

## Affect in Dyadic Negotiation: A Model and Propositions

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The topic of affect has been described as an important, but underexplored area of the social psychology of negotiation. In this paper we seek to advance thinking about affective processes in two-party negotiation through an integration and conceptual extension of existing research. We briefly review conceptualizations and operationalizations of affect, and highlight findings relevant to the social-cognitive underpinnings of negotiation. A dynamic model of affect in two-party negotiation analyzes the role of moods and emotions that bargainers bring to and evolve within the negotiation encounter. The model illustrates how affect states influence (and in some cases are influenced by) one's decision to negotiate, selection of an opponent, formulation of expectations and offers, choice of tactics used within bargaining, economic and social-cognitive outcomes, and proclivity to comply with settlement terms. We develop specific research propositions that describe these influences and discuss their implications for broader questions about the role of affect in bargaining. © 1996 Academic Press, Inc.

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Negotiation is the process by which parties with non-identical preferences allocate resources through interpersonal activity and joint decision making (e.g., Bazerman & Carroll, 1987). In an attempt to understand this process, negotiation research has examined cognitive, relational, and motivational influences on the structure, process, and outcomes of bargaining encounters (see Neale & Bazerman, 1991; Neale & Northcraft, 1991; Pruitt & Carnevale, 1993; and Thompson, 1990, for recent reviews). In one framework, Neale and Northcraft (1991) proposed that factors driving negotiation processes in dyadic settings (where individuals,

rather than groups, are the parties involved) be grouped in two categories: (a) the relatively fixed situational context within which negotiation takes place and (b) the thoughts, plans, and actions of the individual negotiators themselves.

A basic but underexplored aspect of the social psychology of negotiation—one which may well link situation and cognition—is the role of affect. Affect states are fundamental to an understanding of social behavior because they occur so frequently and play an important role in revealing how individuals regard themselves and respond to others (Moore & Isen, 1990). Moreover, there is evidence that behavioral effects may require only modest and short-lived changes in affect—changes of which individual actors need not be fully aware (Baron, 1993, p. 82). Negotiation, as a process of social interaction and exchange, is a natural arena for the observation and analysis of affective influences. Bierhoff (1988, p. 167) remarked that “a theory of interpersonal behavior is incomplete without inclusion of the feeling states of the actors.” Yet despite its manifest importance, the role of affect in bargaining has been described as “one of the least studied areas of dyadic negotiation” (Neale & Northcraft, 1991, p. 170).

Our purpose in this paper is to advance thinking about the role of affective processes in two-party negotiation through an integration and conceptual extension of existing research. Although published studies that directly address questions about affect and negotiation are scarce, indirect evidence from research in allied areas of inquiry provides the foundation for formulating a preliminary model and specifying research propositions. Before introducing the model, however, we digress briefly into a discussion of the meaning and significance of the affect construct. In this opening section, we will conceptualize affect in a negotiation context, and provide a synthesis of research evidence from related contexts that sheds light on the relative importance of affect and cognition in social interaction. This comparison is necessary to justify renewed attention to affect in a research area that has been dominated by the study of negotiator cognition.

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## THE IMPORTANCE OF AFFECT

Affect refers broadly to feelings, moods, or emotional states that individuals experience, sometimes, but not always, in response to situations and circumstances (Park, Sims, & Motowidlo, 1986). At a basic dimensional level of analysis, affect can be said to vary in intensity or level of activation, from strong to weak, and to vary in valence, or "tone," between positive and negative (Batson, 1990; Russell, 1979). Positive affect describes the experience of rewarding or pleasant moods or emotions, while negative affect describes the experience of discomforting or unpleasant moods or emotions. Although it is intuitively tempting to attribute a kind of conceptual symmetry to positive and negative affect, the reality is that empirically observed consequences in social settings are more consistent for positive affect than for negative affect (Isen & Baron, 1991; Moore & Isen, 1990). The reason is that negative affect has a greater dimensionality, a more complex structure, and a greater variety of sources than does positive affect (Izard, 1991; Johnson-Laird & Oatley, 1989; Taylor, 1991; Watson & Clark, 1984, 1992). In evolutionary terms, the ability to recognize negative affect in one's aggressor and the ability to effect negative affect to marshal readiness and strength were key to survival. In contrast, positive affect was key to joy and serenity and had fewer survival implications.

Because of the greater volume of literature on the social psychological aspects of positive affect germane to negotiation, and because the maintenance of positive affect is thought to enhance the joint outcomes of negotiating parties (Carnevale & Isen, 1986), much of the analysis that follows focuses on predictions about positive affect. However, we will assume asymmetry and hence offer hypotheses about negative affect in cases when a specific type of negative affect (e.g., anger, contentiousness) is indicated and when there exists a direct conceptual or empirical basis to do so.

### *Conceptualizing Affect*

Precise psychological definitions of and distinctions among such constructs as affect, feeling, mood, and emotion are elusive (Forgas, 1992), and many researchers manage the subtleties by using the terms interchangeably. Others draw distinctions among different forms of affect, most commonly in terms of the pervasiveness and specificity of affective states (Moore & Isen, 1990). For example, affect is said to be *differentiated* or discrete (Izard, 1991; Park *et al.*, 1986) when it takes the form of feelings or emotions that are relatively intense, ephemeral, and have a discernable antecedent cause (Forgas, 1992; Mayer & Salovey, 1988). Affect that is *undifferentiated* (Park *et al.*, 1986), also

known as mood, is pervasive, of lower intensity, and arises with less of an identifiable antecedent cause (Forgas, 1992). Moods, although regarded as relatively enduring compared to emotions, are nevertheless inconstant states that may be experienced multiple times in the course of a typical day (Baron, 1993).

A different approach is taken by researchers who treat affect in terms of ongoing social perceptions having positive or negative values; a common example is interpersonal liking (Druckman & Broome, 1991; Lowenstein, Thompson, & Bazerman, 1989; Tsui & Barry, 1986). Positive affect is said to exist within social situations where interacting parties have a personal relationship characterized by friendship, intimacy, trust, closeness, or a congenial interaction style. Negative affect, in contrast, is manifest with distrust, acrimony, vengeance, loathing, and hostility. Although researchers who adopt this perspective define affect in terms of the quality of social or relational behavior, these qualities perhaps are more appropriately regarded as *sources* of affect, rather than affect itself. There is very little published research that explicitly investigates affective processes in negotiation; however, there is a recent and growing interest among negotiation researchers in relationship issues (e.g., Greenhalgh & Chapman, 1995; Halpern, 1992; King & Hinson, 1994; Sondak & Moore, 1993; Valley, Neale, & Mannix, 1995). While a detailed analysis of relationship dynamics is beyond the scope of this paper, we will discuss relationship issues where they uniquely explain the role of affect. That is, relationships will be considered in cases where their implications for negotiation processes are distinct from those arising from other affect sources.

Finally, there is a dispositional perspective within which positive and negative affect are treated as stable facets of individual personality (Watson & Clark, 1984; Watson, Clark, & Tellegen, 1988). Individuals who experience feelings such as discomfort, anger, sadness, and negative mood across situations are said to exhibit high levels of negative affectivity. Positive affectivity is the tendency to experience positive emotional states, such as pleasure or well-being, over time and across situations (Larsen & Ketelaar, 1991). It has been argued that dispositional affect accounts in important ways for the existence and direction of social attitudes. Staw, Bell, and Clausen (1986), for example, found that dispositional affect predicts job attitudes over a period of years. As measured by structured self-report instruments (Watson *et al.*, 1988), positive and negative affectivity are generally treated as orthogonal, or perhaps discrete, dimensions of personality, not as opposite poles on a single continuum (George, 1990; Watson & Tellegen, 1985).

TABLE 1  
The Relative Influence of Affect and Cognition: Evidence from Three Domains

Study	Criterion	Variance explained		Joint influence coefficient			Method used for estimate
		Affect only	Cognition only	Positive affect	Negative affect	Cognition	
Consumer studies							
Westbrook (1987)	Automobile satisfaction	.61	.72	.17	-.21	.39	OLS
	Cable TV satisfaction	.48	.55	.19	-.21	.43	OLS
Mano & Oliver (1993)	Self-selected product satisfaction	NR	NR	.35	-.49	.31	2SLS
Oliver (1993)	Automobile satisfaction	.42	.75	.14	-.11	.63	2SLS
	Coll. course satisfaction	.71	.68	.39	-.22	.43	2SLS
Quality of life studies							
McKinnell (1978)	Life-as-whole	.24	.64	NR	NR	NR	N/A
	Happiness	.29	.59	NR	NR	NR	N/A
	Life satisfaction	.20	.48	NR	NR	NR	N/A
McKinnell & Andrews (1980)	Life satisfaction	NR	NR	.58	-.50	.64	MLE
Horley & Little (1985)	Life satisfaction	NR	NR	.10	.24	.24	VAC
Workplace studies							
Reeve (1987)	Intrinsic motivation (self-reported)	.65	.52	NR	NR	NR	N/A
	Intrinsic motivation (behavioral)	.12	.15	NR	NR	NR	N/A
Agho <i>et al.</i> (1993)	Job satisfaction (Model 1)	NR	NR	.24	-.09	.16	MLE
Moorman (1993)	Job satisfaction (B-R)	NR	NR	.30	-.23	.14	Simple <i>r</i> (median <i>r</i> on 5 crit. for cog.)
	Job satisfaction (MSQ Intrinsic)	NR	NR	.31	-.20	.11	Same as above
	Job satisfaction (MSQ Extrinsic)	NR	NR	.12	-.16	.27	Same as above
Judge & Hulin (1993)	Subjective well-being (self-report)	NR	NR		.45	.34	MLE
	Subjective well-being ("full data")	NR	NR		.58	.31	MLE

*Note.* NR, Not reported; N/A, not applicable; OLS, ordinary least squares; MLE, maximum likelihood estimation; VAC, variance accounted for; 2SLS, two stage least squares.

In considering the role of affect in negotiation, we neither prefer nor reject any one particular conceptualization of affect. Consistent with recent social psychological work on negotiator cognition, we treat the negotiation encounter as a context for multiparty decision

making within which negotiators work from cognitive and perceptual interpretations of the dispute situation (Neale & Bazerman, 1991, p. 7). The affect literature yields a multiplicity of effects that potentially speak to the social-cognitive underpinnings of this context.

There is evidence, for instance, that affective states and processes influence creativity in problem solving (Isen, Daubman, & Nowicki, 1987), cognitive organization and categorization (Isen & Daubman, 1984), information encoding and retrieval (Isen, 1985), cooperative and helping behavior (Carnevale & Isen, 1986; Levin & Isen, 1975), problem-solving strategies (Isen, Means, Patrick, & Nowicki, 1982), perceptions of self-efficacy (Baron, 1990), risk-taking behavior (Isen & Patrick, 1983; Johnson & Tversky, 1983), utility functions and equity norms (Loewenstein *et al.*, 1989), and levels of aggression (Baron, 1978).

### *Affect versus Cognition*

Generally, laboratory studies have not pitted affect against cognition in the prediction of thoughts and behavior. As a result, it is not known whether affect contributes to explained variance beyond the more cognitive explanations available to researchers. Some evidence for their relative influence can be found in studies within applied domains that investigated affect and cognition simultaneously. In Table 1, we summarize relevant studies we discovered in the areas of consumer emotions, quality of life concerns, and workplace environments. With very few exceptions, all variance estimates and coefficients reported in the table were significant.

Within the table, we distinguish between analyses of the independent effects of affect and cognition (first two columns of coefficients), and simultaneous analyses that address their relative effects (last three columns of coefficients). The second is more telling as it addresses the competitive influences of affect vs cognition on a joint basis. Typically, studies report one or the other. The consumer studies are more complete in this regard.

In terms of independent effects, the affect proportions are either similar to those of cognition or are modestly lower in the consumer and workplace domains. In the quality of life area, cognition did impact the criteria to a greater degree by a factor of two, although the affect estimates were significant. With respect to joint influences, the effects of cognition tended to be greater than either positive or negative affect taken singularly, but not when the combined affect influences were considered. Generally, positive affect facilitated, and negative affect hindered, attainment of the criterion. In two findings from a study where a single bipolar affect scale was used (Judge & Hulin, 1993), the affect coefficients were higher. One can conclude, then, that affect is a potent influence on various behaviors throughout a number of domains and is a necessary ingredient in a fuller explanation of thoughts and behaviors that have traditionally been investigated as cognitive phenomena.

Thus, our focus in this paper is on developing a framework for understanding how generalized affect states work in tandem with these kinds of cognitive processes as both antecedents and consequences to explain negotiation behavior. The framework we propose in the next section of the paper takes as its context the two-party negotiation encounter. While restricting discussion to the two-party case may be viewed as a limitation, it provides a basis for extended work and is consistent with current research on the social psychology of negotiation. At certain points, we hypothesize source-contingent effects where the influence of affect varies with the specific antecedent origins of feeling states. We will argue, for example, that the role of affect sometimes varies depending on whether affect states arise from prior relationships between the parties or other causes. For the most part, however, we deemphasize sources and types of affective responses, treating affect globally as a generic arousal state encompassing moods and emotions (Forgas, 1992) that bargainers bring to and evolve within the negotiation encounter.

## THE ROLE OF AFFECT IN TWO-PARTY NEGOTIATION

In Fig. 1 we present a general framework of the role of affect in negotiation that charts the territory we will cover below. The negotiation encounter is depicted as an ordered series of cognitive and behavioral stages in which bargainers progress from an initial decision to enter a negotiation through the processes of formulating expectations, implementing strategies, evaluating outcomes, and ultimately implementing a settlement, should one be reached. Although two-party negotiation is a dyadic process, the model in Fig. 1 adopts the perspective of the individual negotiator as its unit and level of analysis. An overarching assumption is that affective states experienced by individuals influence (and in some cases are influenced by) negotiation behavior in diverse ways at different stages of the process. These stages are illustrated in the figure and consist of prenegotiation orientation, the process of negotiation itself, outcome realization, and implementation/future behavior.

### *Predisposing Conditions*

In keeping with our earlier discussion of the variety of forms and sources of affect, levels of positive or negative affect experienced by negotiators are presumed to be the product of multiple antecedents. First, both the valence and intensity of episode-relevant affect is expected to vary with a negotiator's measured level of dispositional affect (Watson *et al.*, 1988). A second class of antecedents encompasses aspects of the physical set-

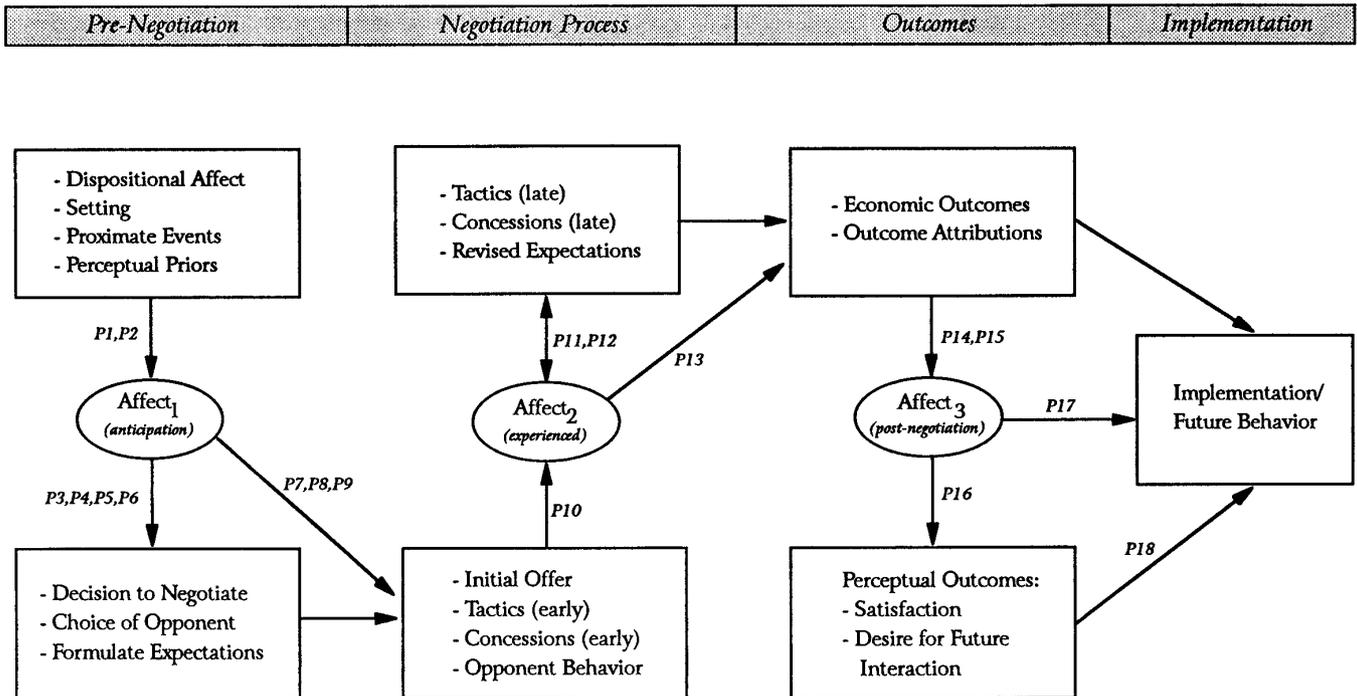


FIG. 1. Model of the Role of Affect in Dyadic Negotiation

ting within which negotiations occur. Sometimes referred to as environmentally induced affect (e.g., Baron, 1990), the degree to which an ambient setting for behavior is pleasing or discomforting contributes to levels of experienced affect. Third, as manipulations using humorous and/or grim films and texts incorporated within numerous experimental studies amply demonstrate, affective states can be generated by events experienced immediately prior to the behavioral encounter of interest (e.g., Carnevale & Isen, 1986; Isen & Daubman, 1984).

Most importantly, however, affect is presumed to be a function of prior perceptions and experiences negotiators bring to a particular encounter. Examples include a negotiator's reactions to previous negotiation encounters (Oliver, Balakrishnan, & Barry, 1994), interpersonal ties with an opponent (Druckman & Broome, 1991), perceptions that one's opponent acted deceptively in a prior encounter (Shapiro & Bies, 1994), or other elements of an existing interpersonal relationship (Polzer, Neale, & Glenn, 1993; Sondak & Moore, 1993). Interpersonal attractiveness arising from interpersonal similarity (e.g., Byrne, 1971) may also contribute to the formation of positive prenegotiation affect. Accordingly, we expect that dimensions of similarity that enhance attraction will induce positive affect when negotiators have the opportunity to perceive the similarities; examples include common attitudes, preferences, and background characteristics (Cialdini, 1993).

Prior experience at the negotiating table with a particular opponent is especially relevant: Oliver *et al.* (1994) found that satisfaction with a negotiated settlement is positively associated with the desire for future interaction with the same opponent, and Lawler and Yoon (1992) reported that frequent exchange fosters positive affect which, in turn, yields an affective commitment to the exchange. Thus, favorable past experience with an opponent is predicted to enhance positive affect, and unfavorable prior experiences should enhance negative affect.

Pre-negotiation influences are shown within Fig. 1 as resulting in an initial level of affect,  $Affect_1$ , which can be viewed as an anticipation. Anticipations have the property of motivating actions in accord with the particular affective orientation (i.e., positive or negative) embedded in the anticipatory state. This may result in a set of preliminary decisions regarding further negotiation behavior, as discussed below.

With respect to prenegotiation influences:

*P1.* An individual negotiator's level of positive affect at the start of the negotiation encounter is a positive function of perceptions that his/her opponent is attitudinally or demographically similar.

*P2.* An individual negotiator's level of positive (negative) affect at the start of the negotiation encounter is a positive function of levels of perceived (dis)satisfaction with prior negotiation experience and negotiated outcomes involving this particular opponent.

*Preliminaries: Deciding to Negotiate, Selecting an Opponent, Forming Expectations*

*The negotiation decision.* A negotiation encounter begins, theoretically, with decisions regarding whether or not and with whom to negotiate, although in some cases these questions are rendered essentially moot by the constraints of the context. In a supplier–buyer relationship, for example, bilateral negotiation may function as a default mechanism for reaching a contractual agreement, and the choice of a particular individual opponent may be out of the negotiator's control. Beyond contextual constraints, the decision to negotiate may also be preordained by forces that are cognitive in nature. Consider, for instance, private real estate transactions, where the seller and a potential buyer come together to seek agreement. Although the option *not* to bargain (and instead simply take or leave an initial asking price) is available, buyers may work from a cognitive script (Schank & Abelson, 1977) for real estate transactions that prominently incorporates the give and take of negotiation.

However, in situations where the individual's option to bargain is not situationally or cognitively constrained, affect may explain in part how individuals respond to the option to negotiate. Empirically, there is evidence that positive affect enhances people's willingness to initiate conversations (Batson, Coke, Chard, Smith, & Taliaferro, 1979), to take moderate risks (Isen & Patrick, 1983), and to prefer collaboration over avoidance as a means to resolve conflict (Baron, 1984). Later studies, however, indicate that the relationship between positive affect and risk taking depends on one's perception of the severity of potential losses (e.g., Isen, Nygren, & Ashby, 1988). Specifically, individuals experiencing positive affect who face the prospect of *meaningful* loss tend to be risk-averse, while individuals experiencing positive affect who perceive limited loss magnitudes (even if the risk of losing is high) are not necessarily risk averse and may even be risk-prone (Arkes, Herren, & Isen, 1988). Thus, we predict that positive affect increases the likelihood that negotiation will be preferred to simple transaction or disengagement when interactants perceive that relatively minor potential losses are at stake. On the other hand, when potential losses are experienced as meaningful (i.e., a high level of negative subjective utility) and when the option to negotiate is perceived as the risky alternative, then positive affect should attenuate the likelihood that interactants will choose negotiation.

This analysis can be logically extended to consider the influence of relationship dynamics between potential members of a bargaining dyad. Interactants who are relationally close may place greater emphasis on protecting the relationship through yielding or compro-

mise than on problem solving or collaboration (e.g., Fry, Firestone, & Williams, 1983). In such cases, parties may view the risk to the relationship as a threat of meaningful losses, and hence be less inclined to select negotiation over other, less contentious options that might be available.

Separately, we propose a role for *negative* affect in the decision-to-negotiate equation. The foundation for this argument is the notion of aggression: Negative affect has been associated with aggressive behavior in a curvilinear fashion, with the highest levels of aggression are engendered by moderate levels of negative affect (Bell & Baron, 1990). Aggression as the basis for a decision to negotiate is relevant when potential bargainers perceive the option to enter a negotiation as an aggressive interpersonal alternative to other forms of conflict management. This is plausible in situations where bargainers are inclined to engage in contentious negotiation behavior, such as when bargainers are accountable to constituents (Ben-Yoav & Pruitt, 1984), face time pressures (Carnevale & Lawler, 1986), perceive the situation as a win-lose encounter with divergent goals between the parties (Thompson & Hastie, 1990), or are otherwise unconcerned with protecting the working relationship between parties (see Pruitt & Carnevale, 1993). On the other hand, there are situations where the alternative to bargaining may be the aggressive choice, such as when an interactant entertains the option of simply forcing outcomes on the other party in dictatorial fashion. Accordingly, based on the curvilinear affect-aggression relationship, we propose that negative affect experienced in *moderate* amounts will make the choice to negotiate more likely when negotiation is viewed as the aggressive conflict resolution option.

To summarize, with respect to the decision to negotiate:

*P3.* Positive affect elevates the likelihood that an individual will choose negotiation over transaction or disengagement. This linkage is moderated by (a) perceptions of potential losses, and (b) the value placed on relational maintenance:

*P3a.* Positive affect increases the likelihood that negotiation will be preferred when judgments of the negative subjective utility of possible losses are low, rather than high.

*P3b.* Positive affect increases the likelihood that negotiation will be preferred when the value assigned to relational maintenance is low, rather than high.

*P4.* Given a perception that negotiation is the aggressive conflict-management option, there is a curvilinear relationship between negative affect and the likelihood that the individuals will choose negotiation over transaction or disengagement: Individuals with moderate levels of negative affect are more likely to choose negotiation than individuals with low or high levels of negative affect.

*Choosing or learning the identity of one's opponent.* The selection of a negotiating opponent may also be

at the discretion of the individual negotiator. Given situations where a choice of opponents does exist, the role of affect may be analyzed in terms of its effect on the process of behavioral decision making. Here research findings lead to seemingly conflicting predictions. On the one hand, programmatic research by Isen and her colleagues suggests that positive affect is associated with problem-solving creativity, cognitive flexibility, and perspective taking in problem solving (see Isen and Baron, 1991, for a review). Thus, if selection of an opponent is viewed as a problem-solving task, then high-positive-affect negotiators might be expected to make a "creative" selection, i.e., to choose an opponent strategically. An alternative view is to treat the selection decision as an information-processing task in response to stimulus cues. With this perspective, the question is one of motivation: Do affective states influence the bargainer's inclination to thoughtfully analyze the selection of an opponent? There is evidence to suggest that people experiencing positive affect prefer simplified, heuristically-based information processing strategies, while negative affect triggers more elaborated, analytical processing styles (Forgas, 1992).

Proponents of information-based theories of affect (e.g., Schwartz, Bless, & Bohner, 1991) provide a way to reconcile the apparent contradiction between problem-solving and information-processing interpretations of the role of affect. They argue that positive moods signal that "all is well" in the actor's environment, encouraging effort-minimizing processing and a willingness to take risks. Presumably, this frees the individual to think in unusual or creative ways; however, we question whether the issue of opponent selection is likely to strike negotiators as a stimulus for creative thought. Indeed, the affirmative link between positive affect and self-efficacy (Baron, 1990) implies that high-positive-affect negotiators might possess the confidence to disregard the choice of an opponent as a significant issue in enacting a dispute-resolution procedure. Negative moods, on the other hand, signal the actor that the situation is problematic, encouraging the individual to avoid decisions that would make the situation worse (Schwartz *et al.*, 1991). Thus, given a decision to negotiate and a choice of opponents:

*P5.* There is a negative (positive) relationship between positive (negative) affect and the likelihood that an individual will select a negotiating opponent strategically.

*Formulating expectations.* It is widely believed that negotiators adopt cognitive reference points that define expectations and limits within an impending negotiation encounter (e.g., Raiffa, 1982; Walton & McKersie, 1965). At their simplest, these reference points include a bargainer's assessments of the negotiation goal (the

benefit being sought) and of the lowest acceptable benefit; Pruitt (1981) called these judgments the level of aspiration and limit, respectively. More complex formulations propose multiple levels of aspiration and limit. Tietz and Weber (1978), for example, argued that negotiators harbor separate aspirations reflecting their first offer (hoped-for best outcome), an optimistic goal, a pessimistic goal, a threatened limit below which one *says* he or she will not go, and an actual limit price at which one will actually terminate the negotiation. Rather than dwell on the subtle distinctions among different conceptualizations of bargainer aspiration, we use the term "expectations" to describe the internally set range that reflects a negotiator's desire for achievement (Oliver *et al.*, 1994).

We presume that negotiator expectations will be consistent with other predisposing and preliminary cues to the encounter, and that positive affect will generate favorable expectations or optimism regarding the final negotiation outcome. In one of the few published affect-negotiation studies, Baron (1990) found that laboratory subjects in a positive affect condition started with higher monetary goals than subjects in a neutral affect condition. However, the affect manipulation in Baron's study was based solely on environmental inducement through the introduction of a pleasant scent (positive affect condition) into the laboratory. We question whether the same effect on prenegotiation aspirations would obtain in situations where affect derives from other sources.

Indeed, there is empirical evidence suggesting that interpersonal ties between negotiators—one source of prenegotiation affect—influences expectations (see Pruitt & Carnevale, 1993, for a review of relationship issues in negotiation). Druckman and Broome (1991) found that laboratory subjects instructed to assume a positive, friendly relationship with an impending negotiation opponent reported outcome goals closer to compromise than subjects instructed to assume a negative, hostile relationship. In a similar vein, Fry *et al.* (1983) compared the negotiation perceptions and processes of dating couples and stranger dyads. They used verbal process data to infer that dating dyads had lower outcome aspirations. Consistent with those aspirations, dating couples in the actual negotiation were outperformed by stranger pairs in terms of profit outcomes. Fry *et al.* interpreted their findings by suggesting that concerns for relational maintenance attenuate the aspirations of relationally close negotiators. In buyer-seller transactions, experimental findings reported by Halpern (1992) indicate that buyers expect to pay more, and sellers to charge less, when dealing with friends rather than strangers. These findings suggest the possibility that unlike other sources of affect, relationship-

based affect does not necessarily elevate—and may even attenuate—prenegotiation expectations.<sup>1</sup> Accordingly, we propose that affect source moderates the relationship between positive affect and aspirations, as follows:

*P6.* The relationship between positive affect generated by predisposing conditions and expectations of the eventual outcome of the negotiation process depends on the source of that affect:

*P6a.* Positive affect stemming from the relationship between the parties is negatively associated with an individual's expectations regarding the economic value of his/her own negotiated outcomes.

*P6b.* Positive affect that is dispositional or related to features of the bargaining setting is positively associated with an individual's expectations regarding the economic value of his/her own negotiated outcomes.

### *Affect in the Negotiation Process: Offers, Tactical Behavior, and Concessions*

*Initial offers.* The question here is whether positive and/or negative affect states, through the mediating presence of expectations or otherwise, induce negotiators to formulate initial offers that are higher or lower than they would be given a neutral affect state. We find that the literature has not examined in detail the linkage between negotiation outcome expectations and their translation into initial offers. One recent study of a simple distributive bargaining task reported zero-order correlations between prenegotiation aspirations and initial offers of between .59 and .68 (Barry & Friedman, 1996). Thus, it is likely that the size of an opening offer reflects a negotiator's perceptions not only of the value of the opponent's limit, or walk-away price, in relation to one's own (Lax & Sebenius, 1986), but also of goals for individual utility.

This implies that expectations are determinants of the magnitude of first offers, with negotiators translating high (low) expectations into high (low) initial offers. Accordingly, in line with our previous analysis of expectations, we surmise that affect source is relevant as a contingency factor. When affect is the result of positive relational ties, negotiators should be more cognizant of the other party's concerns and less motivated to use extreme offers to advance self-interest. Hence, affect

<sup>1</sup> This and other affect-source-dependent predictions are based on the assumption that the influence of relationship-based affect may be distinguished from the influence of other forms of positive affect. It is conceivable, however, that positive affect induces individuals to treat others as if they *were* more relationally close. There is evidence that positive feeling states enhance judgments of interpersonal attractiveness (Gouaux, 1971), but we are unaware of research examining the direct link between transient affect and the development of friendship ties. We thank an anonymous OBHDP reviewer for suggesting this possibility.

states that are elicited primarily by positive prior experiences with the bargaining opponent are predicted to result in the adoption of less extreme initial offers than when prior experiences are neutral or negative. On the other hand, positive affect states engendered by forces unrelated to the dyadic relationship (setting, proximate events, disposition) lead to higher expectations and confidence levels regarding the realization of self-interest and hence more extreme initial offers.

Thus,

*P7.* The relationship between a negotiator's positive affect and the initial offer made by that negotiator depends on the source of that affect:

*P7a.* Positive affect stemming from a bargainer's personal relationship with his/her opponent is negatively associated with the profitability of that bargainer's initial offer.

*P7b.* Positive affect that is *not* a consequence of the interpersonal relationship between negotiators, i.e., affect that is dispositionally-based or elicited by features of the bargaining setting, is positively associated with the profitability of a bargainer's initial offer.

*Tactical behavior.* Affect states influence choices actors make among available behavioral options (Moore & Isen, p. 11), and hence are fundamentally relevant to an understanding of the tactics negotiators employ. One way to define tactical behavior is in terms of a bargainer's motivational orientation (Pruitt, 1981), which in its most parsimonious form entails a distinction between competition and cooperation (Deutsch, 1973). Bargainers with a competitive orientation operate out of concern primarily for their own outcomes. Bargainers with a cooperative orientation make behavioral choices that reflect a concern for both their own and their opponents' outcomes. In tactical terms, competitive bargainers try to persuade their opponents to make concessions, while cooperative bargainers engage in problem-solving behavior as a way to satisfy both parties' interests (Pruitt & Rubin, 1986).

Five experimental studies included direct tests of the influence of positive affect on the selection of negotiation tactics. Laboratory subjects in a study by Carnevale and Isen (1986) either were or were not exposed to a positive-affect inducing manipulation (viewing humorous cartoons and receiving a small gift) just prior to engaging in a bilateral monopoly negotiation task. Using verbal process measures gleaned from content-analyzed tape recordings of the negotiations, Carnevale and Isen found that subjects in the positive-affect condition used fewer contentious tactics and displayed a greater number of problem-solving behaviors.<sup>2</sup> This

<sup>2</sup> The Carnevale and Isen (1986) experimental design crossed the presence vs. absence of positive affect with a manipulation of visual access: Some subjects bargained face-to-face and others bargained while separated by a visual barrier. The negative relationship between positive affect and contentious tactics was a main-effects find-

result was replicated in an experiment by Hollingshead and Carnevale (1990): Subjects who received a small gift prior to negotiation (positive affect condition) made more concessions and integrative offers than subjects who received no give gift (neutral affect condition). In his study of positive affect induced environmentally via the presence or absence of a pleasant scent, Baron (1990) found that high-affect subjects made slightly more concessions than neutral-affect subjects. Druckman and Broome (1991) used variations in scenario descriptions to manipulate familiarity with and liking for an opponent in an international dispute resolution task. They found that bargainers were more flexible and more willing to reach compromise agreements when negotiating with an opponent they knew and liked. Finally, Greenhalgh and Chapman (1993) found that relationship cohesion among MBA students participating in a bargaining simulation was positively associated with information sharing, and negatively associated with the use of coercive tactics.

The results of these applied studies of bargaining comport with game theoretic findings regarding the effects of positive social bonds on cooperation (e.g., Polzer *et al.*, 1993; also see Pruitt, 1981), as well as with social-cognitive work showing that positive affect promotes helping behavior (Batson, 1990; Batson *et al.*, 1979) and creative problem-solving (Isen *et al.*, 1987). Taken together, they corroborate the proposition that positive affect yields cooperative bargaining behavior across affect sources (although we know of no research that has examined dispositional affect in this regard). Concurrent support for the obverse proposition—that negative affect increases contentious behavior—is more tenuous since two of the three studies (Baron, 1990; Carnevale & Isen, 1986) contrasted positive with *neutral* affect.<sup>3</sup> Given a lack of convincing evidence that negative affect reduces cooperativeness, and given the complex, contingent relationship between negative affect and helping behavior (Batson, 1990), we refrain from making a general prediction about the association between negative affect and bargaining tactics.

Beyond the basic distinction between competitive

and problem-solving behavior, some researchers have explored more specific communication behaviors within negotiation that assume tactical forms. Weingart, Bennett, and Brett (1993) synthesized prior literature to develop a tactical coding scheme for negotiation that includes 13 categories of behavior. Several of the Weingart *et al.* categories are consistent with strategies that characterize problem-solving (see Pruitt & Carnevale, 1993), and we propose that positive affect enhances the likelihood that negotiators will display these behaviors. Thus, we hypothesize the positive-affect negotiators are more likely than neutral-affect negotiators to make multi-issue offers, communicate understanding of the other parties' positions and priorities, ask questions, and express mutuality of concerns.

*P8.* Negotiators with positive affect are more likely to adopt a cooperative motivational orientation than neutral-affect negotiators.

*P9.* Negotiators experiencing positive affect are more likely to make multi-issue offers, substantiate positions, demonstrate understanding of their opponents' positions and priorities, ask questions, and voice perceptions regarding mutuality of concerns than neutral-affect negotiators.

*Experienced affect.* Apart from the influence of pre-negotiation affect (Affect<sub>1</sub>) on tactics, we also propose in Fig. 1 that experienced affect, Affect<sub>2</sub>, will itself be influenced by the tactical exchange that actually does occur. There is evidence that cooperative behavior elicits interpersonal trust (Weingart *et al.* 1993), which may in turn be construed as a component of interpersonal affect (e.g., Tsui & Barry, 1986). However, we are not convinced that the mere presence (or absence) of problem-solving behavior within a bargaining encounter will evoke affective consequences. We argue, instead, that the particular tactical forms within an encounter will generate affect on the basis of prior expectations about one's opponent's motivational orientation. Oliver *et al.* (1994) demonstrated that affective responses to negotiation outcomes (i.e., negotiator satisfaction) are a function of the extent to which prior expectations about those outcomes are surpassed, met, or not attained. From a broader communication theory perspective, Burgoon and Le Poire (1993) found that violations of preinteractional expectancies regarding communication behavior have wide-ranging effects on postinteractional judgments of a communication partner's character, competence, and attractiveness. Thus, we predict that a negotiator's positive affect is enhanced when expectations that an opponent will be contentious are violated through the opponent's use of cooperative tactics. Conversely, positive affect should be attenuated when expectations of cooperativeness

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ing, but the positive relationship between affect and problem-solving behavior emerged only in the visual-access condition. However, as Carnevale and Isen noted in their discussion, most negotiations are face-to-face, so it is reasonable to conclude that the affect-cooperation finding has wide potential application.

<sup>3</sup> Druckman and Broome (1991) did incorporate a sense of active dislike—implying negative rather than neutral affect—in the scenario description used in their low-liking manipulation. However, they did not employ a full-factorial design which would allow us to disentangle the effects of liking from those of familiarity, and the authors did concede that the effects of the two are distinct. Thus, we treat the Druckman and Broome study as inconclusive with respect to negative affect.

are violated through the opponent's use of contentious tactics.<sup>4</sup>

*P10.* Tactics influence experienced affect through a process of expectancy (dis)confirmation: Positive affect is enhanced when a negotiator anticipates a contentious opponent but encounters cooperative behavior; positive affect is diminished when a negotiator anticipates a cooperative opponent but encounters contentious behavior.

Note, as also shown in Fig. 1, that the affect generated during the process of negotiation (Affect<sub>2</sub>) should serve to influence tactics and concessions later in the process. In turn, changes in tactics and the resulting changes in experience within the negotiation process will serve further to influence both: (a) the negotiator's expectations of the opponent's behavior and the settlement outcome, and (b) the attendant affect states (Affect<sub>2</sub>). This raises issues of expectation updating and affect shifts.

A reasonable assumption in negotiation sessions is that expectation levels ebb and flow as the parties make offers which are challenged and rebuffed and as points of contention are won or conceded. A corollary is that the emotions accompanying these changes in position will also vary. This raises the issue of the dynamics of expectations as the negotiation unfolds. In particular, will initial or updated expectations be used in comparison to outcomes? A related question is to what extent the parties "blend" initial with revised expectations.

Data are scant on these questions. While intuition would suggest that expectations are most assuredly updated during prolonged interpersonal encounters, only three studies which bear on this observation were found. In Szajna and Scamell (1993), an experimental manipulation of computer system user experience over three time periods was conducted; in Zwick, Pieters, and Baumgartner (1995), subjects were provided with prior information and actual performance of a mock-up consumer product; while in Ortinau and Bush (1987), students were tracked at three times over the course of a semester regarding their grade. The results were consistent over the three studies. Expectations tracked the subject's experience in a predictable fashion. Poor interim performance lowered expectations while exceptional performance raised them.

More work was found on the updating of emotions.

<sup>4</sup> Expectancy violations regarding the other party's motivational orientation can result from a variety of actions that are perceived by negotiators as contentious or cooperative. To cite an example suggested by an anonymous reviewer, a negotiator may label behavior that is perceived to be unethical as contentious. If such behavior is unexpected, it is more likely to trigger an affective reaction than if the negotiator has reason to anticipate that the opponent will behave this way.

In general contexts, improving circumstances resulted in improved emotional states while degenerating situations resulted in greater emotional negativity (e.g., Diener, Larsen, Levine, & Emmons, 1985; Dubé, Schmitt, & Leclerc, 1991; Eliashberg & Sawhney, 1994; Marco & Sulls, 1993; Watson, 1988). However, when individuals were motivated to effect their mood, either because of self-presentation or of self-control to achieve a goal, moods were less susceptible to changes in outcomes or the behavior of others (e.g., Ganesan, 1993; Greenhalgh & Gilkey, 1993; Lawler & Yoon, 1993; Polzer *et al.*, 1993; Sondak & Moore, 1993).

Generally, this latter finding may be more pervasive in negotiation settings for two reasons. First, professional negotiators may possess the ability to control momentary emotions if they believe that, for example, "putting on a happy face" will further their cause. We would not rule out the effectance of negative emotions, such as anger, for the same reason. Second, later phases of bargaining sessions should be closer to settlement as issues are resolved. This growing reduction of uncertainty should have the effect of increasing positive moods and reducing negative states, particularly if the impending settlement is satisfactory. (This issue is separate from that of affect related to the final agreement per se, relating only to uncertainty reduction.) Research has shown that uncertainty reduction through the mechanism of relieving apprehension is a consistent contributor to positive affect and the moderation of negative affect (Isen, 1987).

Thus,

*P11.* Initial expectations will be amended to the extent that they are disconfirmed: Negative violations of expectancies will lower such expectations as the negotiation proceeds, while positive violations will raise expectations.

*P12.* As the negotiation proceeds, affect shifts result from (a) positively or negatively disconfirming information about probable outcomes, (b) perceptions that the negotiator is able to control affective experience, and (c) changes in perceptions of uncertainty as issue resolution becomes more (or less) likely.

### *Affect Related to Settlements and Outcomes*

Following Thompson (1990), our treatment of negotiation outcomes distinguishes between economic outcomes addressing the allocation of material resources at issue within a bargaining context, and social-psychological outcomes that speak to the cognitive and perceptual consequences of the encounter.

*Affect as antecedent to economic outcomes.* In the foregoing discussion of tactical behavior within the bargaining encounter, we emphasized the distinction between contentious and cooperative behavior. In thinking about settlements, however, it is important to note

that cooperative behavior may or may not lead to integrative solutions that maximize the outcomes of both negotiating parties (Pruitt & Rubin, 1986). From the perspective of the dual concerns model (e.g., Filley, 1975; Rahim, 1983), parties will work toward agreements that compromise their positions when they share moderate levels of concern for both their own and the other person's interests. When parties share high levels of concern for both self and other, they are more likely to reach agreements that integrate their underlying interests and maximize joint outcomes. With respect to economic outcomes, then, the principal question at issue is how the presence or absence of affect influences *joint* outcomes in the bargaining dyad.

Carnevale and Isen (1986) examined this issue directly in their study using a proximate-event inducement of affect (humorous cartoon and a gift), finding that positive-affect negotiating pairs reached significantly higher joint-profit agreements than neutral-affect negotiators. This result is consistent with evidence that positive affect improves creative problem solving (Isen *et al.*, 1987) and concession making (Baron, 1990) and reduces aggression (Baron, 1984). Less consistent, however, is the outcome reported by Fry *et al.* (1983) in their study of negotiation within dating and stranger couples. Fry *et al.* found a negative relationship between joint profit and couple involvement. Thus, there is evidence that positive affect does not always produce higher joint benefits in negotiation.

Taken together, the Carnevale and Isen (1986) and Fry *et al.* (1983) findings suggest that the influence of affect on economic outcomes may depend on the source of that affect. Earlier we proposed a role for affect source in connection with prenegotiation expectations: We argued that expectations rise or fall depending on whether or not affect is related to one's interpersonal relationship with the bargaining opponent. Research indicates that higher expectations may facilitate integrative solutions by motivating bargainers to look beyond simple compromise alternatives (Pruitt, 1981). By this logic, the same sources of positive affect that yield high aspirations would be expected to increase the value of joint outcomes. However, since high joint outcomes require a commitment by *both* parties to achieving an integrative solution, this will hold true only if both parties experience similar affect states. We propose, therefore, that under conditions of affect symmetry (both parties experiencing similar affect states), affect source moderates a positive relationship between experienced positive affect and negotiated joint economic outcomes. Joint outcomes are affected minimally, if at all, when negotiators experience positive affect arising from a favorable relationship with their opponent. Joint outcomes are influenced more strongly

when the source of experienced positive affect is dispositional or situational, rather than relational.

*P13.* Positive affect that is experienced by both parties increases the level of joint economic outcomes in a negotiated settlement. Affect source moderates this linkage:

*P13a.* The linkage is weak when the major sources of negotiator affect are relationship-based.

*P13b.* The linkage is stronger when the major sources of negotiator affect are dispositional or related to features of the bargaining setting other than inter-bargainer relationship.

Unexplored in the literature are conditions of affect asymmetry, such as when one negotiator experiences positive affect and the other experiences negative affect at the conclusion of the negotiation. Based on the results of a study of commercial litigation (Kaufmann & Stern, 1988), it appears that the negative party will continue to harbor ill-feelings, particularly if these are attributed to unfair dealings, exploitation, or deception on the part of the more content party (Ben-Zur & Breznitz, 1991; Russell & McAuley, 1986; Snell, McDonald, & Koch, 1991). This level of "retained hostility" will most likely be exhibited in avoidance, retribution, or dissembling in future potential negotiation encounters. This issue also pertains to the following issue of affect as a consequence of outcomes.

*Affect as a consequence of economic outcomes: social-psychological outcomes.* We argue that the outcomes obtained by the individual negotiator will, in turn, influence post-negotiation levels of positive affect, Affect<sub>3</sub>, as a consequence of the encounter. As with tactical effects discussed earlier, we frame our prediction in terms of an expectancy disconfirmation interpretation (Oliver, 1980; Oliver *et al.*, 1994). Specifically, positive affect is increased to the extent that negotiators achieve outcomes that exceed expectations, and is diminished by outcomes that fail to meet prior expectations. Consistent with the experimental finding of Oliver *et al.* (1994), we further expect that post-settlement levels of affect lead to perceptions of greater satisfaction and an increased desire for future interaction with this particular bargaining opponent. Thus, as depicted in the general framework in Fig. 1, we propose that affect state changes mediate the linkage between economic and perceptual outcomes.

The mechanism for this mediation is available from Weiner's (1985; Weiner, Russell, & Lerman, 1979) work. He proposed two affective sequences leading to outcomes, one based on the goal-relevance of the outcome to the subject—referred to as *outcome dependent* affect, and one resulting from causal ascriptions (attributions) for the outcome—referred to as *attribution dependent* affect. The first sequence is known as primary appraisal, the latter as secondary appraisal.

TABLE 2  
Operation of the Weiner (1985) Appraisal Sequence in Negotiation Settings

Negotiation outcome (outcome-dependent affect)	Attribution of responsibility	Perceived causes	Attribution-dependent affects
Success (happiness)	Self	Competence/skill, confidence Stealth/strategy	Achievement, pleasure, pride Gloating
	Partner	Cooperation Fair dealings	Appreciation, gratitude Trust
Failure (disappointment, sadness)	Self	Incompetent, unprepared, preoccupied Overwhelmed, "outgunned"	Embarrassment, guilt, regret, shame Exasperation, frustration, helplessness
	Partner	Abusive, aggressive, combative, contentious Deceptive, unethical	Anger, resentment Hostility, vengefulness

The expectancy disconfirmation process is thought to be responsible for both affect sequences, first as a mechanism for assessing the goal-relevance of the outcome through the met-surpassed-unattained expectations judgment, and secondly, as an instigator of attributional search for the cause of the outcome (Pyszczynski & Greenberg, 1981; Wong & Weiner, 1981). Depending on a number of factors, including the degree to which the outcome is favorable or unfavorable, and whether it is thought to result primarily from personal talents/failings or from the cooperative/contentious actions of the partner, various attribution-specific affects may be expressed. Such attribution-dependent affects include feelings of gloating or guilt for personal ascriptions and anger or gratitude for other-directed ascriptions. These "blend" with the affect resulting from primary appraisal to elicit negotiator satisfaction (cf. Oliver, 1989, 1993) as well as the summary affective tone brought to the next stage of the negotiation process, i.e., future behavior including compliance.

The specifics of this process are shown in Table 2. In the first column, the negotiation outcome is regarded as a success or failure with their attendant outcome-dependent affects of happiness and disappointment/sadness. The second column portrays the perceived attribution of responsibility as either due to oneself or to the partner. The third column describes some likely causes of these attributions in negotiation settings. For example, under success one can feel competent and/or stealthy and perceive the partner as cooperative and/or fair. Under failure, one can feel incompetent and/or overwhelmed while the partner may be viewed as contentious and/or unethical.

The last column displays likely attribution-dependent affects emerging from these attribution judgments. To illustrate, a common affect resulting from success due to skill is pride, while failure due to perceived lack of ability may result in guilt or shame or both. A common affect resulting from successes attributed to the partner's cooperativeness is appreciation,

while failure attributed to contentiousness may very well result in anger. More egregious partner behavior, such as deception, may result in hostility which, as we propose, will be retained in the next round, should it occur.

To summarize our predictions regarding post-negotiation affect:

*P14.* Post-negotiation positive affect increases with economic settlements that exceed aspirations, and is diminished by economic settlements that fall short of expectations.

*P15.* Post-negotiation positive affect increases (decreases) with the (un)favorability of the attributions made by the negotiator regarding both personal responsibility for the outcomes and the role of the partner in achieving these same outcomes.

*P16.* Negotiator satisfaction and desire for future interaction are a positive function of levels of post-negotiation positive affect.

### *Post-settlement Implementation*

Gray (1989, pp. 92–93) noted that collaborative agreements in conflict resolution are particularly susceptible to collapse during the post-settlement period where parties are obliged to implement the terms of a negotiated agreement. She cited value conflict and mistrust as examples of the kinds of inter-party dynamics that may undermine compliance with the terms of a settlement. We know of no empirical research in the social psychology of negotiation that has explicitly addressed post-settlement compliance. Evidence of post-transaction results in sales relationships does suggest, however, that trust and satisfaction are instrumental in maintaining future interaction (Crosby, Evans, & Cowles, 1990). We believe, similarly, that affective outcomes of the bargaining encounter will create the conditions for effective or ineffective implementation.

As shown in Fig. 1, we also believe that the outcomes achieved and the resulting generalized affect will play a role in the implementation process. Studies in perceived justice, particularly in the case of taxation com-

pliance and evasion, show that the judged fairness of outcomes and correlated affect are instrumental in gaining compliance (Kaplan, Reckers, & Reynolds, 1986; Porcano, 1988). Thus, our predictions regarding this stage of the negotiation process appear as follows:

*P17.* The fairness of the outcome achieved through negotiation and the positiveness of the affect generated by this outcome are positively related to the timeliness and quality of the negotiator's compliance with terms of the settlement.

*P18.* Satisfaction with the negotiated settlement and desire for future interaction with the bargaining opponent are positively related to the timeliness and quality of the negotiator's compliance with terms of the settlement.

## DISCUSSION

Our aim in this paper was to introduce a framework describing the role of affect states in various stages of a negotiation encounter. The underlying motivation for this effort lies in the frequently expressed observation that the topic of affect in bargaining is both important and underexplored (e.g., Neale & Bazerman, 1991; Neale & Northcraft, 1991; Pruitt & Carnevale, 1993). We should note, however, that many of the predictions we have generated rely on the tacit assumption that connections between affect and cognition found typically in basic laboratory studies of social cognition can be applied to the negotiation context. As affect researchers caution, this is a conceptual step one must make carefully, since many affect-cognition links are context-specific and not appropriately generalized to be a wider explanation of social behavior (Moore & Isen, 1990, p. 12).

The methodological issues raised by our analysis of affect in negotiation are far from trivial. Propositions addressing how affect within the encounter influences and is influenced by negotiation behavior are testable through the inclusion of affect measures in intra- and post-negotiation data collection. Empirical study of relationship-based affect in negotiation, on the other hand, poses a different methodological challenge. Arguably, affect in bargaining is underexplored in large measure because the dominant laboratory paradigm used to study the social psychology of dyadic negotiation is decontextualized (Barley, 1990). Investigating relationship-based affect requires the availability of ongoing relationships that comprise the social context for a bargaining encounter, as well as strategies for measuring those relationships (e.g., Greenhalgh & Chapman, 1993). With few exceptions (e.g., the Fry *et al.*, 1983, study of dating couples), lab studies have typically employed stranger dyads recruited as individual participants. If the situational control of the laboratory method is desirable, then it may be appropriate for

experimenters to consider a wider range of recruitment strategies that would import relationships, rather than simply individuals, into the subject pool. A recent example is a study by Thompson, Peterson, and Brodt (1996), which addressed the role of intrateam friendships in interteam negotiation.

Beyond relationships, there are thorny issues surrounding the manipulation and measurement of other forms of affect. The dominant experimental paradigm in social psychological studies has involved artificial inductions of affect. However, some forms of affect induction may pose particular problems for the study of negotiation. Several studies have manipulated affect by giving (or not giving) subjects a token gift, such as candy (e.g., Arkes, Herren, & Isen, 1988; Carnevale & Isen, 1986). As O'Connor and Rhoades (1995) observed, although this can be effective at inducing positive affect (Isen & Daubman, 1984), it is problematic in negotiation if it elicits a norm of reciprocity that would confound effects on concession behavior. In general, external validity concerns argue for observation over manipulation in testing predictions regarding situational affect, although this is likely to make detecting effects more difficult, thereby increasing the risk of Type II errors.

Empirical tests of the model developed in this paper are probably best undertaken in stages. Initially, researchers should examine the impact of affect on specific behavioral components of the negotiation process. This can be accomplished through manageable between-subjects experimental designs that treat decisions to negotiate, expectations, offers, and tactics as dependent variables. By combining pencil and paper measures of dispositional affect, subject-recruitment strategies that inject relationships into sampling frames, and (careful) inductions of situational affect, it is possible to examine how affect-behavior relationships vary with affect source.

Ultimately, given that affect processes in negotiation are dynamic, tests of the model will require longitudinal investigation. Although a single study of the entire model is unlikely, an investigation of its dynamic nature requires attention to the processes of expectation updating and affect shifts. To get at these processes in the laboratory, within-subjects designs are appropriate. In the field or in a negotiation simulation, multiple measurements at different time periods will be necessary. Of course, both approaches impose measurement artifact on the data, an issue which may require separate study in and of itself.

### *Future Directions*

In developing some of the research propositions in this paper, we argued that the role of affect varies de-

pending on the source of a particular affect state. At a conceptual level, this helps to resolve seemingly conflicting evidence that results from different experimental manipulations of affect. Certainly, more focused empirical work is needed to examine the verity of these source-contingent predictions. Corroboration would raise a new set of questions about the complementary and compensatory effects of multiple affect sources in dyadic interaction. For example, what are the implications when negotiators high in dispositional negative affect bargain with relationally close opponents? Do environmental inducements of affect have distinct effects on dyads comprised of intimates versus strangers or antagonists?

The model developed in this paper is limited to the role of affect within the dyad participating in a two-party negotiation. Certainly this is an oversimplification since many negotiation episodes involve more than two parties, not only at the table (e.g., Palmer & Thompson, 1995) but also in the background as constituencies or stakeholders (Friedman, 1994). For example, it would be useful to consider how affective processes are influenced by the presence of constituencies represented by the bargainer, as in the case of labor negotiations. In a laboratory study with student subjects role-playing a labor-management dispute, Jones and Worchel (1992) found that negotiators exhibited higher levels of liking for their constituency groups when the negotiators worked with constituency members to formulate initial bargaining positions versus when constituency groups formulated positions without the participation of their negotiator-representative. Two questions are suggested by this finding. First, might there be an affective "spillover" to the actual negotiation created by the presence or absence of a positive emotional connection between the negotiator and his or her constituency? Second, if affect can be generated or enhanced within the bargaining encounter (as we suggest in the model), what conditions of constituency relations would be more or less likely to facilitate or inhibit affective development within the bargaining dyad? In general, it may be that the role of affect varies not only with the presence or absence of a constituency structure, but also with characteristics of the negotiator-constituency relationship.

One further implication, stemming from the virtually unexplored research area of outcome consequences, is the role of negotiation process and outcomes on future events, most notably compliance and subsequent interactions. While both of these variables can be viewed as binary in the sense that they can be assessed as having occurred or not, more realistically they should be treated as continuous with degrees of meaning. Compliance can be overtly fulfilled and covertly subverted,

or only partially fulfilled, or nearly so. Subsequent interaction should be analyzed both in terms of willingness and in terms of the degree to which opportunities are made and carried through to fulfillment. The degree to which outcomes are embraced by the negotiators' constituencies (i.e., accepted as being represented by their interests) is still another post-outcome affective event which resides in the context proposed here. Such "third-party" reactions may well be instrumental in future theories of negotiation efficacy.

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