations precluded simple concession making and a lack of interpersonal trust precluded information sharing. Thus, negotiators had no other alternative but to engage in distributive bargaining. Since Kimmel et al. (1980) did not assess settlements along a distributive continuum, however, one cannot deduce if these negotiators reached more profitable individual solutions.

Kimmel et al. (1980) believe the findings from their study suggest a theory about the joint impact of interpersonal trust and distributive aspiration level on the type of settlements negotiators reach. Negotiators face a choice among three alternatives:
concession making, a problem-solving or integrative approach, and distributive behavior. If concession making is ruled out by high distributive aspirations, negotiators must choose between the other two approaches. Since information sharing and openness, which facilitate integrative solutions, are viewed as risky, negotiators will only engage in such behaviors in situations when trust is high. Therefore, more integrative processes are expected as levels of distributive aspiration and levels of interpersonal trust increase. When interpersonal trust is low and distributive aspiration levels are high, negotiators will be more likely to turn to distributive processes to meet their goals. Thus, more distributive processes are expected as levels of distributive aspiration increase and levels of interpersonal trust decrease.

When distributive aspirations are low, negotiators will be more likely to simply make concessions and make a deal quickly. When distributive aspirations are low, levels of interpersonal trust are not expected to affect distributive or integrative processes. This study will explore these relationships with the following hypotheses:

_Hypothesis 8a: Levels of interpersonal trust and levels of distributive aspiration are expected to have an interaction effect on the levels of integrative processes participants use. Specifically, integrative processes are expected to increase as interpersonal trust increases when_
distributive aspiration levels are high. An association between levels of integrative processes and levels of interpersonal trust is not expected when distributive aspiration levels are low.

Hypothesis 8b: Levels of interpersonal trust and levels of aspiration are expected to have an interaction effect on the levels of distributive processes participants use. Specifically, distributive processes are expected to decrease as interpersonal trust increases when distributive aspiration levels are high. An association between levels of distributive processes and levels of interpersonal trust is not expected when distributive aspiration levels are low.

The nature of these predicted interaction between levels of interpersonal trust and levels of aspiration is illustrated in Figure 3.
Figure 3

Hypothesis 8 Interactions
Integrative Aspiration Level and Negotiation

It is important to note that "aspiration level" is always used to refer to financial goals, which reflect a more distributive orientation. No researchers have tried to operationalize integrative aspirations. This study will explore how integrative goals impact negotiations. Are negotiators more interested in getting the best deal for their party or in developing an agreement that reflects the most important priorities of both parties? Seeking to develop an agreement that meets both party’s needs reflects a high level of integrative aspiration. It is expected that levels of integrative aspiration will impact the type of process that unfolds. Specifically:

*Hypothesis 9a: Levels of integrative aspiration are expected to be directly and positively associated with levels of integrative processes.*

*Hypothesis 9b: Levels of integrative aspiration are expected to be directly and negatively associated with levels of distributive processes.*

Negotiator Satisfaction

Previous research has focused almost exclusively on economic, objective measures, either individual profits or joint utility, as measures of outcome quality. However, Neale and Northcraft (1991) stress the need to focus on the subjective value that each party assigns to the agreement as another measure of outcome quality.
Thompson (1990) identifies three classes of subject social-psychological perceptions that are held by negotiators after a negotiation encounter: perceptions of the negotiation situation, perceptions of the other party, and perceptions of the self. Since this research is particularly interested in negotiation processes and outcomes, this study will focus on own outcome satisfaction, joint outcome satisfaction, and process satisfaction.

Corfman and Lehmann (1993) examined own outcome satisfaction in a distributive negotiation exercise where price was the only issue under consideration. They found, not surprisingly, that own outcome satisfaction increased as profits increased, although satisfaction rose at a decreasing rate with increases in profits. Oliver et al. (1994) also found a positive relationship between profit level and own outcome satisfaction. Thus, there appears to be a direct, positive link between the objective profit level and own outcome satisfaction in distributive negotiations. A similar linkage is expected in this study:

_Hypothesis 10: Distributive solutions are expected to be directly and positively related to levels of own outcome satisfaction._

Highly integrative agreements typically are reached through a highly integrative process, which involves information sharing, probing interests, and identifying common goals. This process is usually more congenial than a distributive process, which is more
competitive and adversarial. Typically, the agreements reached through an integrative process are designed to provide benefits to both parties; consequently, one would expect a negotiation that is very integrative to produce an agreement with high joint outcomes. It also is expected that highly integrative solutions will create more satisfaction with the negotiation process. These relationship are presented below:

*Hypothesis 11:* Levels of outcome on an integrative continuum are expected to be directly and positively related to joint outcome satisfaction.

*Hypothesis 12:* Levels of outcome on an integrative continuum are expected to be directly and positively related to process satisfaction.

A pictorial summary of all twelve hypotheses is presented in Figure 4. A verbal summary of all twelve hypotheses follows.
Figure 4
Summary of Predicted Relationships

H1: Propensity to Trust
H2: Extent of experience w/partner
H3: Nature of experience w/partner
H4: Distributive Processes
H5: Integrative: Processes
H6: Integrative: Solution
H7: Distributive: Solution
H8a: Distributive aspiration level
H8b: Distributive aspiration level
H9a: Integrative aspiration level
H10: Own Outcome Satisfaction
H11: Joint Outcome Satisfaction
H12: Process Satisfaction
**Hypothesis 1:** A direct, positive relationship is expected between one's propensity to trust and the level of interpersonal trust for one's negotiation partner.

**Hypothesis 2:** The extent of past experiences with a negotiation partner will be positively related to the level of interpersonal trust for that negotiation partner.

**Hypothesis 3:** The nature of past experience is expected to moderate the relationship between the extent of past experience and the level of interpersonal trust. Specifically, the impact of the extent of past experience on interpersonal trust is expected to be stronger when the nature of past experiences are extreme (either very positive or very negative) than when past experiences have been neutral in nature.

**Hypothesis 4:** Levels of interpersonal trust are expected to be positively and directly related to integrative negotiation processes (information sharing, probing of interests, finding common goals, expanding the pie, looking for means of nonspecific compensation, logrolling, and bridging).

**Hypothesis 5:** Levels of interpersonal trust are expected to be negatively and directly related to distributive negotiation processes (selective presentation, making extreme offers, making few concessions, trying to discover the other party's
resistance points, using delaying tactics, trying to control the scheduling of the negotiation, and withholding information).

**Hypothesis 6:** Integrative processes are expected to mediate the positive relationship between levels of interpersonal trust and integrative outcomes.

**Hypothesis 7:** Distributive processes are expected to mediate the negative relationship between levels of interpersonal trust and distributive outcomes.

**Hypothesis 8a:** Levels of interpersonal trust and levels of distributive aspiration are expected to have an interaction effect on the levels of integrative processes participants use. Specifically, integrative processes are expected to increase as interpersonal trust increases when distributive aspiration levels are high. An association between levels of integrative processes and levels of interpersonal trust is not expected when distributive aspiration levels are low.

**Hypothesis 8b:** Levels of interpersonal trust and levels of aspiration are expected to have an interaction effect on the levels of distributive processes participants use. Specifically, distributive processes are expected to decrease as interpersonal trust increases when distributive aspiration levels are high. An association between levels of distributive processes and levels of interpersonal trust is not expected when distributive aspiration levels are low.
**Hypothesis 9a:** Levels of integrative aspiration are expected to be directly and positively associated with levels of integrative processes.

**Hypothesis 9b:** Levels of integrative aspiration are expected to be directly and negatively associated with levels of distributive processes.

**Hypothesis 10:** Distributive solutions are expected to be directly and positively related to levels of own outcome satisfaction.

**Hypothesis 11:** Levels of outcome on an integrative continuum are expected to be directly and positively related to joint outcome satisfaction.

**Hypothesis 12:** Levels of outcome on an integrative continuum are expected to be directly and positively related to process satisfaction.
CHAPTER 2

METHODS

Participants and Procedures

Ninety-eight students enrolled in a second-year MBA elective course on negotiation served as participants in this study. The majority of students who enrolled in this course were MBA or MLHR students, along with a handful of students from other departments. Participants were 44% female and 56% male. Their mean age was 27.5 and their average work experience was 5.3 years. Participation in this study was a required part of the course.

At the beginning of the quarter, students enrolled in the class filled out a questionnaire packet which included a variety of measures. The propensity to trust scale was included in this packet (see Appendix D, Part I). Students used the last four digits of their Social Security number as a code and their responses were completely confidential.
Students in the course participated in two graded negotiation exercises as part of the requirements of this course. The second graded exercise was the one used to collect data for this study. The negotiation role play took place approximately five weeks into the quarter and was the second of two graded role plays in the course. Students were put in pairs for the role play. Pairings were made so that students paired together had not negotiated with each other previously in the course. In addition, students were all assigned to a partner who was in their same graduate program (full-time MBA, evening MBA, MLHR, law, or other) to increase the chance that partners would have had at least some knowledge of one another.

The course instructor introduced the role play (see Appendix A) and students were given their role play information for the negotiation (see Appendix B), including a blank copy of the contract they later filled out and turned in to the course instructor (see Appendix C). The way the role play was presented may have introduced some demand characteristics into the negotiation. Students had just studied integrative negotiation and were told that they would be graded according to how integrative their outcome was, not just by what salary they negotiated. However, the professor felt that since most of the students were fairly competitive individuals, they would tend to use distributive tactics unless instructed otherwise.
Students also were given the dissertation study questionnaire packet (see Appendix D, Parts II & III). Participants were asked to complete the following measures before beginning the role play: extent of past experience with partner, nature of past experience with partner, interpersonal trust, distributive aspiration level, and integrative aspiration level (see Appendix D, Part II). Students had approximately one week in which to meet with their partner, complete the negotiation, and turn in their contract (see Appendix C for a copy of the blank form).

After completing the negotiation, participants were asked to complete the following perceptual measures: integrative processes, distributive processes, process satisfaction, and outcome satisfaction (see Appendix D, Part III). Participants were also asked to indicate which pieces of individually held information were discussed (see Appendix D, Part III). All of these materials were returned to the course instructor in a sealed envelope and participants were assured of the confidentiality of their responses, which would only be seen by the researcher.

The course instructor collected the filled-out “contracts” or agreements that the pairs negotiated (see Appendix C for a copy of the blank form). These agreements were used to provide objective measures of integrative and distributive outcomes. Finally, once all the data were collected from the participants, they received a debriefing
statement (Appendix E) explaining the purpose of the study and thanking them for their participation. If participants were interested in receiving additional feedback, they could request it. However, no requests for feedback were made.

The Role Play: Sally Soprano

The role play used in this research is somewhat different from the types of role plays or negotiation games typically reported in the negotiation literature (see Appendix B for a copy of the role play task). Often, researchers use a simple Prisoner's Dilemma task (Schlenker et al., 1973; Sondak & Moore, 1993) or a task where price is the only issue that can be negotiated (Corfman & Lehmann, 1993; Polzer et al., 1993). Such tasks bear little resemblance to the complex decisions faced by real-world negotiators. Pruitt and Lewis (1975) use a more complicated scenario which requires negotiators to agree on prices for three different commodities. However, the researchers gave participants a pay-off sheet which indicated the profit levels of various combinations of prices. By providing such information, Pruitt and Lewis (1975) lose the ambiguity that real-world negotiators face.

“Sally Soprano,” the role play used in this study, is similar to the task used by Greenhalgh, Neslin, and Gilkey (1985). They used a complex simulation of an actual business negotiation, trading off rigorous control for greater external validity. “Sally
Soprano” is also a more complex business negotiation and does not have pre-set solutions; participants have the opportunity to come up with creative agreements. Negotiators are not limited to a pre-defined set of solutions and may include whatever items they wish to in their contract (see Appendix C). Additionally, negotiators are not required to come to an agreement. If a pair of negotiators fails to reach a settlement, they must explain what happened in the follow-up paper they write for the course. However, failure to reach a settlement is very rare; in past several years in this course, almost all pairs who negotiated reached a settlement.

Participants in this study were assigned the role of the either Lyric Opera Manager or Sally’s agent. They were meeting to discuss the possibility of hiring Sally Soprano, an aging opera singer, as a substitute singer for the title role of “Norma” being performed at the Lyric Opera. Each version of the role play contains some shared information and a number of individually held pieces of information (see Appendix B). For example, Sally’s agent does not know why the singer who was hired originally is no longer performing the role and the Lyric Opera manager does not know this is the agent’s first contract negotiation. The Lyric manager does not know that Sally is willing to sing for free to boost her career. However, both parties know the performance schedule and how much Sally was paid last time she sang at the Lyric.
This role play has integrative potential because there are many issues imbedded in the negotiating task; parties have the opportunity to develop a mutually beneficial agreement if they can probe more deeply into the other’s interests or why the other seeks a certain outcome. For example, Sally Soprano’s situation is unique. She is no longer in her prime, but is an aging diva trying to make a comeback. She thinks getting this role at the Lyric would help her and would facilitate a future TV special. In fact, Sally is willing to sing for free given the potential for future payback, but she does not want to damage her reputation in the opera community if she is paid less than the going wage. Similarly, the Lyric wants to keep the salary figure under wraps in case it’s higher than they usually pay. However, the Lyric is willing to pay more than the prevailing wage due to the emergency nature of the situation. Canceling the opera would have a much greater financial impact than paying Sally a few thousand dollars extra. The Lyric knows that Sally’s star appeal may help the opera be a success, even if Sally is no longer in her prime. The Lyric is trying to balance cost issues with the desire to have the show go on. The complex nature of both of the roles creates the potential for creative, integrative solutions.
Measures

Propensity to Trust

Propensity to trust was measured using a modified version of Rotter’s (1967; 1971) Interpersonal Trust Scale developed by Schoorman, Mayer, and Davis (1996). Schoorman et al. (1996) reduced the Rotter measure from 25 items to 8 items. The original 25-item measure had an alpha level of .76 and the revised 8-item version has an alpha level of .71 (Schoorman et al., 1996). The Rotter scale has been found to have good test-reliability, and several studies have provided evidence for the scale’s convergent and discriminant validity (Robinson, Shaver, & Wrightsman, 1991).

Responses were measured with a 5-point response scale ranging from “strongly disagree” to “strongly agree.” The revised scale (Schoorman et al., 1996) includes the following items (R = reverse scored):

- One should be very cautious with strangers. (R)

- Most experts tell the truth about the limits of their knowledge.

- Most people can be counted on to do what they say they will do.

- These days, you must be alert or someone is likely to take advantage of you. (R)

- Most salespeople are honest in describing their products.

- Most repair people will not overcharge customers who are ignorant of their specialty.
- Most people answer public opinion polls honestly.

- Most adults are competent at their jobs.

**Extent of Experience and Nature of Experience**

A set of items designed to measure social distance (Hoxter & Lester, 1994) between negotiating partners was developed to assess the extent of past experience with one's negotiation partner. These items ask participants to indicate what types of interactions they have had with their negotiation partner. Respondents also were asked to indicate how many classes they have been in and how many projects they have worked on with their partner. All items were answered with a “yes/no” response. These extent of past experience items were summed to create an extent measure that will be referred to as *extent I*:

- I have taken a class with my partner before.
- I have negotiated with my partner previously in this class
- My partner and I have worked on a group project together.
- My partner and I have studied together.
- I have socialized with my partner.
- My partner and I have had conversations about personal issues.
- I consider my partner to be a close personal friend.
If a participant answered affirmatively to an item, he or she then was asked to indicate how positive or negative that experience was, providing a measure of the nature of past experience with the negotiation partner. Thus, after each of the seven items, the following item was included:

- If you answered “yes” to the previous question, please indicate how you would rate this interaction:

<table>
<thead>
<tr>
<th>1</th>
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<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>Very Negative</td>
<td>Neutral</td>
<td>Very Positive</td>
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The responses to these items were averaged to create a measure of relationship quality that will be referred to as quality1.

Items assessing the overall extent and nature of past interactions were also included. These two items asked participants to rate the extent of their past interactions from 1 to 100, where 1 is no experience and 100 is very high level of experience. Participants also were asked to rate the nature of their past interactions with their partners from 1 to 100, with 1 being very negative and 100 being very positive. These measures will be referred to as extent2 and quality2, respectively.

The nature of participants’ past experiences with their negotiation partner also was measured with four items developed by the author. Items were designed to measure perceptions based on direct interaction with the negotiation partner as well as
perceptions based on more indirect information. Responses were measured with a 7-point scale ranging from “strongly disagree” to “strongly agree.” Participants only answered the last two items if they had insufficient information. These items were expected to correlate highly with the negative-positive scale items included with the social distance items. The first two items were averaged to create a measure called *quality3a* and the second two items were averaged to created a measured called *quality3b*. Items for this measure of past experience were (R = reverse scored):

- My partner has a good reputation among members of this class.
- My partner is the type of person with whom I would normally try to avoid negotiating. (R)
- My past interactions with my negotiation partner have been positive overall.
- My partner has taken advantage of me in the past. (R)

Hypotheses concerning the nature and extent of past interactions with one’s negotiation partner were tested using these multiple measures. All possible combinations of measures will be used to test predictions involving extent and quality of interactions with one’s partner.
**Interpersonal Trust**

Interpersonal trust was measured with a scale developed by Lewicki et al. (1997) and revised by Lewicki, Stevenson, and Bunker (1997); see Appendix D, Part II, for a copy of the instrument. The scale items are based on the three phases of Lewicki and Bunker’s (1995; 1996) model of interpersonal trust development in professional relationships: calculus-based trust (CBT), knowledge-based trust (KBT), and identification-based trust (IBT). Lewicki et al. (1997) found that the 15 items load onto these three factors. In their study, Lewicki et al. (1997) found the first five items load onto the CBT factor (loadings range from .59 to .76), the next four items load onto the KBT factor (loadings range from .51 to .79), and the last six items load onto the IBT factor (loadings range from .59 to .80). Additionally, when all fifteen items were forced to load onto one “trust” factor, the loadings range from .53 to .88 (Lewicki et al., 1997).

In the Lewicki et al. (1997) study, the alpha levels for the CBT, KBT, IBT, and overall trust scale were .85, .83, .92, and .93, respectively.

The Interpersonal Trust Scale was used by participants to assess how much they trusted their negotiation partners. Responses were measured on a 5-point scale ranging from “strongly disagree” to “strongly agree.” The Interpersonal Trust scale includes the following items:
- My partner's behavior meets my expectations. (CBT)

- My partner wants to be known as someone who keeps promises and commitments. (CBT)

- My partner knows that the benefits of maintaining trust are higher than the costs for destroying it. (CBT)

- My partner does what they say they are going to do. (CBT)

- I hear from other people about my partner's good “reputation.” (CBT)
- I have interacted with my partner a lot. (KBT)

- I think I really know my partner. (KBT)

- I think I can accurately predict what my partner will do. (KBT)

- I think I know pretty well what my partner’s reactions will be. (KBT)

- My partner’s interests and mine are the same. (IBT)

- My partner and I share the same basic values. (IBT)

- My partner and I have the same goals. (IBT)

- My partner and I are pursuing the same objectives. (IBT)

- I know that my partner will do whatever I would do if I were in the same situation. (IBT)

- My partner and I really stand for the same basic things. (IBT)
**Distributive Aspiration Level**

Distributive aspiration levels reflect a negotiator’s goals with regard to the settlement outcome. To assess distributive aspirations, participants were asked to indicate three levels of settlement salary expectations: *best possible salary, target salary, and rock bottom or walk-away salary* (Oliver et al., 1994; Walton & McKersie, 1965). Since previous research (e.g., Oliver et al. 1994) found target salary to be the best measure of negotiator goals or aspirations, the target measure was used to test hypotheses about distributive aspiration levels. The other measures were included because the participants were used to thinking about distributive aspirations in the three-part framework. Note that negotiator expectations were not manipulated; rather, this study operationalized distributive aspiration level as an *internally* set level of expectation (see Appendix D, Part II).

**Integrative Aspiration Level**

In addition to the traditional measures of distributive aspiration level, this study measured integrative aspirations. The measure, designed by Lewicki (1996), contains seven statements of negotiation goals. Participants were required to rank these items from most important to least important. The most important items were ranked from 1
to 7, with 1 assigned to the item that was most important and 7 assigned to the item that was least important. The items were:

- 1) Maintain a good relationship with the other party.
- 2) Obtain the best possible agreement for my client.
- 3) Obtain the best outcome for all parties.
- 4) Develop an agreement that reflects the most important priorities and needs of both parties.
- 5) Make sure that the process we follow is efficient, effective, and fair.
- 6) Make sure that my client gains as much as possible.
- 7) Make sure that my client loses as little as possible.

Items 1, 3, 4, and 5 above provide measures of integrative aspirations. These four items combined to create an overall index of integrative aspirations. Items were reverse scored (a ranking of “1” or “most important” became a “7”) and the reverse-coded scores for the four items were summed. Thus, the scores for the combined integrative aspiration measure ranged from 10 to 22, with higher values representing more integrative aspirations.

**Process Measures**

For the most thorough measure of negotiation processes, all conversations between negotiation partners should be tape recorded and content coded. However,
tape recording was not possible in this research setting. The negotiation was an outside class assignment which the students completed on their own time. Some students did not even meet face-to-face and instead reached an agreement over a series of phone calls, faxes, or even e-mail messages. Additionally, in past years some negotiators have taken as long as five hours to reach a settlement, which would make tape recording and content coding extremely cumbersome. Given the constraints of the situation, negotiation processes were measured with perceptual measures.

**Integrative processes: Perceptual measures.** Integrative processes include sharing information, probing the other party’s interests, finding common goals, expanding the pie, looking for nonspecific compensation, logrolling, and bridging (Lewicki et al., 1992; Lewicki et al., 1994; Northcraft & Neale, 1991; Pruitt, 1983; Pruitt & Lewis, 1975; Valley et al., 1995; Walton & McKersie, 1965). The author developed thirteen items to measure negotiators’ perceptions of how much they and their negotiation partners were engaging in these activities. A global measure of integrative processes was also developed. It was anticipated that there will be high convergence between these items, and they were combined to form an Integrative Processes Scale. Responses were measured on a 7-point scale ranging from “strongly disagree” to “strongly agree.” The perceptual integrative process measures are:
- I felt comfortable disclosing sensitive information to my partner. (Info Sharing)

- I felt communication between my partner and me was fairly open. (Info Sharing)

- I shared information because I thought it would help us reach a more satisfactory agreement. (Info Sharing)

- I wanted to learn why my partner sought certain outcomes. (Probe Interests)

- Our discussion focused mostly on positions as opposed to interests. (R) (Probe Interests)

- We tried to identify things that we both wanted. (Common Goals)

- I conceded on less important issues so I could meet my goals on issues that were more important to me. (Logrolling).

- I wanted to make even small concession seem like a big deal so I could get more from my partner. (R) (Logrolling)

- We only discussed a flat rate salary. (R) (Nonspecific Compensation)

- I wanted our agreement to include things other than salary. (Nonspecific Compensation)

- We really made an effort to “expand the pie” and come up with an integrative agreement. (Expand Pie)

- We tried to come up with new settlement options that satisfied both of our interests. (Bridging)

- I feel our agreement meets my needs even though it wasn’t what I expected going into the negotiation. (Bridging)

- I wanted to maintain a good working relationship with my partner. (Global)
Distributive processes: Perceptual measures. The author developed thirteen items to measure negotiators’ perceptions of the use of distributive negotiation processes: selective presentation, making extreme offers, making few concessions, trying to discover the other party’s resistance points, using delaying tactics, and trying to control scheduling (Lewicki et al., 1992; Thompson, 1999; Walton & McKersie, 1965). A global measure of distributive processes was also developed. It was anticipated that these items would converge, and that their combined alpha level would justify creating a Distributive Processes Scale. Responses were measured on a 7-point scale, with responses ranging from “strongly disagree” to “strongly agree.” The measure included the following items:

- I tried to conceal how badly I wanted to make a deal. (Selective Presentation)
- I wanted to manipulate my partner’s perceptions of what I wanted so that I could get a better deal. (Selective Presentation)
- I made an extreme initial offer to show I was a tough negotiator. (Extreme Offers)
- I made an extreme initial offer to see how the other party would react. (Extreme Offers)
- I made an extreme initial offer to help me get a better deal. (Extreme Offers)
- After hearing what my partner had to say, I decided to lower my expectations. (R) (Extreme Offers)
- When I gave in on an issue, I tried to make it seem like giving in was a big sacrifice for me. (Few Concessions).
- I was firm in my position and made very few concessions. (Few Concessions).

- I tried to discover what my partner’s “walk-away” point was. (Resistance Points)

- I wanted to figure out just how much I could push my partner with regard to Sally’s salary. (Resistance Points)

- I wanted to schedule our negotiation for a time when my partner would feel hurried. (Scheduling)

- I thought I could increase my partner’s anxiety level by breaking off the negotiation before we reached an agreement. (Delay Tactics)

- I wanted to wait to reach an agreement until just before the deadline. (Delay Tactics)

- I wanted to get the most profitable deal I possibly could. (Global)

**Objective Outcome Measures**

The information provided by the contract that the negotiators filled out (see Appendix C for a copy of the blank contract form) was used to measure object outcomes. Participants had considerable latitude in what they chose to include in their agreement. They were asked to specify a salary for Sally, but any other conditions they agreed upon could also be included. In past years, students have included such additional conditions as a pay scale based on audience attendance, joint media promotion deals, agreements to work together in the future, flexible performance schedules for Sally, and special perks for the diva Sally.
Outcomes were be measured on a distributive continuum and an integrative continuum. Distributive negotiations are characterized by fixed-sum settlements where one party "wins" and the other "loses." One party's profit represents a loss in profit for the other party. Past researchers typically have measured distributive agreements in terms of the profit a negotiator gets or the financial value of the settlement (e.g., Chertkoff & Conley, 1967; Corfman & Lehmann, 1993; Polzer et al., 1993). In this study, Sally’s salary was used as the distributive measures. However, when this exercise was used in previous classes, not all negotiators agreed on a set salary. Some pairs negotiated a sliding salary scale based on how much of the opera house Sally fills. If this type of pay-for-performance agreement based on attendance was negotiated, the distributive measure was the salary at 80% attendance, which was the break-even point for the Lyric Opera.

It is important to note that for the Opera, a higher salary reflects a lower score on the distributive continuum, while for Sally’s agent, a higher salary reflects a higher score on the distributive continuum. Since the meaning of the distributive outcome measure differs for each role, hypotheses involving distributive outcomes were tested separately for the Opera and Sally roles.
Agreements also were measured along an integrative continuum. Integrative agreements involve not just dividing resources, but identifying additional value, and provide high joint benefit (Neale & Northcraft, 1991; Thompson, 1990). Integrative outcomes are typically operationalized as a negotiating pair's joint profits. Since this study did not have a pre-specified set of outcomes which could be used to develop a fiscal measure of joint profit, the integrative measure included the additional items negotiators specify in their contracts which provide benefits to both Sally and the Lyric.

Agreements were scored along an integrative continuum ranging from zero to five. An agreement was be scored as a zero if it only specifies a flat rate salary for Sally. If an agreement took other issues into consideration, it was assigned a point value. The criteria for integrativeness were based on the grading system used for the past three years in the course to grade the Sally Soprano contracts; each of the criteria provides some sort of benefit without taking something away from either Sally or the Lyric, which increases the level of joint benefit. One point was assigned for each item included in the agreement:

- Attendance based pay incentive
- Advertising or media campaign deal
- Future commitment between Sally and the Lyric
- Non-traditional performing schedule (e.g., Sally does not sing all performances)

- Additional perks (e.g., a limo for Sally, Sally does special recital for Lyric board members)

The researcher and a trained research assistant independently coded ten of the agreements. Since the two raters had significant agreement on the ratings (Z Score for Kappa = -1.35, p < .01), the researcher individually coded the remainder of the agreements.¹

Outcome Satisfaction

Past studies (Corfman & Lehmann, 1993; Oliver et al., 1994) have relied upon 1-item Likert-scale measures to assess satisfaction with negotiation outcomes. The current research used a similar item to assess overall satisfaction with the own negotiation outcomes and joint negotiation outcomes. In addition, the author adapted two

¹ Siegel and Castellan (1988) state that Kappa provides a measure of categorical agreement between raters. It tests to see if agreement between raters is greater than would be expected based on chance alone. Kappa is represented by the formula

\[
K = \frac{P(A) - P(E)}{1 - P(E)}
\]

where \(P(A)\) is the proportion of times that the \(k\) raters agree and \(P(E)\) is the proportion of times that one would expect the \(k\) raters to agree by chance. If there is complete agreement among rates, \(K = 1\). If there was no agreement other than that which would occur by chance, then \(K = 0\). The formula used for calculation determines the \(Z\) value for Kappa; that \(Z\) value is compared to the critical \(Z\) value in order to determine significance.
distributive items from Tyler (1994) to assess own outcome satisfaction and joint outcome satisfaction. In Tyler’s study, the two-item scale had an inter-item correlation of .90 (Tyler, 1994). Several additional items for each type of satisfaction were also developed by the author. Responses were measured on a seven-point scale ranging from “strongly disagree” to “strongly agree.” Separate analyses were conducted for own outcome satisfaction and joint outcome satisfaction. The items were on these two satisfaction measures were:

**Own Outcome Satisfaction**

- The settlement we reached maximizes my own outcomes. (Own)

- The individual outcomes I received were very fair. (Own)

- I received what I deserved. (Own)

- The agreement my partner and I reached meets most of my needs. (Own)

- Based on my own outcomes, I would be willing to work with this person again in the future. (Own)

**Joint Outcome Satisfaction**

- The settlement we reached maximizes outcomes for both of us. (Joint)

- The outcomes we both received were very fair. (Joint)

- We both received what we deserved. (Joint)
- The agreement my partner and I reached meets most of both of our needs. (Joint)

- Based on our joint outcomes, I would be willing to work with this person again in the future. (Joint)

**Process Satisfaction**

The items used to measure process satisfaction are similar to the items for own outcome satisfaction and joint outcome satisfaction. First, the author developed a global process satisfaction measure. Two items from Tyler’s (1994) procedural justice measure were adapted to measure process satisfaction; Tyler (1994) found that his two-item scale had an alpha level of .88. In addition, the author developed an item to assess willingness to work with the negotiation partner again in the future. Responses were measured on a seven-point scale ranging from “Strongly Disagree” to “Strongly Agree.” The items are:

- Overall, I am very satisfied with the negotiation process.

- The process used to reach an agreement was a fair one.

- I was treated fairly by my negotiating partner.

- Based on the negotiation process, I would be willing to work with this person again in the future.
Data Analysis

Levels of Analysis

Hypotheses 1, 2, 3, 4, 5, 8a, 8b, 9a, and 9b all deal with variables measured prior to the negotiation exercise; all of these hypotheses were tested at the individual level of analysis. Hypotheses 7 and 10 were also tested at the individual level of analysis. These three hypotheses deal with distributive processes and satisfaction. The distributive process items use the individual as the primary referent, as do the own outcome satisfaction items. Distributive solutions were also at the individual level since the individual’s target settlement amount was factored into the equations testing distributive solution. Integrative solutions, however, were at the pair level of analysis since the solution score was the same for both pair members (each pair only submitted one contract to be coded). Also, the integrative processes, process satisfaction, and joint outcome satisfaction measures focused on the pair. Thus, Hypotheses 6, 11, and 12 were tested at the pair level of analysis. A description of the inter-rater agreement assessment and aggregation process follows.

Assessing inter-rater agreement. When levels of analysis differ from the level of the data collected, it is necessary to examine inter-rater agreement. If there is as much variability within a group (a pair) as there is between groups (pairs), there is not sufficient empirical
justification for aggregation. Conversely, if there is more agreement within groups than there is between groups, aggregation is justified.

There are several ways to assessment group agreement (Glick, 1985; James, 1982; James, Demaree, & Wolf, 1993). Often, some form of inter-class correlation is used; James (1982) and Glick (1985) both provide formulas for inter-class correlation measures. However, there are several problems with inter-class correlational measures. These indices are based on a set of assumptions that frequently are violated: random selection of raters, homogeneity of variance with group, and an equal number of raters in each group. Additionally, correlational forms of inter-rater reliability attend only to whether judges' scores correlate with one another, irrespective of whether the mean level of scores are the same (James et al., 1993).

In response to these concerns, James et al. (1993) present a measure of inter-rater agreement. The term agreement is employed because the estimates obtained are sensitive to both the similarity among judges on rank orderings of ratings and the differences in the means of each judge's ratings (James et al., 1993). The inter-rater agreement measure assess whether judges give the same rating to a particular target.

The measure proposed by James et al. (1993) compares the overall variance with the average group variance, and is assessed using the formula:
\[ r_{wg} = \frac{(o_e^2 - s_x^2)}{o_e^2} \]  
(Equation 1)

where:

\( r_{wg} \) is an inter-rater agreement defined as the proportional reduction in error variance, \( o_e^2 \) represents random measurement error in responses, and \( s_x^2 \) is the observed variance on a rating variable (referred to as the error variance).

If there is perfect within-group agreement, then \( r_{wg} \) will be close to or equal to 1.0. Values of .80 or higher are considered to reflect high within-group inter-rater agreement, and values of .40 or higher reflect a moderate to low level of agreement. If the raters within a group do not agree, the value obtained for \( r_{wg} \) will be close to zero (James et al., 1993).

**Aggregation procedures.** Responses for the integrative processes, process satisfaction, and joint outcome satisfaction measures were aggregated to the pair level. Scale scores were created at the individual level and then aggregated by pair.

**Hypothesis Testing.**

Since sample size limitations preclude the use of covariance structural equation models, hypotheses were tested using correlation and regression. Correlations were used to test hypotheses predicting direct relationships: *Hypothesis 1, Hypothesis 2,*
Hypothesis 4, Hypothesis 5, Hypothesis 9a, Hypothesis 9b, Hypothesis 10, Hypothesis 11, and Hypothesis 12.

Regression equations were used to test Hypothesis 6 and Hypothesis 7 since these hypothesis predict complete mediation effects (James & Brett, 1984). Complete mediation can be represented by A --> B --> C, where B is the mediating variable. When one tests this relationship, the A --> B and B --> C paths are both expected to be significant. However, the A --> C path is not expected to be significant when B is also in the regression equation as a predictor of C.

Moderated regression was used to test Hypothesis 3, Hypothesis 8a, and Hypothesis 8b (James & Brett, 1984). In moderated regression, the interaction term is forced in last after the main effect variables. If its inclusion significantly increases the proportion of variance explained, then the interaction is significant. All analyses were carried out using SPSS for Windows, Release 6.1.
CHAPTER 3

RESULTS

Missing Data

Some participants failed to turn in a specific part of the data: the preliminary questionnaire, the pre-negotiation questionnaire, the post-negotiation questionnaire, or the contract. Eighty-five of the 98 participants turned in all parts of the data. Individuals who did not turn in all parts of the data were dropped from the analyses. T-tests were run to check for differences in age, sex, race, education level, and work experience between those individuals who turned in all part of the data and those individuals who did not. There were no demographic differences on these measures between those 85 individuals who are included in the final data set and those 13 individuals not included due to missing data. Both members of a pair had to turn in all pieces of their individual data in order for data to be aggregated to the pair level of analysis. In some cases, only one member of a pair had turned in all of the part of the
data. When data were aggregated to the pair level, complete information was available for 37 of the 49 original pairs.

In addition, data are missing on certain items in the final data set because participants were instructed to answer some items only if they felt they had enough information to do so. The items included the overall quality rating (quality1), the two items in the quality3b scale, and all of the items asking participants to rate the quality of their past experience with their negotiating partner (items in the quality2 scale). If they had not had a particular experience, such as studying with their partner, they could not ascribe a quality rating to that experience. For these measures, analyses are conducted using the available data; individuals who did not complete these items were coded as “missing” for these items and excluded from these particular analyses.

There were three cases in which an individual failed to answer one item on either the integrative processes measure or the distributive processes measure. In these three cases, the individual’s scale score reflects the mean of the remaining items. Therefore, all 85 cases were included for the analyses involving scale scores.

Preliminary Descriptive Statistics

Descriptive statistics were run for all individual items used in the analyses and are presented in Appendix F.
Scale Formation

Before specific hypotheses could be tested, scales representing the following measures needed to be created: propensity to trust, interpersonal trust, integrative processes, distributive processes, process satisfaction, joint outcome satisfaction, and own outcome satisfaction. Scales were created by averaging an individual’s scores on all scale items. If an individual was missing data for one of the items, the scale score reflects the average of the remaining items. This section will present reliability results for each scale. The specific items in each scale are listed in Appendix G. A summary of all scale alpha values is presented in Table 1.

Propensity to Trust

Propensity to trust was measured by eight items taken from Rotter’s (1971) original 25-item measure. These eight items were the same ones used by Schoorman et al. (1996), who obtained an alpha of .71 for these items. In the current study, the alpha level for the propensity to trust scale was only .61; removing items would not have improved this result. Lower variances among the individual scale items (see Appendix F) may explain part of the low scale reliability.
**Interpersonal Trust**

The interpersonal trust scale was comprised of 15 items assessing cognitive-based trust, knowledge-based trust, and identification-based trust. Previous research (Lewicki et al., 1997) found these 15 combined to form an overall measure of interpersonal trust. That finding was replicated in the current research. The alpha for the 15-item interpersonal trust scale was .89, which is within satisfactory range.

**Integrative Processes**

The scale for integrative processes included 14 items assessing different components of integrative negotiation. Initially, the alpha level for the integrative processes scale was .63. After one of the items was removed, the alpha level increased to .67. The item, “I feel our agreement meets my needs even though it wasn’t what I expected going into the negotiation,” is not as good a reflection of integrative processes as the other items on the scale, which more clearly reflect the information sharing, joint-outcome seeking nature of integrative negotiation. Removing a second item, “I conceded on less important issues so I could meet my goals on issues that were more important to me,” raised the alpha level to a more acceptable .70 for the 12-item scale. The final scale consisted of the remaining twelve items.
Distributive Processes

Fourteen items reflecting a variety of distributive negotiation techniques were included in the distributive processes scale. The alpha for this scale was .76, indicating these 14 items combine to form an internally consistent measure of distributive negotiation processes.

Satisfaction Measures

The four items designed to measure process satisfaction had an alpha level of .92, indicating excellent internal consistency. The five items designed to measure own outcome satisfaction had an alpha level of .83 and the five items measuring joint outcome satisfaction had an alpha level of .90.

Descriptive Statistics

Descriptive statistics for measures used in hypothesis testing are presented in Table 2. Summaries of the items in each scale are presented in Appendix G and Appendix H. Measures with less than 85 observations are those which participants were instructed to answer only if they had sufficient information to do so.
<table>
<thead>
<tr>
<th>Scale</th>
<th>Number of Items</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propensity to Trust</td>
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<tr>
<td>Interpersonal Trust</td>
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<td>.89</td>
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<tr>
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<td>12</td>
<td>.70</td>
</tr>
<tr>
<td>Distributive Processes</td>
<td>14</td>
<td>.76</td>
</tr>
<tr>
<td>Process Satisfaction</td>
<td>4</td>
<td>.92</td>
</tr>
<tr>
<td>Own Outcome Satisfaction</td>
<td>5</td>
<td>.83</td>
</tr>
<tr>
<td>Joint Outcome Satisfaction</td>
<td>5</td>
<td>.90</td>
</tr>
</tbody>
</table>

N = 85 for all scales

Table 1: Alpha Levels for Scales
<table>
<thead>
<tr>
<th>Measure</th>
<th>N</th>
<th>Range</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
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Table 2: Descriptive Statistics
Correlations Among Measures. Correlations for most measures used in hypothesis testing are presented in Table 3. This table will be referred to for some hypothesis testing. Measures not included in the matrix are: distributive aspirations, distributive outcomes, and integrative outcomes.

The distributive aspirations and distributive outcomes measures are not included because correlations for the entire sample would be misleading; a high value on each of these measures has a different meaning for an individual in the Opera role than for an individual in the Sally role. For example, a distributive outcome value of $40,000 would be a high distributive outcome for Sally, but would represent a great loss for the Opera. However, correlations between distributive processes and distributive outcomes were run separately for each role. For those participants in the Opera role, the correlation was not significant (r = .13, ns); for participants assigned to the Sally role, however, there was a significant, positive relationship between distributive processes and distributive outcomes (r = .43, p < .01).

The integrative outcomes measure is at the pair level of analysis, and including it in the individual level correlation matrix would be inappropriate. However, correlations between integrative outcomes, interpersonal trust, integrative processes, and process satisfaction appear subsequently in Table 5.
As Table 3 shows, the two measures of extent of past experience are significantly
correlated (r = .45, p < .005). Similarly, all four measures of quality of past experience
are significantly related to one another. Interpersonal trust is positively and significantly
correlated with all quality of past experience and extent of past experience measures.
Integrative processes are significantly and positively correlated with the following
variables: integrative outcomes, process satisfaction, own outcome satisfaction, and
joint outcome satisfaction. Integrative processes are significantly and negatively
correlated with distributive processes. Integrative aspirations are significantly correlated
with integrative outcomes (r = .29, p < .05), and distributive aspirations are significantly
correlated with distributive outcomes (r = .52, p < .005). All three satisfaction measures
are highly correlated with one another. Correlations between these three measures range
from .81 to .88.
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<th>Qual3b</th>
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<td>-.03</td>
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<td>-.05</td>
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<td>.21</td>
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<td>N = 65</td>
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<td>N = 43</td>
<td>N = 85</td>
</tr>
<tr>
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<td>.08</td>
<td>.28*</td>
<td>.14</td>
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<td>N = 85</td>
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<td><strong>Own Outcome Satisfact.</strong></td>
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<td>.19</td>
<td>.21*</td>
<td>.19</td>
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<td>N = 65</td>
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<td>N = 43</td>
<td>N = 85</td>
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<tr>
<td><strong>Joint Outcome Satisfact.</strong></td>
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<td>.07</td>
<td>.11</td>
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<td>.19</td>
<td>.16</td>
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</table>

* p < .05
** p < .01

Table 3: Correlations Among Measures
Table 3 (continued)

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<td></td>
<td></td>
<td></td>
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<td>Process Satisfact.</td>
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<td>.04</td>
<td>.39**</td>
<td>-.10</td>
<td></td>
<td></td>
</tr>
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<td>Own Outcome Satisfact.</td>
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<td>.32**</td>
<td>-.04</td>
<td>.81**</td>
<td>.81**</td>
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<td>Joint Outcome Satisfact.</td>
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<td>.03</td>
<td>.43**</td>
<td>.07</td>
<td>.81**</td>
<td>.88*</td>
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</tbody>
</table>

N = 85 for all correlations
* p < .05
** p < .01

Table 3: Correlations Among Measures
Inter-Pair Agreement

Agreement within pairs was assessed using Rwg, an index of inter-rater agreement (James et al., 1993). Rwg was computed for the four variables used to test hypotheses at the pair level: interpersonal trust, integrative processes, process satisfaction, and joint outcome satisfaction. The Rwg values for these measures are presented in Table 4. Values of .80 or higher are considered to reflect high within-group inter-rater agreement, and values of .40 or higher reflect a moderate to low level of agreement (James et al., 1993). Levels of agreement were lower for the process satisfaction measure than for the other three measures. However, since all four measures had at least moderate within-pair agreement, measures were aggregated to the pair level of analysis for testing Hypothesis 6, Hypothesis 11, and Hypothesis 12.

Correlations among aggregated measures and the integrative outcome measure are presented in Table 5. The value in parenthesis represents the correlation among those items at the individual level, which is taken from Table 3.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Rwg value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal trust</td>
<td>.99</td>
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<tr>
<td>Integrative processes</td>
<td>.96</td>
</tr>
<tr>
<td>Process satisfaction</td>
<td>.40</td>
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<tr>
<td>Joint outcome satisfaction</td>
<td>.73</td>
</tr>
</tbody>
</table>

N = 74

Table 4: Rwg Values

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<thead>
<tr>
<th></th>
<th>Interpersonal Trust</th>
<th>Integrative Processes</th>
<th>Process Satisfaction</th>
<th>Joint Outcome Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrative Processes</td>
<td>.09 (.04)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Satisfaction</td>
<td>.45** (.27*)</td>
<td>.28 (.39**)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Outcome Satisfaction</td>
<td>.29 (.20)</td>
<td>.36** (.43**)</td>
<td>.81** (.81**)</td>
<td></td>
</tr>
<tr>
<td>Integrative Outcome</td>
<td>-0.02 .75**</td>
<td>0.08</td>
<td>0.23</td>
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</tr>
</tbody>
</table>

N = 37 pairs
N = 85 individuals for values in parenthesis
* p < .05
** p < .01

Table 5: Correlations Among Pair-level Measures
Hypothesis Testing

Hypothesis 1

Hypothesis 1 predicted a direct, positive relationship between one's propensity to trust and the level of interpersonal trust for one's negotiation partner. No support was found for Hypothesis 1. The correlation between these two scales (see Table 3) was .06 (ns), indicating there was virtually no association between propensity to trust and interpersonal trust.

Hypothesis 2

A direct, positive relationship between one's extent of experience with a negotiation partner and the level of interpersonal trust expressed for that partner was predicted in Hypothesis 2. This hypothesis was tested using several different extent of experience measures. Correlations are presented in Table 3. A significant, positive correlation ($r = .31$, $p < .005$) was found between the interpersonal trust scale and the $extent_1$ measure, which was the sum of the seven social distance items. Similarly, the correlation between the interpersonal trust scale and the $extent_2$ measure (overall extent score from 1 to 100) was .71 ($p < .005$). Thus, Hypothesis 2 was supported.
**Hypothesis 3**

Hypothesis 3 predicted an interaction effect of the extent and nature of one's past experience with one's negotiation partner on the level of interpersonal trust expressed for that partner. Specifically, the impact of the extent of past experience on interpersonal trust was expected to be stronger when the nature of past experiences are extreme (either very positive or very negative) than when past experiences have been neutral in nature. This hypothesis was tested using all eight combinations of extent and quality measures: \textit{extent1 and quality1, extent2 and quality2, extent1 and quality2, extent2 and quality1, extent1 and quality3a, extent1 and quality3b, extent2 and quality3a, and extent2 and quality3b.} Regression equations were run to see if the interaction terms were significant; results are presented in Table 6. \( B \) is the unstandardized regression coefficient, \( SE \, B \) is the standard error of \( B \), \( Beta \) is the standardized regression coefficient, \( t \) is the \( t \) value for the unstandardized regression coefficient (\( B \)), and \( sig \, T \) is the significance level for the unstandardized regression coefficient (\( B \)). The \( F \) value is for the overall equation.
<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>Beta</th>
<th>T</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>extent1</td>
<td>-.199</td>
<td>.114</td>
<td>-1.004</td>
<td>-1.742</td>
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<td>.264</td>
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F = 15.24, p < .01

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F = 20.44, p < .01

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F = 15.90, p < .01

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F = 29.12, p < .01

Table 6: Results for Hypothesis 3
Table 6 (continued)

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<td>.078</td>
<td>.170</td>
<td>1.141</td>
<td>.26</td>
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<tr>
<td>ex1*qual3a</td>
<td>.100</td>
<td>.037</td>
<td>2.592</td>
<td>2.669</td>
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<td>.374</td>
<td>6.666</td>
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<tr>
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<td>-.189</td>
<td>.325</td>
<td>-.469</td>
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<tr>
<td>qual3b</td>
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<td>.086</td>
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<td>ex1*qual3b</td>
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<td>.052</td>
<td>.916</td>
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<td>extent2</td>
<td>-.005</td>
<td>.010</td>
<td>-.266</td>
<td>-.516</td>
<td>.61</td>
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<td>qual3a</td>
<td>.056</td>
<td>.059</td>
<td>.108</td>
<td>.961</td>
<td>.34</td>
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<td>.002</td>
<td>.936</td>
<td>1.687</td>
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<td>F = 34.20, p &lt; .01</td>
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<td>.012</td>
<td>.161</td>
<td>.269</td>
<td>.79</td>
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<td>qual3b</td>
<td>.090</td>
<td>.073</td>
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<td>.002</td>
<td>.002</td>
<td>.469</td>
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</tr>
<tr>
<td>F = 13.62, p &lt; .01</td>
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</tr>
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</table>

Table 6: Results for Hypothesis 3
The interaction term was significant in three of the eight equations: _extent1_ and _quality1_, _extent1_ and _quality2_, and _extent1_ and _qual3a_. All significant interaction terms involved the _extent1_ as opposed to the _extent2_ measure. To further explain these results, the regression equations were plotted in Figure 5, Figure 6, and Figure 7. High and low quality for all three quality measures (_quality1_, _quality2_, _qual3a_), all continuous variables, were defined as one standard deviation above and below the mean on the respective composites. As the figures illustrate, the form of this interaction is close to that predicted for the _extent1_ and _quality1_ interaction and the _extent1_ and _quality2_ interaction. The form of the interaction is as predicted for the _extent1_ and _quality3a_ interaction.
Figure 5

Interaction of Extent1 and Quality1 on Interpersonal Trust
Figure 6

Interaction of Extent1 and Quality2 on Interpersonal Trust
Figure 7
Interaction of Extent 1 and Quality 3a on Interpersonal Trust
Hypothesis 4

Hypothesis 4 postulated a direct, positive relationship between interpersonal trust and the use of integrative negotiation processes. The correlation between the integrative processes scale and the interpersonal trust scale (see Table 3) was not significant ($r = .04$, $p = .73$, ns). Hypothesis 4 received no support.

Hypothesis 5

A direct, negative relationship between levels of distributive processes used and levels of interpersonal trust was predicted by Hypothesis 5. Correlational results are presented in Table 3. The correlation between the distributive processes scale and the interpersonal trust scale was .00 ($p = .98$, ns), suggesting no relationship between these two measures. This hypothesis was not supported.

Hypothesis 6

Hypothesis 6 predicted that integrative processes would mediate the positive relationship between levels of interpersonal trust and integrative outcomes. Regression equations were used to test this hypothesis since it predicts complete mediation (James & Brett, 1984). This hypothesis can be represented by $A \rightarrow B \rightarrow C$ where $A$ represents interpersonal trust, $B$ represents integrative processes, and $C$ represents integrative outcomes. Implicit in this hypothesis is the prediction that the
interpersonal trust/integrative processes and integrative processes/integrative outcomes paths will both be significant. However, the interpersonal trust/integrative outcomes path was not expected to be significant when all variables were in the equation if the mediating relationship was present. Hypothesis 6 was tested at the pair level of analyses. All measures used in testing represent the pair's value for that variable.

Results for Hypothesis 6 are presented in Table 7. Since the path between A and C (interpersonal trust and integrative outcomes) is not significant (t = .119, ns), there is no relationship for variable B (integrative processes) to mediate. Therefore, the hypothesis was not supported. However, there was a significant, positive relationship between integrative processes and integrative outcomes (t = 6.617, p < .001).
<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
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<th>Beta</th>
<th>T</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal Trust</td>
<td>.103</td>
<td>.185</td>
<td>.094</td>
<td>.556</td>
<td>.58</td>
</tr>
<tr>
<td>Constant</td>
<td>5.303</td>
<td>.574</td>
<td></td>
<td>9.229</td>
<td>.00</td>
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<td>N = 37 pairs</td>
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</table>

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<th>SE B</th>
<th>Beta</th>
<th>T</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpers. Trust</td>
<td>-.045</td>
<td>.376</td>
<td>-.020</td>
<td>-.119</td>
<td>.91</td>
</tr>
<tr>
<td>Constant</td>
<td>1.894</td>
<td>1.171</td>
<td></td>
<td>1.616</td>
<td>.12</td>
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<tr>
<td>N = 37 pairs</td>
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</table>

<table>
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<th>SE B</th>
<th>Beta</th>
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<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrative Outcome</td>
<td>.367</td>
<td>.055</td>
<td>.746</td>
<td>6.617</td>
<td>.00</td>
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<tr>
<td>Constant</td>
<td>4.974</td>
<td>.114</td>
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<td>43.23</td>
<td>.00</td>
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<tr>
<td>N = 37 pairs</td>
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</tbody>
</table>

Table 7: Results for Hypothesis 6
Hypothesis 7

Hypothesis 7 predicted that distributive processes would mediate the negative relationship between interpersonal trust and distributive outcomes. This hypothesis was tested using separate sets of regression equations for the Opera and the Sally roles, since a high monetary outcome is a good distributive outcome for Sally but not a good distributive outcome for the Opera, since the salary represents a loss.

For these equations, the distributive outcome values for the Opera participants were multiplied by -1 since the amount paid by the Opera can be considered a financial loss. For example, a value of $36,000 became -$36,000. Thus, the rankings of the distributive outcomes were preserved. Regression results are presented in Table 8.

Hypothesis 7 was not supported because the relationship between interpersonal trust and distributive outcomes (A to C path) was not significant for either role. Therefore, there was no relationship for the distributive processes variable to mediate. However, as noted in the section on correlations, the relationship between distributive processes and distributive outcomes (the B --> C path) is significant for the Sally role (t = 2.193, p < .01) but not for the Opera role (t = -.843, ns).
Role = Opera

A --> B Pathway – Distributive Processes is the DV

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>Beta</th>
<th>T</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal trust</td>
<td>.185</td>
<td>.235</td>
<td>.119</td>
<td>.787</td>
<td>.44</td>
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<tr>
<td>Constant</td>
<td>2.282</td>
<td>.740</td>
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<td>3.085</td>
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<td>N = 45</td>
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</table>

A --> C Pathway – Distributive Outcome (multiplied by -1) is the DV

<table>
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<tr>
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<th>Beta</th>
<th>T</th>
<th>Sig T</th>
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</thead>
<tbody>
<tr>
<td>Interpersonal trust</td>
<td>1253.62</td>
<td>1351.11</td>
<td>.140</td>
<td>.928</td>
<td>.36</td>
</tr>
<tr>
<td>Constant</td>
<td>-33,556.69</td>
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<td>-7.899</td>
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B --> C Pathway – Distributive Outcome (multiplied by -1) is the DV

<table>
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<th>Beta</th>
<th>T</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distrib. Processes</td>
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<td>871.01</td>
<td>-.128</td>
<td>-.843</td>
<td>.40</td>
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<tr>
<td>Constant</td>
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<td></td>
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<td>N = 45</td>
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Role = Sally

A --> B Pathway – Distributive Processes is the DV

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<th>Beta</th>
<th>T</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal trust</td>
<td>-.161</td>
<td>.168</td>
<td>-.153</td>
<td>-.956</td>
<td>.35</td>
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<tr>
<td>Constant</td>
<td>3.561</td>
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<tr>
<td>N = 40</td>
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Table 8: Results for Hypothesis 7
Table 8 (continued)

A --> C Pathway – Distributive Outcome is the DV

<table>
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</thead>
<tbody>
<tr>
<td>Interpersonal trust</td>
<td>1065.15</td>
<td>1553.79</td>
<td>.110</td>
<td>.686</td>
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<td>Constant</td>
<td>26,782.24</td>
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B --> C Pathway – Distributive Outcome is the DV

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<td>N = 40</td>
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</table>

Table 8: Results for Hypothesis 7
Hypothesis 8

Since the target salary has different meaning for each role (a high value is an aggressive target for Sally's agent, while a high value is not an aggressive target for the Opera), equations were run separately for the Opera and Sally roles. Hypothesis 8a postulated levels of interpersonal trust and levels of distributive aspiration would have an interaction effect on the levels of integrative processes participants use. When the interaction term (distributive aspiration target salary X interpersonal trust scale score) was entered into the equation, it did not significantly increase the variance explained for either the Opera role ($t = -0.198, \text{ns}$) or the Sally role ($t = -0.515, \text{ns}$). Hypothesis 8a was not supported. Results are presented in Table 9.

In Hypothesis 8b, it was predicted that levels of interpersonal trust and levels of distributive aspiration would have an interaction effect on the levels of distributive processes participants use. This hypothesis was also tested using separate equations for the Opera and Sally roles. Hypothesis 8b received no support. Adding the interaction term (distributive aspiration target salary X interpersonal trust scale score) did not increase the variance explained for the Opera role ($t = -0.895, \text{ns}$) or the Sally role ($t = 1.011, \text{ns}$). Results are presented in Table 9.
### Hypothesis 8a – dependent variable is Integrative Processes

**Role = Opera**

<table>
<thead>
<tr>
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<th>Beta</th>
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<th>Sig T</th>
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<tr>
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<td>.316</td>
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<td>.80</td>
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<td>Distributive</td>
<td>.600</td>
<td>.000</td>
<td>.173</td>
<td>.207</td>
<td>.84</td>
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<tr>
<td>Aspiration target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust*target</td>
<td>.000</td>
<td>.000</td>
<td>-.291</td>
<td>-.198</td>
<td>.84</td>
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<tr>
<td>Constant</td>
<td>4.441</td>
<td>4.247</td>
<td>1.022</td>
<td>.31</td>
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**Role = Sally**

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<td>Inter. trust</td>
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<td>1.182</td>
<td>.526</td>
<td>.504</td>
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<tr>
<td>Distributive</td>
<td>.000</td>
<td>.000</td>
<td>.622</td>
<td>.648</td>
<td>.52</td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Trust*target</td>
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<td>.000</td>
<td>-.740</td>
<td>-.515</td>
<td>.61</td>
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<td>3.575</td>
<td>.955</td>
<td>.35</td>
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### Hypothesis 8a – dependent variable is Distributive Processes

**Role = Opera**

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<th>Sig T</th>
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<td>Inter. trust</td>
<td>1.767</td>
<td>1.781</td>
<td>1.137</td>
<td>.992</td>
<td>.33</td>
</tr>
<tr>
<td>Distributive</td>
<td>.000</td>
<td>.000</td>
<td>.379</td>
<td>.485</td>
<td>.63</td>
</tr>
<tr>
<td>Aspiration target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust*target</td>
<td>.000</td>
<td>.000</td>
<td>-1.236</td>
<td>-.895</td>
<td>.38</td>
</tr>
<tr>
<td>Constant</td>
<td>-.258</td>
<td>5.219</td>
<td>.049</td>
<td>.96</td>
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**Role = Sally**

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<th>Beta</th>
<th>T</th>
<th>Sig T</th>
</tr>
</thead>
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<td>-1.168</td>
<td>.25</td>
</tr>
<tr>
<td>Distributive</td>
<td>.000</td>
<td>.000</td>
<td>-.570</td>
<td>-.636</td>
<td>.53</td>
</tr>
<tr>
<td>Aspiration target</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust*target</td>
<td>.000</td>
<td>.000</td>
<td>1.354</td>
<td>1.011</td>
<td>.32</td>
</tr>
<tr>
<td>Constant</td>
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<td>3.093</td>
<td>1.799</td>
<td>.08</td>
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</tr>
</tbody>
</table>

Table 9: Results for Hypothesis 8

105
Hypothesis 9

Hypotheses 9a and 9b explored the relationship between integrative aspiration and integrative and distributive negotiation processes, respectively. Hypothesis 9a predicted a direct, positive relationship between integrative aspirations and integrative processes. This hypothesis was supported. The correlation between the integrative aspiration measure and the integrative processes measures (see Table 3) was .30 (p = .006).

Hypothesis 9b predicted a significant negative correlation between integrative aspiration measure and the distributive processes scale. Correlational results are presented in Table 3. The correlation between these two measures was .11 (ns). Hypothesis 9b was not supported.

Hypothesis 10

Hypothesis 10 predicted a direct, positive relationship between levels of outcomes on a distributive continuum and levels of own outcome satisfaction. Hypothesis 10 was tested separately for the Opera and Sally roles. Recall that for those individuals in the Opera role, a higher distributive outcome value represented a lower distributive outcome since the money paid to Sally represents a loss for the Opera.
The correlation between distributive outcome and own outcome satisfaction for Opera participants was -.44 (p = .002). Thus, for those in the Opera role, a lower salary (a smaller “loss” for the Opera) meant more own outcome satisfaction. Hypothesis 10 was supported for individuals in the Opera role. The correlation between distributive outcome and own outcome satisfaction for the Sally participants was .03 (p = .84, ns). Thus, for those in the Sally role, there is no relationship between distributive outcomes and own outcome satisfaction.

**Hypotheses 11 and 12**

Hypotheses 11 and 12 predicted positive relationships between integrative outcomes and joint outcomes satisfaction and process satisfaction, respectively. Both of these hypotheses were tested at the pair level of analysis (see Table 5). The correlation between the pair’s value for integrative outcomes and the pair’s measure for process satisfaction was .08 (p = .64, ns). The correlation between the pair’s value for integrative outcomes and the pair’s measure for joint outcome satisfaction was .23 (p = .17, ns). Neither hypothesis was supported.
Additional Analyses

Correlational Results

Although only one of the satisfaction measures had any relationship to negotiation outcomes, there are some other relationships that are worth examining (see Table 3). First, own outcome satisfaction, joint outcome satisfaction, and process satisfaction are highly correlated with one another (all correlations are above .80). Participants may not have been distinguishing between these different types of satisfaction but may instead have been making a global satisfaction assessment; conversely, these high correlations may simply reflect the high degree of association among these satisfaction constructs.

The relationships between these three satisfaction measures and the integrative negotiation processes scale merit examination. These relationships can be examined at the individual level of analysis since none of the outcome measures are involved. At the individual level of analysis, all three measures are positively and significantly related to levels of integrative processes. The correlations with the integrative processes scale are as follows: .32 for own outcome satisfaction (p < .005), .43 for joint outcome satisfaction (p < .005), and .39 for process satisfaction (p < .005) (see Table 3). None of the satisfaction measures are significantly correlated with the distributive processes scale.
Thus, what appears to be driving satisfaction levels is not the type of outcomes received; rather, higher levels of integrative processes lead to higher levels of satisfaction.

Additionally, there is a relationship between interpersonal trust and all three types of satisfaction. The correlation between interpersonal trust scale scores and process satisfaction is .27 (p < .05); for joint outcome satisfaction, the correlation is .20 (p < .10); a significant positive correlation (r = .22, p < .05) also exists between interpersonal trust scale scores and own outcome satisfaction. Thus, higher levels of interpersonal trust are associated with higher levels of negotiator satisfaction.

The Components of Interpersonal Trust

The interpersonal trust scale was related to extent of past interaction measures, quality of past interaction measures, and to some the satisfaction measures. However, the scale was not related to any of the process outcome measures. Since the interpersonal trust scale is comprised of three separate components, additional analyses were conducted on each of these components: calculus-based trust (CBT), knowledge-based trust (KBT), and identification based trust (IBT). Correlations were run to explore the relationship between these three components of trust and the process measures, as well as explore how each type of trust related to each particular satisfaction measures. Reliability analyses were conducted for each scale component. Alpha levels
were as follows: .83 for CBT, .88 for KBT, and .85 for IBT. Thus, testing each of these components as a separate measure was justified.

Examining the relationships between each of these components and the negotiation process measures does not change any of the previous findings. None of the individual trust components was significantly correlated with either the integrative processes or the distributive processes measures. Table 10 presents these correlational results.

Correlations between the trust components and the three satisfaction measures were also run. These correlations also appear in Table 10. As the table illustrates, IBT is significantly related to all three satisfaction measures. CBT is related to process satisfaction, but the other correlations are not significant. This analysis indicated that the relationships between IBT and satisfaction measures may be what is driving the previously discussed relationships between interpersonal trust and satisfaction measures. Trusting that one’s partner has a similar values structure (IBT) is related to satisfaction with the negotiation process, one’s own outcomes, and joint outcomes.
<table>
<thead>
<tr>
<th></th>
<th>CBT</th>
<th>KBT</th>
<th>IBT</th>
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<td>Integrative Processes</td>
<td>-.04</td>
<td>-.03</td>
<td>.15</td>
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<tr>
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<td>.01</td>
<td>.12</td>
<td>-.13</td>
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<tr>
<td>Process Satisfaction</td>
<td>.23*</td>
<td>.15</td>
<td>.28**</td>
</tr>
<tr>
<td>Own Outcome Satisfaction</td>
<td>.17</td>
<td>.13</td>
<td>.24*</td>
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<tr>
<td>Joint Outcome Satisfaction</td>
<td>.10</td>
<td>.10</td>
<td>.28**</td>
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* p < .05  
** p < .01

Table 10: Trust Components
CHAPTER 4

DISCUSSION

The major purpose of this study was to explore the antecedents and consequences of interpersonal trust in a mixed-motive dyadic negotiation. Specifically, this research examined propensity to trust, extent of past experience, and quality or nature of past experience as antecedents of interpersonal trust. Potential consequences included negotiation processes, negotiation outcomes, and negotiator satisfaction. In addition, the influence of distributive and integrative aspirations was explored.

Propensity to trust was unrelated to interpersonal trust. However, the extent of past experience was positively related to interpersonal trust. Also, extent and quality of past experience interacted as predicted to influence levels of interpersonal trust.

Disappointingly, interpersonal trust was not related to negotiation processes or negotiation outcomes. It was, however, related to negotiator satisfaction. In particular, levels of the identification-based trust component were a predictor of process satisfaction, own outcome satisfaction, and joint outcome satisfaction.
Integrative processes, although unrelated to interpersonal trust, were also positively related to negotiator satisfaction. Distributive processes, on the other hand, were unrelated to negotiator satisfaction. Integrative processes were related to integrative outcomes; distributive processes showed a relationship to distributive outcomes only for those participants assigned to the Sally role.

This chapter presents these findings in greater detail and discusses some of the factors that may have contributed to findings or lack thereof. In addition, a discussion of study limitations, contributions, and directions for future research is included.

Antecedents

Hypotheses 1, 2 and 3 dealt with the potential antecedents of interpersonal trust. Hypothesis 1, which predicted a direct, positive relationship between an individual’s propensity to trust and levels of interpersonal trust, received no support. One explanation for this lack of relationship may be the propensity to trust scale. In previous research, the 8-item scale had an alpha of .71 (Schoorman et al., 1995); in the current study, the alpha level was .61. Alpha values in the .7 or .8 are considered more acceptable than those in the low .6 range. Removing items would not have improved the internal consistency of the scale. Thus, the lack of relationship between propensity to trust and interpersonal trust may be due partly to the low reliability of the propensity to trust scale.
However, the alpha level cannot provide a complete explanation. Interpersonal trust is shaped by personality and situational factors (Boon & Holmes, 1991). If situational characteristics are dominant – creating a “strong situation” – the impact of personality can be overshadowed. This seems to be the case in the current study. Looking at the other study results also help to shed some light on the lack of relationship between propensity to trust and interpersonal trust. The results of Hypothesis 2 and 3 suggest that the history of the relationship between parties is a more important determinant of interpersonal trust in the current study. In a different context, the expected relationship between propensity to trust and interpersonal trust might have emerged. Since this relationship has been found in previous research (Mayer et al., 1995; Schlenker et al., 1973), the situational dynamics of the current study seem to offer the best explanation for the lack of findings.

Hypothesis 2, which predicted a direct, positive relationship between one’s extent of experience with a negotiation partner and the level of interpersonal trust expressed for that partner was supported. Significant, positive correlations were found between both extent of past experience measures and the interpersonal trust scale. Thus, increased exposure to one’s negotiation partner was associated with higher levels of interpersonal trust for that partner. This result was consistent with findings from past studies.
(Schlenker et al., 1973; Schoorman et al., 1996), which found that the history of the relationship between the parties was a predictor of interpersonal trust.

However, as the results of Hypothesis 3 illustrate, relationship history is more than just past interactions; the *quality* of those interactions is also important in determining interpersonal trust. Hypothesis 3 predicted that extent and quality of past experience with one’s negotiation partner would interact to influence levels of interpersonal trust. Specifically, the impact of the extent of past experience on interpersonal trust was expected to be stronger when quality was extreme. High levels of extent of past interactions combined with high levels of quality of past interaction were expected to produce high levels of interpersonal trust; low levels of extent combined with low levels of quality were expected to produce low levels of interpersonal trust. When extent of past experience was low, quality was not expected to impact interpersonal trust.

Some support for this hypothesis was found. Hypothesis 3 was tested using eight different combinations of extent and quality measures. The interaction was significant and in the predicted direction for three of these eight combinations. The interaction was not significant in the remaining five measurement combinations. All of the significant measurement combinations included the *extent1* as opposed to the *extent2* measure. Although these two measures are significantly correlated with one another, the *extent1*
measure may be a more accurate reflection of the actual extent of past interactions with one’s negotiation partner. The extent1 measure assessed if a participant had been in a class with their partner, worked on projects with their partner, socialized with their partner, etc. The extent2 measure asked participants to rate the extent of their experience with their partner on a scale from 0 to 100. Individuals may have had a more difficult time assigning a single number to their extent of experience than checking off “yes” or “no” for the list of extent2 items, or the benchmark value may have been highly variable for the extent1 measure.

The findings for Hypothesis 3 support the idea that the history – both extent and quality -- of the relationship between parties is an important predictor of interpersonal trust (Boon & Holmes, 1991; Schlenker et al., 1973; Schoorman et al., 1996). Additionally, the interaction results highlight that simply spending time with another individual is not enough to build trust; the quality or nature of those interactions contributes to the trust development process. This finding is consistent with Boon and Holmes (1991) suggestion that past experiences can have a profound impact on levels of interpersonal trust. Having more interactions with one’s partner allows one to make a more accurate assessment of how much that partner should be trusted based on the quality of those interactions.
Consequences

Another major purpose of this research was to examine the consequences of interpersonal trust in dyadic negotiation. The few previous studies that have examined interpersonal trust and negotiation have not integrated the interpersonal trust development process (Butler, 1995; Kimmel et al., 1980; Lindskold et al., 1986; Schlenker et al., 1973; Zand, 1972). In addition, these studies often focused on either distributive or integrative outcomes, ignoring the mixed-motives involved in many negotiations. This study examined both distributive and integrative outcomes. In addition to outcomes, this research also explored negotiation processes and satisfaction with both processes and outcomes.

Interpersonal Trust, Processes and Outcomes

Hypotheses 4 and 5 investigated the relationship between interpersonal trust and negotiation processes. Hypothesis 4 postulated a direct, positive relationship between levels of interpersonal trust and the use of integrative negotiation processes. This hypothesis was not supported. Hypothesis 5, which predicated a direct, negative relationship between levels of interpersonal trust and the use of distributive negotiation processes, also received no support. In both cases, the correlation between the process measures and the interpersonal trust measure was near zero, suggesting no relationship between these measures. Follow-up correlations between each of the three components
of interpersonal trust (calculus-based trust, knowledge-based trust, and identification-based trust) and negotiation processes also failed to reach significance.

Why did interpersonal trust fail to impact negotiation processes? One explanation may be the interpersonal trust scale statistics in this study. The interpersonal trust scale had a standard deviation value of .549, which is on the low side. When Lewicki et al. (1997) developed the scale, the standard deviation was .864. Also, the mean score on the interpersonal trust scale in this study was 3.06, which corresponds to “neutral” on the rating scale; Lewicki et al. (1997), who studied trust in the context of relationships where people knew one another quite well, found an average trust score of 3.70. Trust may have failed to affect the negotiation process because participants did not, on average, have strong feelings of trust one way or another for their negotiation partners. It is important to note that having low trust is not the same thing as having feelings of distrust for one’s negotiation partner; they are considered to be separate constructs, as opposed to opposite poles of the same construct (Lewicki, McAllister, & Bies, 1997). The majority of participants in this study had interpersonal trust scores in the neutral zone, probably due to a lack of information. In this situation, partners would also have lacked information that would make them distrustful of their partner.

Trust may be less relevant in this study because the interaction was brief and participants may not have known each other well enough to make a trust assessment.
When participants filled out the trust scale, they were asked to assign a rating on a 5-point scale ranging from "strongly disagree" to "strongly agree." An option for "not enough information" was not included. It would have been interesting to see how adding this response option might have altered study findings.

Hypothesis 6 predicted that integrative processes would mediate the positive relationship between levels of interpersonal trust and integrative outcomes; Hypothesis 6 was tested at the pair level of analysis since it dealt with joint processes and outcomes. Hypothesis 7 predicted that distributive processes would mediate the negative relationship between interpersonal trust and distributive outcomes. It was tested separately for the Sally and Opera roles since distributive outcome values have different meaning for the two roles; a high value is a good distributive outcome for Sally, but not for the Opera since a high value reflects a greater loss.

Neither of these hypotheses was supported. Since there was no relationship between interpersonal trust and either outcome measure, there was no relationship for the process measures to mediate. This finding contradicts earlier studies (Kee, 1970; Kimmel et al., 1980; Zand, 1972) which found a linkage between interpersonal trust and integrative behaviors like information sharing and cooperative behaviors. Again, the explanation for this lack of association probably lies with the interpersonal trust scale, since participants did not have strong positive or negative feelings for their partners.
Additionally, the lower level of pair agreement for the integrative processes may also have contributed to the lack of results. Agreement for this variable, which barely reached an acceptable level, was much lower than the pair agreement for interpersonal trust, joint outcome satisfaction, or process satisfaction.

Implicit in the mediation prediction is an assumption that the relationship between processes and outcomes will be significant. This relationship was significant for Hypothesis 6, where integrative processes and integrative outcomes had a significant positive relationship. Consistent with the ideas presented by Lewicki and Bunker (1995; 19964), parties who were able to communicate their needs and share information were more likely to develop a solution that was highly integrative. However, negotiators did not require high levels of trust for one another in order to engage in integrative tactics.

The relationship between distributive processes and distributive outcomes implied in Hypothesis 7 is an interesting one. For the Opera role, the relationship between distributive processes and distributive outcomes was not significant. However, for the Sally role, this relationship was significant and positive, as anticipated.

This finding is a curious one. There is no difference between roles for the distributive processes measure. Distributive outcomes are, of course, the same for both partners. However, the information provided in the role play, combined with the items on the distributive outcomes scale, may provide an explanation for these findings. The
Opera role play contains more detailed salary information than the Sally role play; Opera participants know exactly what different leads and secondary role performances have been paid over the past five years, while Sally participants have to operate on less complete information. In terms of salary information, Sally participants are told that last year, an inexperienced soprano “was said to have been paid over $24,000.”

Since Sally participants had less distributive information, their use of distributive processes may have been a more important outcome determinant for them than for the Opera participants. The distributive processes scales contains items like “I tried to discover what my partner’s ‘walk-away’ point was,” “I made an extreme offer to see how the other party would react,” and “I wanted to find out just how much I could push my partner with regard to Sally’s salary.” Using such tactics may have allowed Sally participants to fill in their knowledge gaps to a greater degree than Opera participants, who had more distributive information to begin with. By using distributive processes, Sally participants may have been able to strengthen their negotiating positive with regard to salary; although Opera used such tactics just as much, the use of distributive processes may have had less impact on the outcome they received.

Aspirations, Interpersonal Trust, and Outcomes

Hypothesis 8 predicted that levels of interpersonal trust and levels of distributive aspiration would have an interaction effect on negotiation processes. Hypothesis 8a
predicted an interaction effect on levels of integrative processes and Hypothesis 8b predicted an interaction effect on levels of distributive processes. Regressions were run separately for the Opera and Sally roles since the meaning of a particular value for distributive outcomes varied by role; for example, a value of $40,000 would be a high distributive aspiration for Sally’s agent but a low distributive aspiration for the Opera. $45,000 was the highest salary the Opera was willing to pay; average salaries for leading ladies fall between $26,000 and $30,000.

Neither hypothesis was supported. In fact, none of the variables – interpersonal trust, distributive aspirations, or their interaction – was a significant predictor of negotiation processes.

Neither interpersonal trust or distributive aspiration levels seem to be driving negotiation processes. Integrative aspirations, however, do have some impact on negotiation processes. Hypothesis 9, which postulated a relationship between integrative aspirations and negotiation processes, was analyzed at the pair level. Hypothesis 9a, which predicted a significant, positive relationship between integrative aspirations and integrative processes, was supported. Hypothesis 9b, which predicted a significant, negative relationship between integrative aspirations and distributive processes, was not supported.
When one looks at the distributive and integrative aspiration items, these relationships become more understandable. For the distributive aspiration item, participants were asked to specify their target outcome. They did not really know how their aspiration level compared to that of their partner or the other participants. Thus, it may have been difficult for participants to base their tactics on this aspiration number; an individual may have had a very high distributive aspiration, but if he or she did not realize it was high, he or she may not have used aggressive, distributive tactics.

However, distributive aspiration level was significantly correlated with distributive outcomes for both roles (.58, p < .01 for Opera and .47, p < .01 for Sally). It may have been easier for participants to tie their specific monetary goal to a specific monetary outcome than to negotiation processes.

The integrative aspiration measure asked participants to rank seven items, four of which were integrative in nature. This task forced participants to decide how they valued integrative outcomes relative to more distributive outcomes. Perhaps this type of ranking task made the aspiration level more salient, at least as far as integrative processes was concerned. Integrative processes at the pair level were significantly and positively related to the integrative outcome for the pair, suggesting the effect of integrative aspirations may carry through to the negotiation outcomes.
Outcome Satisfaction

Hypotheses 10, 11, and 12 explored the relationships between outcome measures and the three satisfaction measures: own outcome satisfaction, joint outcome satisfaction, and process satisfaction. Hypothesis 10 predicted a direct, positive relationship between distributive negotiation outcomes and own outcome satisfaction. This hypothesis, which was tested separately for the Opera and Sally roles, received partial support. The predicted positive relationship between distributive outcomes and own outcome satisfaction was supported for the Opera role but not for the Sally role.

This finding makes sense when one examines the role play information. Financial factors are highlighted more for the Opera role than for the Sally role; the Opera role play provides considerable information about the Lyric’s financial status and stresses the importance of not losing money on the current production. The information for Sally’s agent, however, talks more about how getting the role would help Sally revive her career and perhaps enable her to star in a television special. Sally’s agent is told that Sally will sing for free; the Opera role play information does not make a parallel suggestion. Greater salience of financial issues for the Opera role may have led to an association between what participants’ negotiated and their feelings about their own outcomes.

Hypothesis 11 and Hypothesis 12 predicted direct, positive relationships between integrative negotiation outcomes and process satisfaction and joint outcome satisfaction,
respectively. No previous research had explored these relationships. These hypotheses, which were assessed at the pair level of analysis, were not significant.

However, other satisfaction findings merit discussion. Although satisfaction was not linked to outcomes, all three satisfaction measures were significantly and positively correlated with integrative processes. None of the satisfaction measures, however, were significantly related to distributive processes. What this finding suggests is that process, not outcome, is what is driving satisfaction. Specifically, levels of integrative processes influence how satisfied participants are. This finding, although unexpected, makes sense. If the negotiation process is an open one involving information sharing and probing of mutual interest, negotiators are likely to feel better about the process and the outcomes regardless of the actual settlement reached.

Another point to consider is that when negotiators filled out the satisfaction measures, they had no information about how their outcome compared to the outcomes reached by other pairs in the class. At this point, the good feelings inspired by a highly integrative negotiation process may have been particularly salient. It would be interesting to see if the relationship between integrative processes and satisfaction changed after participants received normative information. Perhaps this normative information also would have impacted the relationship between distributive outcomes and own outcome satisfaction. Future research needs to explore these issues.
Interpersonal Trust: Does it Matter?

Overall, the findings pertaining to interpersonal trust were disappointing. Trust, while influenced by the extent and quality of past interactions, had no influence on negotiation processes and was unrelated to negotiation outcomes. However, the relationship between interpersonal trust and satisfaction is worth examining.

Interpersonal trust had a positive, significant relationship with process satisfaction and own outcome satisfaction, and the relationship between interpersonal trust and joint outcome satisfaction showed a similar trend. Since participants in this study had fairly neutral interpersonal trust scores, these results are pleasantly surprising. It would be interesting to see if more variability in the interpersonal trust scale would have strengthened the relationship between interpersonal trust and satisfaction.

Thus, even though interpersonal trust is not driving negotiation processes, it is modestly related to satisfaction levels. This finding suggests that trust does play a role in negotiation, but may impact more how people feel about the outcomes and processes than how they actually go about reaching a solution. This finding is particularly noteworthy since no previous research has explored this linkage. Trust matters in negotiation, but perhaps in different ways than one would suspect. Future research should see how this relationship manifests itself in situation where parties know each other very well.
The relationship between trust and satisfaction becomes more interesting when the three components of interpersonal trust (calculus-based trust, knowledge-based trust, and identification-based trust) are examined separately. There is a positive, significant relationship between calculus-based trust (CBT) and process satisfaction; however, CBT is not related to the other satisfaction measures and knowledge-based trust (KBT) is not related to any of the satisfaction measures. Identification-based trust (IBT), on the other hand, is significantly and positively related to process satisfaction, own outcome satisfaction, and joint outcome satisfaction. These findings suggest that IBT may be what is driving the relationships between the overall interpersonal trust scale and the satisfaction measures.

The five items measuring IBT focus on the other party’s goals, basic values, and objectives. It makes sense that negotiators would be more satisfied if they perceived the other as having similar goals and values; if they have high levels of identification-based trust for their partner, negotiators can be more certain that they have not been taken advantage of. Again, however, it would be interesting to see if this relationship between IBT and satisfaction changed after participants received normative outcome information.

Limitations

This study suffered from several limitations. Some of these limitations arise out of the study’s methods. The study design was selected in order to minimize some of the
problems in previous studies: the exercise was a mixed-motive one without a clear cut solution, the role play was conducted as part of a class so that results might be more meaningful, and at least some of the participants knew each other, which made the trust assessment more realistic than in studies where trust between virtual strangers is measured.

However, the design also caused some potential problems. The task, while rich, is ambiguous. Participants do not know in advance which solutions will be the best for them or even what the solutions are, and scoring the outcomes reached becomes more complicated. Also, conducting the study as part of a class assignment reduced the amount of researcher control. Participants were given their packets and sent off to complete the task on their own time. One cannot know what really when on in these negotiation sessions. Participants may have exchanged information prior to filling out the second questionnaire, even though they were instructed not to do so. Individuals may have known some of the details of solutions reached by other pairs before they started their own negotiation. The study, while designed in an attempt to make the role play more realistic, lacked the level of control typically found in a more traditional laboratory study. This trade-off between control and potential applicability of results was one the researcher was willing to make, but it may have impacted study findings.
Another weakness lies in how participants responded to the interpersonal trust measure. This measure, which was developed by Lewicki et al. (1997), has good internal consistency and can discriminate between trust for different targets. However, this study represents the first test of this instrument in relation to other measures. Clearly, this measure did not perform as anticipated. The average score on the interpersonal trust measure was a “neutral” rating and the standard deviation was small, which suggests that participants in this study did not feel they had enough information to assess the trustworthiness of their partner. Adding an escape option to the trust scale might have made the results of the current study more meaningful. Participants may have answered “neutral” because they did not have enough information to pick any of the other response options.

Contributions

Despite these limitations, this study makes several contributions in the area of negotiation research. Although one’s propensity to trust did not influence interpersonal trust in this study, the extent and quality of past experience with one’s negotiation partner were predictors of levels of interpersonal trust. Interpersonal trust levels are highest when levels of experience with the partner and the quality of those experiences are both high. Simply having interacted with one’s partner does predict levels of interpersonal trust, but one needs to look at the interaction between extent and quality.
This was the first study to isolate these variables; future studies may wish to manipulate extent and quality to gain an understanding of their interaction in more controlled conditions.

The most striking findings to emerge from this study involve negotiator satisfaction. Interpersonal trust -- primarily through the identification-based trust component -- was positively related to negotiator satisfaction. Trust did not impact negotiation processes or outcomes, but having congruent values and goals was related to how participants assessed the process and outcomes. Thus, this study helps contribute to an understanding of why trust matters in negotiation; it may not matter in terms of how people negotiate or what the outcomes are, but it matters in how satisfied they are in the end. Since trust contributes to a positive evaluation of the negotiation process and outcome, it may facilitate future negotiations. While trust may not be important in transactional situations, it can help sustain longer term negotiation relationships by making parties more willing to interact with each other in the future.

Satisfaction also was related to integrative negotiation processes, but not to distributive negotiation processes. This finding also provides some insight as to how negotiators might work to develop and sustain successful business relationships. The more integrative processes negotiators used, the more satisfied they were with the negotiation process and the outcomes they reached. Integrative processes, which
involving creating as opposed to claiming values (Lax & Sebenius, 1986), do indeed contribute to negotiators’ perceptions of the value of the outcome. If how people feel about a negotiation matters, then negotiators need to focus on the types of processes they use.

This was also the first study to examine integrative aspirations, which were positively related to integrative processes. How participants valued integrative outcomes relative to more distributive outcomes impacted the level of integrative processes used, which in term impacted integrative outcomes and negotiator satisfaction. This study helps to broaden our understanding of goals in a negotiation and provides the groundwork for future research involving integrative aspiration levels.

Future Directions

The results of this study suggest several directions for future research. One avenue for future studies would be to investigate some of the same relationships examined in this study, but to impose more methodological control. Extent and quality of past interactions could be manipulated in a laboratory setting to see if their interaction with interpersonal trust holds up. Future studies exploring trust, negotiation processes, outcomes and satisfaction should tape record and content code discussions. That way, researchers can determine if the integrative and distributive processes measures are an accurate reflection of what actually transpired during discussion. More control would
also get rid of any problems associated with information leakage, either between or within negotiation pairs, that may have contaminated results in this study.

Unlike past research (Kee, 1970; Kimmel et al., 1980; Zand, 1972), this study did not find a relationship between interpersonal trust and negotiation processes. More exploration of this relationship is warranted. Researchers may want to look at several different interpersonal trust measures in the same study to see if measurement caused the divergent results.

Also, researcher may want to use intact teams as participants so that participants will have more information on which to base their assessment of their partner’s trustworthiness. Interpersonal trust may act differently if participants have strong feelings one way or another for their partners. Perhaps trust did not have an impact in the current study because of transitive nature of the task. Additionally, the task outcomes, while part of the participants’ class performance, may not have had much real significance. Future research should try to make sure that the outcomes are important to participants or, at the very least, ask participants to rate how important the outcomes were to them.

Future research also needs to explore how normative information might change this study’s results. The linkage between integrative process and satisfaction and the linkage between interpersonal trust and satisfaction may change after participants find
out how their solution compares to the outcomes of other negotiator pairs. Future research should include this extra step of data collection. It would be useful to assess satisfaction before and after receiving such normative information. Perhaps high levels of trust or high levels of integrative processes would provide a buffer in the face of disappointing results relative to others’ outcomes. This type of study would help to provide a more complete understanding of the influence of trust and negotiation processes on negotiator satisfaction.
APPENDIX A

INTRODUCTION TO CASE MATERIALS
(Students are told who their partners are for the role play and are assigned either the role of the Lyric Opera or Sally’s Agent).

As you leave class, we will give you your role play scenario. Please make sure you get the correct role, either Sally’s Agent or the Lyric Opera. In addition, pick up the additional questionnaire packet for Maura’s dissertation study. Make sure you follow the instructions on the questionnaire. The first questionnaire is to be completed before you start your negotiation and the second questionnaire is to be completed immediately after you reach an agreement.

The contract is included in the Lyric Opera Role play. Make sure you turn in your contract by 5:00 p.m. on (due date). Remember, you do not have to reach an agreement, but you must be able to explain why you couldn’t reach a settlement in your paper.

For the last graded role play, your settlement grade was based strictly on the dollar value specified in the contract. That is not the case for this role play. Think of this as a role play with integrative potential. You are free to include whatever you want in your contract. There is a space on the contract for salary and for addition information. Your agreement will be graded along both a distributive continuum and an integrative continuum.
APPENDIX B

ROLE PLAY MATERIALS
SALLY SOPRANO

Confidential Instructions for Lyric Opera's Business Manager

You have been with Lyric Opera for only three months. So far, things have been going well, but this negotiation with Sally Soprano's agent will be your most important assignment to date. You want to make sure that your boss, the Artistic Director, is pleased with the outcome.

You met with the Artistic Director yesterday, and gathered the following information:

The Lyric Opera is an established institution in a major metropolitan area. As with most opera companies, it is a nonprofit entity that is financed by a combination of ticket sales, foundation and corporate grants, and income from a modest endowment. By and large, it usually breaks even over the course of the year, with fairly good attendance in its 2000-seat hall. Ticket prices range from $18 to $55, with $28 a reasonable average for rule of thumb accounting.

A production of Bellini's Norma is scheduled to open in three weeks. This production is scheduled to run for six weeks, with three performances per week. There are three sopranos in Norma. Norma is the high priestess of the Temple of Etna, and is secretly married to the Roman consul with whom she has two children. The other two soprano roles are those of Adalgisa, the virgin of the temple, and Clotilde, the attendant to Norma. The challenging title role is generally acknowledged to be a prize for a young soprano, although the age of the character is not specified. The age of the children is also unspecified, but Norma attempts to kill them in a rage over her husband's infidelity.

When the Lyric announced this season's schedule over a year ago, Renata Risingstar was listed in the title role for Norma. Ms. Risingstar is generally regarded as a first-rate performer, though she has not yet attained the popularity Sally enjoyed at the peak of her career. Three weeks ago, however, the Lyric suddenly dropped Ms. Risingstar from its advertising for Norma. Although it is not widely known (the Opera wanted to hold off making a public announcement until the diagnosis was confirmed), the reason for the omission is that Ms. Risingstar has developed a benign throat tumor that will require surgery prior to the performance date. The Lyric has been unable to find any other good soprano who is available for the dates of the performance. The soprano engaged for the secondary role (at a salary of $14,000) does know the Norma role. She has a good voice, but is a relative newcomer to professional opera and clearly lacks the experience necessary to perform the title role well. The Lyric is therefore in a tight spot. Cancellation of the opera would result in a loss of hundreds of thousands of dollars.

Fortunately, Sally Soprano, a distinguished, though somewhat aging soprano, heard rumors that the opera was in trouble and called the Artistic Director to inquire whether there was any possibility that she might sing the lead. Up to now, the Artistic Director has held her off, hoping to find a younger lead. Unfortunately, that now appears impossible, and the Artistic Director is suddenly quite desperate to sign Sally. You have scheduled an early appointment with her agent.

Sally Soprano has sung many times for the Lyric Opera over the years, but the last time she sang was more than a year ago in the secondary role of Adalgisa, also in Norma (for which she received $12,500).
Four years ago, at the pinnacle of her singing career, the Lyric paid Ms. Soprano $22,000 for performing the title role in Norma. That was regarded as extremely high at the time, justified only by the fact that Sally was at the apex of her profession and had a significant following (which has probably fallen off somewhat since then). On the other hand, over the last four years, inflation and the increased popularity of opera have in general brought about a near doubling of the average salaries of the top opera stars.

As a matter of policy, the Lyric does not generally disclose the compensation of its performers. However, for negotiating purposes, you have been given access to the salary figures paid by the Lyric in recent years for the title and secondary roles in Bellini’s Norma:

<table>
<thead>
<tr>
<th></th>
<th>Title Role</th>
<th>Secondary Soprano</th>
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</thead>
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<tr>
<td>(Norma)</td>
<td></td>
<td>(Adalgisa)</td>
</tr>
<tr>
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<td>$14,000</td>
<td>$7,000</td>
</tr>
<tr>
<td>Four years ago</td>
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<tr>
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<td>$12,500</td>
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<tr>
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</tr>
<tr>
<td>This year</td>
<td>[ ? ]</td>
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Although particular cases vary widely, as a general rule the Lyric does tend to follow the industry practice of paying performers in lead roles in operas of this type about twice the amount received by singers in secondary roles. Also, following the industry practice, the Lyric has always paid its performers a flat rate salary.

In general, the nonprofit Lyric needs to keep the costs of performances as low as possible. The Lyric’s average house over the year is generally 85%. This is also the break-even point. Of course you also have many sold-out performances, but the average really is 85%, with a standard deviation of around 5%. Anything less than 80% attendance would cause the Lyric to lose $30,000 or more, and a house of 50% or 60%, while barely conceivable, would be a true disaster. (These kinds of figures probably explain why Ms. Soprano has had so few offers recently for lead roles. While her voice remains generally fine, most operas are anxious to avoid even a small chance of an off day.)

This year, Ms. Risingstar was to have been paid $30,000. In view of the emergency situation and the great desire of the Artistic Director to obtain Sally Soprano, the Lyric trustees have authorized you to offer her up to $45,000 should that be necessary. If she holds out for more than that, the Lyric will just have to use the neophyte secondary soprano in the title role and hope that she miraculously rises to the occasion. (You would probably pay her something less than double her secondary salary of $14,000 for that, certainly no more than $28,000.) You should also bear in mind the potential adverse impact on future negotiations with other performers should an unusually high salary for Sally become public knowledge.

The Artistic Director wants Sally, despite thinking that she is old for the role. The Director believes that with proper makeup and a little luck Sally could work out extremely well. In any event, there is little alternative. As it is, the late announcement of the title role may adversely affect box office sales. The Artistic Director is hoping, however, for a favorable public response to the announcement of Sally in the title role.

Prepare for your meeting with Sally’s agent.
SALLY SOPRANO

Confidential Instructions for Sally's Agent

You have just become a partner in a firm that manages and acts as agent for celebrities. Sally Soprano is certainly not a major client, but you want to do a good job with this first assignment as a partner, especially since you have an interest in expanding your firm's opera practice. This is the first time you have handled Ms. Soprano's account.

You met Ms. Soprano yesterday. She is an older soprano who still has a good voice, especially for her age. During your discussions with her, you gathered the following information:

She has not had a prime role in more than two years, although she has had a number of secondary roles. Her popularity has declined somewhat from four years ago. Lyric Opera, with which Sally has sung many times over the years, has a production of Bellini's Norma scheduled to open in three weeks. The challenging title role is generally acknowledged to be a prize for a young soprano. When the Lyric announced this season's schedule over a year ago, Renata Risiangrata was listed in the title role for Norma. Ms. Risiangrata is generally regarded as a first-rate performer, though she has not yet attained the popularity Sally enjoyed at the peak of her career. Three weeks ago, Ms. Risiangrata's name was suddenly dropped from the opera's advertising, and rumors began circulating in the opera community that she had either become ill or gotten into a dispute with the Artistic Director. Sally got in touch with the Artistic Director to ask if there was any possibility that the title role was open. Sally knows the part well and has sung it successfully many times. Yesterday Sally was informed by the Lyric that they might be interested in signing her for the Norma role. A meeting was scheduled for today at which you, as Sally's agent, will meet with the Lyric's Business Manager to discuss the situation.

The Lyric Opera is an established institution in a major metropolitan area. As with most opera companies, it is a nonprofit entity that is financed by a combination of ticket sales, foundation and corporate grants, and income from a modest endowment. By and large, it usually breaks even over the course of the year, with fairly good attendance in its 2000-seat hall. Ticket prices range from $18 to $55. This production of Norma is scheduled to run for six weeks, with three performances per week.

Sally desperately wants this role. It could signal a real comeback and would give her a good chance at an important role in a forthcoming television special on opera. The TV special would pay $45,000, and would probably lead to many other singing engagements. Sally was overjoyed at hearing of Lyric's possible interest. Sally has told you that getting the part is what counts; the amount of compensation is of secondary importance. She told you that, frankly, she would be willing to sing the part for nothing, except that for reasons of professional pride, reputation, and the potential impact on future engagements, the higher the price the better.

Sally's pay over the last two years for secondary roles in operas of this type has ranged from $10,000 to $18,000. Four years ago, when she was at the pinnacle of her career, she received $22,000 for performing the title role in Norma at the Lyric. Since then, due to inflation and the increased popularity of opera, the
amount paid to top opera singers has nearly doubled. Sally recognizes, however, that she cannot count on producing sold-out performances the way they could then.

Last year the inexperienced young soprano who sang the title role of Norma for the Lyric was said to have been paid over $24,000. The last time Sally sang for the Lyric was over a year ago, in the secondary soprano role of Adalgisa, also in Norma, for which she received $12,500, and got reasonably good reviews. Although it is difficult to generalize, performers in lead roles in operas of this type are usually paid at least twice the amount received by singers in secondary roles.

Ms. Soprano believes that her experience and maturity makes her particularly appropriate for the title role. Norma is the high priestess of the Temple of Etna. She is secretly married to the Roman Consul and has had two children with him. There are two other sopranos in the opera: Adalgisa, the virgin of the temple, and Clotilde, the attendant to Norma. Sally feels that, given her age, she would no longer be the best person to play the role of Adalgisa or Clotilde. However, she believes that at this stage of her life she relates well to the role of Norma. In fact, Sally's view is that she actually may have been too young when she performed the role of Norma in the past, and that she would perform this role better today.

One of the Lyric's major concerns is likely to be what kind of attendance Sally's performances would generate. The Lyric is said to average around an 85% house over the course of a year, but many performances are sold out. On the other hand, a bad house can be financially devastating for the annual budget. This is one reason why you think Sally has been offered fewer roles recently. While her voice generally remains strong, she has had a few mediocre days now and then, which wasn't true four years ago. If Sally's performances generated a 50% or 60% house, this would almost surely be her last leading role. In fact, anything under 80% would probably lead to that result. Sally is confident, however, that such a result is extremely unlikely to occur as a result of her contribution.

Prepare for your meeting with the Lyric's Business Manager.
APPENDIX C

CONTRACT
Managerial Negotiations

Lyric Opera Company
Performing Artists Contract

The Lyric Opera Company agrees to pay $___________ the amount of $___________ to sing in ________ (number of parts) performances of ____________ (name of opera).

Other terms and conditions of employment:

Signed

For the Lyric Opera Company

______________

(print name)

For the Performer:

______________

(print name)
APPENDIX D

PART I

QUESTIONNAIRE PACKET
Please indicate your level of agreement with the following statements:

1 | Strongly Disagree | 2 | Disagree | 3 | Neutral | 4 | Agree | 5 | Strongly Agree

1) _____ One should be very cautious with strangers.

2) _____ Most experts tell the truth about the limits of their knowledge.

3) _____ Most people can be counted on to do what they say they will do.

4) _____ These days, you must be alert or someone is likely to take advantage of you.

5) _____ Most salespeople are honest in describing their products.

6) _____ Most repair people will not overcharge customers who are ignorant of their specialty.

7) _____ Most people answer public opinion polls honestly.

8) _____ Most adults are competent at their jobs.
APPENDIX D

PART II

QUESTIONNAIRE PACKET
Please circle your response below:

1) I have taken a class with my partner before.    YES    NO
   If yes, how many?   ____

If you answered “yes” to the previous question, please indicate how you would rate this interaction:

1  2  3  4  5  6  7
   Very Negative  Neutral  Very Positive

3) I have negotiated with my partner previously in this class.    YES    NO
   If you answered “yes” to the previous question, please indicate how you would rate this interaction:

1  2  3  4  5  6  7
   Very Negative  Neutral  Very Positive

3) My partner and I have worked on a group project together.    YES    NO
   If yes, how many group projects?   ____

If you answered “yes” to the previous question, please indicate how you would rate this interaction:

1  2  3  4  5  6  7
   Very Negative  Neutral  Very Positive

4) My partner and I have studied together.    YES    NO
   If you answered “yes” to the previous question, please indicate how you would rate this interaction:

1  2  3  4  5  6  7
   Very Negative  Neutral  Very Positive
5) I have socialized with my partner. YES NO

If you answered “yes” to the previous question, please indicate how you would rate this interaction:

1 2 3 4 5 6 7

Very Negative Neutral Very Positive

6) My partner and I have had conversations about personal issues. YES NO

If you answered “yes” to the previous question, please indicate how you would rate this relationship:

1 2 3 4 5 6 7

Very Negative Neutral Very Positive

7) I consider my partner to be a close personal friend. YES NO

If you answered “yes” to the previous question, please indicate how you would rate this relationship:

1 2 3 4 5 6 7

Very Negative Neutral Very Positive

8) Please rate the overall extent of your experience with your partner from 1 to 100 (1 = no experience, 100 = very high experience).

9) Please rate the overall quality of your experience with your partner from 1 to 100 (1 = very negative, 100 = very positive).
Please indicate your level of agreement with the following statements by circling your response below:

7) My partner has a good reputation among members of this class.

    1    2    3    4    5    6    7
    Strongly Disagree Slightly disagree Neither agree Slightly Agree Strongly agree

8) My partner is the type of person with whom I would normally try to avoid negotiating.

    1    2    3    4    5    6    7
    Strongly Disagree Slightly disagree Neither agree Slightly Agree Strongly agree

9) Have you interacted with your partner in the past? YES NO

If yes, please answer questions 10 and 11. If no, please skip to the next page.

10) My past interactions with my negotiation partner have been positive overall.

    1    2    3    4    5    6    7
    Strongly Disagree Slightly disagree Neither agree Slightly Agree Strongly agree

11) My partner has taken advantage of me in the past.

    1    2    3    4    5    6    7
    Strongly Disagree Slightly disagree Neither agree Slightly Agree Strongly agree
Please familiarize yourself with the role play materials. After reading your information, please indicate a whole dollar amount for the:

Best settlement amount you could possibly expect to achieve:

________________________

Target settlement amount:

________________________

Walk-away settlement amount:

________________________

Please rank the following 7 items in the order of their importance to you in this negotiation. Rank the items which is most important "1", the next most important "2", etc. Please rank all seven items.

1) _____ Maintain a good relationship with the other party.

2) _____ Obtain the best possible agreement for my client.

3) _____ Obtain the best outcome for all parties.

4) _____ Develop an agreement that reflects the most important priorities and needs of both parties.

5) _____ Make sure that the process we follow is efficient, effective, and fair.

6) _____ Make sure that my client gains as much as possible.

7) _____ Make sure that my client loses as little as possible.
Please indicate your level of agreement with the following statements:

1) _____ My partner’s behavior meets my expectations.

2) _____ My partner wants to be known as someone who keeps promises and commitments.

3) _____ My partner knows that the benefits of maintaining trust are higher than the costs for destroying it.

4) _____ My partner does what they say they are going to do.

5) _____ I hear from other people about my partner’s good “reputation.”

6) _____ I have interacted with my partner a lot.

7) _____ I think I really know my partner.

8) _____ I think I can accurately predict what my partner will do.

9) _____ I think I know pretty well what my partner’s reactions will be.

10) _____ My partner’s interests and mine are the same.

11) _____ My partner and I share the same basic values.

12) _____ My partner and I have the same goals.

13) _____ My partner and I are pursuing the same objectives.

14) _____ I know that my partner will do whatever I would do if I were in the same situation.

15) _____ My partner and I really stand for the same basic things.
APPENDIX D

PART III

QUESTIONNAIRE PACKET
Please indicate your level of agreement with the following statements:

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<tr>
<th></th>
<th>1</th>
<th>2</th>
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<th>4</th>
<th>5</th>
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<td>Disagree</td>
<td>Slightly disagree or disagree</td>
<td>Neither agree</td>
<td>Slightly agree</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

1) ____ I conceded on less important issues so I could meet my goals on issues that were more important to me.

2) ____ Our discussion focused mostly on positions as opposed to interests.

3) ____ I feel our agreement meets my needs even though it wasn’t what I expected going into the negotiation.

4) ____ I felt comfortable disclosing sensitive information to my partner.

5) ____ I felt communication between my partner and me was fairly open.

6) ____ After hearing what my partner had to say, I decided to lower my expectations.

7) ____ When I gave in on an issue, I tried to make it seem like giving in was a big sacrifice for me.

8) ____ I made an extreme initial offer to help me get a better deal.

9) ____ I made an extreme initial offer to see how the other party would react.

10) ____ I made an extreme initial offer to show I was a tough negotiator.

11) ____ We only discussed a flat rate salary.

12) ____ We really made an effort to “expand the pie” and come up with an integrative agreement.

13) ____ I shared information because I thought it would help us reach a more satisfactory agreement.
14) _____ I thought I could increase my partner’s anxiety level by breaking off the negotiation before we reached an agreement.

15) _____ I tried to conceal how badly I wanted to make a deal.

16) _____ I tried to discover what my partner’s “walk-away” point was.

17) _____ We tried to come up with new settlement options that satisfied both of our interests.

18) _____ We tried to identify things that we both wanted.

19) _____ I wanted to make even small concession seem like a big deal so I could get more from my partner.

20) _____ I wanted to learn why my partner sought certain outcomes.

21) _____ I wanted to maintain a good working relationship with my partner.

22) _____ I wanted to get the most profitable deal I possibly could.

23) _____ I wanted our agreement to include things other than salary.

24) _____ I wanted to figure out just how much I could push my partner with regard to Sally’s salary.

25) _____ I wanted to schedule our negotiation for a time when my partner would feel hurried.

26) _____ I wanted to manipulate my partner’s perceptions of what I wanted so that I could get a better deal.

27) _____ I wanted to wait to reach an agreement until just before the deadline.

28) _____ I was firm in my position and made very few concessions.
Please check off the information that you or your partner mentioned during your negotiation:

_____ Compensation is a secondary issue for Sally.

_____ Getting the role of "Norma" would help Sally get hired to do a TV special.

_____ Risingstar has a benign throat tumor.

_____ Risingstar was to be paid $30,000.

_____ Sally is willing to sing for free.

_____ Sally has not had a leading role in two years.

_____ Sally's agent is a new member of his or her firm and really wants to do a good job with this negotiation.

_____ The singer who is cast in the secondary role does not have enough experience to sing the lead role.

_____ The opera manager is new in the job and really wants to please the Artistic Director.

_____ The most the Lyric can afford to pay Sally is $45,000.
Please indicate your level of agreement with the following items:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Slightly disagree</td>
<td>Neither agree or disagree</td>
<td>Slightly agree</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

1) _____ Overall, I am very satisfied with the negotiation process.

2) _____ The process used to reach an agreement was a fair one.

3) _____ I was treated fairly by my negotiating partner.

4) _____ Based on the negotiation process, I would be willing to work with this person again in the future.

5) _____ The settlement we reached maximizes my own outcomes.

6) _____ The individual outcomes I received were very fair.

7) _____ I received what I deserved.

8) _____ The agreement my partner and I reached meets most of my needs.

9) _____ Based on my own outcomes, I would be willing to work with this person again in the future.

10) _____ The settlement we reached maximizes outcomes for both of us.

11) _____ The outcomes we both received were very fair.

12) _____ We both received what we deserved.

13) _____ The agreement my partner and I reached meets most of both of our needs.

14) _____ Based on our joint outcomes, I would be willing to work with this person again in the future.
APPENDIX E

DEBRIEFING LETTER
To Research Study Participants:

You have participated in a study investigating the antecedents and consequences of interpersonal trust between negotiators. It was hypothesized that levels of interpersonal trust for one's negotiation partner are influenced by the propensity to trust people in general, past experiences with one's negotiation partner, and satisfaction with past negotiation outcomes.

Levels of interpersonal trust were expected to impact negotiation processes and negotiation outcomes. Further, it was hypothesized that the kinds of processes used would influence satisfaction with the negotiation process and satisfaction with the negotiation settlement.

If you are interested in learning more about this study, please contact me at 326-0592. I will be happy to discuss my findings with you.

Thank you very much for your participation in this project!!

Maura A. Stevenson
APPENDIX F

DESCRIPTIVE STATISTICS FOR INDIVIDUAL ITEMS
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162
INTERACT interacted with in past

Mean 1.553  Median 2.000  Std dev .699

Valid cases 85  Missing cases 0

POSITIVE past interactions positive

Mean 5.682  Median 6.000  Std dev 1.377

Valid cases 44  Missing cases 41

ADVANTAGE* been taken advantage of

Mean 6.349  Median 7.000  Std dev .897

Valid cases 43  Missing cases 42

BEST best settlement

Mean 30920.941  Median 30000.000  Std dev 10234.057

Valid cases 85  Missing cases 0

TARGET target settlement amount

Mean 29899.988  Median 30000.000  Std dev 4537.410

Valid cases 85  Missing cases 0

WALKAWAY walk-away settlement

Mean 32063.541  Median 34000.000  Std dev 13444.862

Valid cases 85  Missing cases 0

RANK1* maintain good relationship

Mean 3.859  Median 4.000  Std dev 1.355

Valid cases 85  Missing cases 0
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BEH19*
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INTOUT

Mean 1.741 Median 2.000 Std dev 1.082
Valid cases 85 Missing cases 0

DISTOUT

Mean 29824.047 Median 30000.000 Std dev 5087.350
Valid cases 85 Missing cases 0

*variable was recoded in the data set
APPENDIX G

ITEMS IN SCALES
Propensity to Trust

- One should be very cautious with strangers. (R)
- Most experts tell the truth about the limits of their knowledge.
- Most people can be counted on to do what they say they will do.
- These days, you must be alert or someone is likely to take advantage of you. (R)
- Most salespeople are honest in describing their products.
- Most repair people will not overcharge customers who are ignorant of their specialty.
- Most people answer public opinion polls honestly.
- Most adults are competent at their jobs.

Interpersonal Trust

- My partner’s behavior meets my expectations. (CBT)
- My partner wants to be known as someone who keeps promises and commitments. (CBT)
- My partner knows that the benefits of maintaining trust are higher than the costs for destroying it. (CBT)
- My partner does what they say they are going to do. (CBT)
- I hear from other people about my partner’s good “reputation.” (CBT)
- I have interacted with my partner a lot. (KBT)
- I think I really know my partner. (KBT)
- I think I can accurately predict what my partner will do. (KBT)
- I think I know pretty well what my partner’s reactions will be. (KBT)
- My partner’s interests and mine are the same. (IBT)
- My partner and I share the same basic values. (IBT)
- My partner and I have the same goals. (IBT)
- My partner and I are pursuing the same objectives. (IBT)

- I know that my partner will do whatever I would do if I were in the same situation. (IBT)

- My partner and I really stand for the same basic things. (IBT)

**Integrative Processes**

- I felt comfortable disclosing sensitive information to my partner. (Info Sharing)

- I felt communication between my partner and me was fairly open. (Info Sharing)

- I shared information because I thought it would help us reach a more satisfactory agreement. (Info Sharing)

- I wanted to learn why my partner sought certain outcomes. (Probe Interests)

- Our discussion focused mostly on positions as opposed to interests. (R) (Probe Interests)

- We tried to identify things that we both wanted. (Common Goals)

- I wanted to make even small concession seem like a big deal so I could get more from my partner. (R) (Logrolling)

- We only discussed a flat rate salary. (R) (Nonspecific Compensation)

- I wanted our agreement to include things other than salary. (Nonspecific Compensation)

- We really made an effort to “expand the pie” and come up with an integrative agreement. (Expand Pie)

- We tried to come up with new settlement options that satisfied both of our interests. (Bridging)

- I wanted to maintain a good working relationship with my partner. (Global)

**Distributive Processes**

- I tried to conceal how badly I wanted to make a deal. (Selective Presentation)

- I wanted to manipulate my partner’s perceptions of what I wanted so that I could get a better deal. (Selective Presentation)

- I made an extreme initial offer to show I was a tough negotiator. (Extreme Offers)
- I made an extreme initial offer to see how the other party would react. (Extreme Offers)

- I made an extreme initial offer to help me get a better deal. (Extreme Offers)

- After hearing what my partner had to say, I decided to lower my expectations. (R) (Extreme Offers)

- When I gave in on an issue, I tried to make it seem like giving in was a big sacrifice for me. (Few Concessions).

- I was firm in my position and made very few concessions. (Few Concessions).

- I tried to discover what my partner’s “walk-away” point was. (Resistance Points)

- I wanted to figure out just how much I could push my partner with regard to Sally’s salary. (Resistance Points)

- I wanted to schedule our negotiation for a time when my partner would feel hurried. (Scheduling)

- I thought I could increase my partner’s anxiety level by breaking off the negotiation before we reached an agreement. (Delay Tactics)

- I wanted to wait to reach an agreement until just before the deadline. (Delay Tactics)

- I wanted to get the most profitable deal I possibly could. (Global)

Process Satisfaction

- Overall, I am very satisfied with the negotiation process.

- The process used to reach an agreement was a fair one.

- I was treated fairly by my negotiating partner.

- Based on the negotiation process, I would be willing to work with this person again in the future.

Own Outcome Satisfaction

- The settlement we reached maximizes my own outcomes.

- The individual outcomes I received were very fair.
- I received what I deserved.
- The agreement my partner and I reached meets most of my needs.
- Based on my own outcomes, I would be willing to work with this person again in the future.

**Joint Outcome Satisfaction**

- The settlement we reached maximizes outcomes for both of us.
- The outcomes we both received were very fair.
- We both received what we deserved.
- The agreement my partner and I reached meets most of both of our needs.
- Based on our joint outcomes, I would be willing to work with this person again in the future.
APPENDIX H

ITEMS IN SCALES
EXTENT1
The following items were coded as “1” for “yes” and “0” for “no.” EXTENT1 is the sum of the codes (ranging from 0 to 7):

- I have taken a class with my partner before
- I have negotiated with my partner previously in this class.
- My partner and I have worked on a group project together.
- My partner and I have studied together.
- I have socialized with my partner.
- My partner and I have had conversations about personal issues.
- I consider my partner to be a close personal friend.

QUALITY1
This measure reflects the average of all seven quality scales associated with the seven EXTENT1 items. If a subject answered “yes” to an EXTENT1 item, he or she was asked to rate the quality of experience on a scale from 1 to 7 (“Very Negative” to “Very Positive”).

QUAL3A
This measure reflects the average of the following items (items rated from 1 to 7, with 1 being “Strongly disagree” and 7 being “Strongly agree”):

- My partner has a good reputation among members of this class.
- My partner is the type of person with whom I would normally try to avoid negotiating. (Reverse Scored)

QUAL3B
This measure reflects the average of the two items listed below. Participants only answered these items if they had interacted with their negotiating partner in the past (items rated from 1 to 7, with 1 being “Strongly disagree” and 7 being “Strongly agree”):

- My past interactions with my negotiation partner have been positive overall.
- My partner has taken advantage of me in the past (Reverse Scored).
ITARGET
This measure reflects the sum of the four integrative aspiration items that were ranked along with three distributive aspiration items. These four integrative aspiration items were reverse scored, so an item deemed more important was assigned a higher score. Items were ranked from 1 to 7. Scores on the ITARGET measure could fall between 10 (for scores of 1, 2, 3, and 4) and 22 (for scores of 4, 5, 6, and 7). These four items were:

- Maintain a good relationship with the other party.
- Obtain the best outcome for all parties.
- Develop an agreement that reflects the most important priorities and needs of both parties.
- Make sure that the process we follow is efficient, effective, and fair.
REFERENCES


