The Effects of Emotion Strategies on E-negotiation Behavior and Outcome

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Abstract
Emotional strategies have been well discussed in the face-to-face negotiation, but few studies have explored its application in the electronic negotiation system (ENS). The popularity of e-negotiation has made this issue critical not only to commercial negotiators or businesses, but to the researchers who studied negotiations and developers of ENS. Aiming to reveal the relationships between the emotional negotiation strategy, negotiation behavior and results on the ENS, a model was developed and tested in this study. Four emotional strategies were investigated in this study: Positive Emotion Strategy, Negative Emotion Strategy, Positive/Negative Emotion Strategy, and Negative/Positive Emotion Strategy so as to disclose (1) which strategy will reach the greater joint outcome and achieve a win-win solution; (2) which strategy will lead to an broken up result. An ENS system was also developed explicitly for this study in order to conduct the experiment and questionnaire survey. Findings are expected to shorten the negotiation time and cost via facilitating the trust between negotiators by using an effective emotional strategy.

Keywords: Electronic Negotiation Systems, Emotion Strategy

Introduction
Electronic Negotiation (E-Negotiation) is the negotiation conducted via the Internet, and the system that supports e-negotiation is called the E-Negotiation System (ENS) (Kersten & Noronha 1999). E-Negotiation has become a common activity for businesses nowadays (Yuan et al 2003) as it avoids the sentimental declination and geographical limitation which occur in a traditional face to face negotiation (Foroughi 1998).

Although emotional strategies have been studied in the face-to-face negotiation (Li & Roloff 2004) few researchers have investigated the impact of emotional strategies on negotiator’s behaviors and negotiation results when using ENS. Past e-negotiation researches focused on how to design a more friendly system interface or design, and more useful system structure (Hoslaplple et al. 1996, 1998). According to Media Richness Theory, the different media will affect the display of multiple cues and feedback immediacy. That is, in an E-Negotiation environment, multiple cues and feedback immediacy are more limited if compared to a face-to-face environment. For example, we cannot see the opponent’s expressions or movement, and we cannot hear his/her voice tone in an E-Negotiation environment. Kahai & Cooper (1996) asserted that under different communication media, the agreement process and results will be affected differently - such as clarity of emotions and message. Therefore, how the emotional strategy will impact on the negotiation agreement process and result on an ENS should be clarified.
Further, past researches only investigated how the single emotion such as positive emotion, negative emotion, and neutral emotion will affect the negotiator in setting up his/her strategic decision (Barsade 2002). None of these studies have discussed the issue of mixed emotions, not to mention to apply the emotion as a strategy that could be used to get their desired result in a negotiation. Past studies indicated that emotional strategies can be categorized as ‘positive’, ‘neutral’, and ‘mixed’ strategy (Kopelman et al. 2006). However, the result and process difference between using a mixed and single emotion strategy during negotiations has yet to be revealed.

Thus, the current study was designed to reveal the influence of emotion strategies on the satisfaction, perceived deception, offer acceptance and further interaction intention towards the opposite negotiator in the context of an ENS. More specifically, the research objectives of the current study were:

1. To study the effects that different emotion strategies will have on the satisfaction, perceived deception and offer acceptance towards the opposite negotiator.
2. To reveal the influence that the satisfaction, perceived deception and offer acceptance towards the opposite negotiator have on the future interaction intention with the same opposite negotiator.
3. To indicate the most efficient emotion strategy mix that can be applied in an E-Negotiation.

Base on the research objectives, a research model was developed (see Figure 1) and supporting literature and hypotheses were presented in the next section.

Figure 1: Research Framework

**Literature Review and Hypotheses**

**Emotional Strategy**

Emotional states are perceived as predictors of negotiated outcomes and how emotions affect interdependent decision making have been well investigated (Barsade 2002). The focus to apply emotional strategies in a negotiation was not only the outcomes related to the negotiable items on the table, but also outcomes related to the social relationship between the parties at the table (McGinn & Keros 2002). Barry (1999) argued the important role that emotions may play at a negotiation and asserted that “the willful use of emotional display or expression [can be used] as a tactical gambit by an individual negotiator.”
Emotion is a differentiated response to a specific situation (e.g., Barry 1999) which is relatively short-lived and is either triggered by an identifiable event or brought on as a means to achieving an aspired end if compared to the enduring mood. Emotions that may take place in a negotiation could be divided into intrapersonal effects and interpersonal effects (Morris & Keltner 2000). Intrapersonal effects refer to the influence of a negotiator’s emotions on his/her own negotiation behavior. Interpersonal effects refer to the influence of one negotiator’s emotions on the other negotiator’s behavior.

Emotions could also be used as a strategy to achieve a desire result. These emotional strategies, i.e. positive, negative, or neutral, may impact the social interaction between negotiators.

1. First, displayed emotions may convey information and influence strategic information processing (e.g., Forgas & George 2001). For instance, when some issues were mentioned, and counterparty’s emotion will become astatic, which conveyed that counterparty is very care about those issues. Negotiators can take information into account and elevating ascendance of oneself.

2. Second, emotions may serve as a means of persuasion (e.g., Forgas & George 2001) and thus may constitute a manipulative negotiation tactic that leads the other party to act in a way he otherwise would not have otherwise chosen. For instance, when negotiators displayed their emotions which want counterparty to know what was they care for, and wishing counterparty can make some concessions.

Research argued that the positive emotions lead to cooperative behaviors, better decision making, greater joint gains, and a more preferable future relationship. Negative emotions have been shown to decrease joint gains, lead to more competitive behavior, and negatively affect future relationship. Neutral strategy suggests that a negotiator is best advised to neither feel nor express emotion at the bargaining table because emotion is viewed as a weakness and leads to vulnerability (Kopelman 2006).

Hilty & Carnevale’s (1993) black-hat/white-hat strategy is a well-known one that uses emotions. Black hat is the negative emotion that takes a tough and competitive stance toward the adversary whilst the white hat is the positive emotion that takes a softer and more cooperative stance. Based on this strategy, the current study develops and examines four types of emotional strategies:

1. Positive emotions: Negotiators who have positive emotions, takes a softer, more cooperative stance, happiness, fairness, and so on.
2. Negative emotions: Negotiators who have negative emotions, takes a tough and competitive stance toward the adversary, and so on.
3. Positive/Negative emotions: Negotiators who mix positive and negative emotions in the sequences, and the first are positive emotions, and second are negative emotions.
4. Negative/Positive emotions: Negotiators who mix negative and positive emotions in the sequences, and the first are negative emotions, and second are positive emotions.
**Satisfaction**

Overall satisfaction (or cumulative satisfaction) is “an overall evaluation based on the total purchase a consumption experience with a good or service over time.” The whole satisfaction is formed by satisfaction with counterpart, process, and outcome of negotiation. The difference between negotiators expectations and outcomes is significantly correlated with negotiator satisfaction and when negotiator get better outcome, they will have a higher satisfaction (Li & Roloff 2004). Hwee (2004) argued that personal emotions will influence on consumer’s satisfaction. Supportively, Oliver (1993) asserted that positive and negative emotions will directly influence on consumer’s satisfaction.

Base on these studies, it is thus hypothesized that:

H1 : Different emotion strategies will lead to significant different level of negotiator satisfaction.

H1a: In terms of the counterpart satisfaction level under different emotional strategy, negative/positive emotion > positive emotion > positive/negative emotion > negative emotion.

H1b: In terms of the process satisfaction level under different emotional strategy, negative/positive emotion > positive emotion > positive/negative emotion > negative emotion.

H1c: In terms of the result satisfaction level under different emotional strategy, negative/positive emotion > positive emotion > positive/negative emotion > negative emotion.

**Offer Acceptance**

Reasons to accept an negotiation offer could be (Kahai and Cooper 1999):

1. He is satisfied with the problem-solving process.
2. He has other tasks pending and is dissatisfied with the inability to apply closure to the current task.
3. He dose not wish to create a conflict with another participant.

It is common in a negotiation that negotiators did not agree with counterpart’s offers but accepted or felt unfair/angry with the offer but accepted it at the end (Pillutla & Murnighan 1996). Kopelman et al. (2006) reported that emotions will greatly influence whether a negotiation offer was accepted or not. Hilty & Carnevale (1993) also revealed that black hat/white hat strategy had the highest level of offer acceptance whilst the white hat/black hat strategy had the lowest level of that. It is thus hypothesized that:

H2 : Different emotion strategies will lead to significant different level of offer acceptance.

H2a: In terms of the offer acceptance level under different emotional strategy, negative/positive emotion > positive emotion > positive/negative emotion > negative emotion.

**Perceived Deception**

Deception is a sender send an attempting message to receiver intentionally and making them had an incorrect viewpoint or conclusion (Buller and Burgoons, 1996). Biters would aid emotions generally, such as using negative emotion within-days (Zhou et al., 2004) and use more affective information to convince counterparty than an honest man. Schweitzer (2005) argued that deceptive behavior can take many forms, ranging in severity from bluffing, an accepted part of the negotiation process, to outright misrepresentations of material facts, which may constitute fraud.

Deception has become one of the main barriers in online electronic transactions, negotiation and bargaining. Studies of detecting deception investigated how the media richness of a
media platform and synchronicity can aid deception detect (Carlson and George 2004), and how to use the information-processing model to reveal whether an online deception detect is successful (Grazioli 2004). Although Zhou et al. (2004) reported that a biter will use emotion strategies to convince counterparty, there is no clearer statement about whether a use of emotion strategies will make the counterpart perceive a cognitive deception. To further explore this issue, it is thus hypothesized that:

H3 : Different emotion strategies will lead to significant different level of perceived deception.

H3a: In terms of the perceived deception level under different emotional strategy, negative/positive emotion > positive emotion > positive/negative emotion > negative emotion.

Satisfaction level was asserted to influence the future interaction intention (Garbarino & Johnson 1999). Ganesan (1994) also argued that the belief was a key factor in the long-term relationship and future interaction. That is, if the counterpart in a negotiation perceived a deception in the process, he/she may not want to interact with the same negotiator in the future. Supportively, Pillutla (1996) indicated that some negotiators refused propositions simply because they did not want to work on or interact with the counterpart. Thus, it was hypothesized that:

H4 : The negotiator's satisfaction level will positively influence the future interaction intentions.

H5 : The negotiator's offer acceptance level will positively influence the future interaction intentions.

H6 : The negotiator's perceived deception level will positively influence the future interaction intentions.

Expected Findings
Currently, the ENS developed explicitly for this study was tested and ready for the experiment planned to be conducted in the following two weeks. After that, the collected data will be analyzed using multivariate procedures in SPSS to test the research hypotheses proposed above. Significant results for each hypothesis were expected.

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