

## When Is Straightforwardness a Liability in Negotiations? The Role of Integrative Potential and Structural Power

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Negotiations present individuals with a paradox. On the one hand, individuals are expected via social norms and formal regulations to be honest and straightforward in their negotiations. On the other hand, individuals who mislead their negotiation counterpart are often rewarded with more favorable settlements. The authors investigate this paradox by examining the relationship between negotiators' dispositional straightforwardness and concessions made during a negotiation. Drawing from the dual concern model (D. G. Pruitt & J. Z. Rubin, 1986), the authors show how dispositional straightforwardness leads individuals to develop a greater concern for their counterpart's interests, which in turn leads to greater concession making during the negotiation. The authors then show how this individual-level relationship is moderated by features of the negotiation task, namely integrative potential and power.

*Keywords:* straightforwardness, negotiation, personality, power

Negotiations represent joint decision-making situations that challenge negotiators to manage contradictory forces. In theory, codes of conduct and ethical standards argue that negotiators must be straightforward, honest, and sincere in their dealings. This is evident in the American Bar Association's (1980) code of professional conduct, Disciplinary Rule 1-102(A)(4), which states that "a lawyer shall not . . . engage in conduct involving dishonesty, fraud, deceit, or misrepresentation" (p. 10). Similarly, the National Association of Realtors' (2007) Code of Ethics and Standards of Practice states, "When serving a buyer, seller, landlord, tenant or other party . . . REALTORS® remain obligated to treat all parties honestly . . . shall not deliberately mislead the owner . . . [and] shall not mislead buyers or tenants" (pp. 1–2). In practice, however, negotiators across a wide variety of fields often appear to mislead their counterparts to reach a favorable outcome for themselves (e.g., Aquino, 1998; O'Connor & Carnevale, 1997). This paradox creates an interesting tension for negotiators. On the one hand, negotiators are expected to be straightforward, as such behavior resonates with professional norms and standards, and the exchange of truthful information ought to lead to mutual under-

standing among negotiators. On the other hand, it appears that people who are less straightforward and more misleading often perform better in negotiations.

This tension is reflected in prior work documenting the dilemmas of trust and honesty in negotiations (cf. Kelley, 1966; Lewicki, Saunders, & Barry, 2006). According to Lewicki, Saunders, and Barry (2006), the dilemma of trust highlights that a negotiator who believes everything the other party says risks being manipulated by this party if it should behave dishonestly. The dilemma of honesty highlights that a negotiator who straightforwardly tells the other party the complete and unvarnished truth about its interests and positions risks never reaching a settlement that is better than his or her minimally acceptable level (i.e., resistance point).

To date, the scholarly literature has focused mostly on the deception and unethical features of this paradox, in particular the antecedents and consequences of such actions (e.g., Aquino & Becker, 2005; Boles, Croson, & Murnighan, 2000; Schweitzer & Croson, 1999). This research concludes that negotiators who deceive their counterpart often benefit from increasing their relative power (Lewicki & Robinson, 1998), their perceived power (Shapiro & Bies, 1994), and tangible outcomes (Chertkoff & Baird, 1971; O'Connor & Carnevale, 1997). However, these benefits occur at a cost to socioemotional outcomes such as interpersonal trust (Schweitzer, Hershey, & Bradlow, 2006). What is less understood is the role of straightforwardness in this paradox—in particular, how one's dispositional tendency to be straightforward influences one's behavior during the negotiation and ultimately the outcome of the negotiation. This is a critical gap in the literature because, currently, we can speak to the consequences of unethical ac-

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tions, but we cannot speak to the consequences or boundary conditions associated with straightforwardness in negotiations.

Certainly scholars have argued that the exchange of truthful information by negotiators facilitates mutually beneficial settlements (Pruitt, 1981; Thompson, 1991). Those who are high in the personality dimension of straightforwardness would seem to be the type of people who would engage in such information exchange. Straightforward individuals are frank, honest, and sincere in their dealings with others, and they refrain from contentious behaviors such as bullying, manipulation, and deception (Ashton & Lee, 2005; Costa & McCrae, 1992). However, we suspect there may be situations under which being straightforward is problematic in negotiations. In other words, can the dispositional tendency to be straightforward lead to negotiation behavior that is detrimental to the negotiator and, if so, under what conditions? The present study addresses these questions by considering how straightforwardness, conceptualized as a disposition of the individual negotiator, impacts individual-level concessions in dyadic negotiations. Drawing from the dual concern model (Pruitt & Rubin, 1986), we propose that straightforwardness leads to a greater concern for the other party, which then leads to individual negotiators conceding more from their initial demands. We then posit that this individual-level relationship between straightforwardness and concessions is moderated by (dyad-level) features of the negotiation task, namely integrative potential and structural power. Figure 1 provides a conceptual model of these multilevel relationships.

### Straightforwardness in Negotiations

Straightforwardness is one of the facets that compose the agreeableness factor of the five-factor model of personality (Costa & McCrae, 1992). Although no research has specifically looked at straightforwardness in negotiations, Barry and Friedman (1998) did investigate the role of agreeableness in distributive and integrative negotiations. Distributive negotiations represent zero-sum situations in which the two parties are attempting to secure a larger share of a fixed resource; integrative negotiations represent non-zero-sum situations in which the goals of both parties are not completely opposed and thus the opportunity for value creation exists. Barry and Friedman concluded that highly agreeable negotiators do worse for themselves in distributive negotiations in comparison to less agreeable negotiators in the same negotiation. These authors invoked a cognitive explanation for their results, arguing that the liability of agreeableness in distributive negotiations was due to highly agreeable negotiators falling prey to the trap of anchoring, which occurs when one party's extreme offer

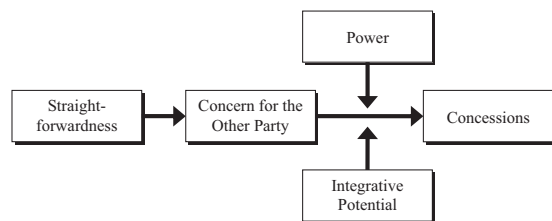


Figure 1. A conceptual model of straightforwardness in dyadic negotiations.

biases the other party's view of the underlying structure of the negotiation.

The notion of a dispositional liability is something we carry forward to the present discussion, but we also argue that decomposing agreeableness into its facets, in particular straightforwardness, is important for understanding the behavior of negotiators. Research outside of the negotiation domain has documented that broad personality factors and their facets can have differential effects and that, in some cases, the facets hold more explanatory power than do the broad personality factors. This is because the aggregation of personality facets into factors masks important relationships between the specific facets and outcomes of interest. For example, Moon (2001) examined how the broad personality factor of conscientiousness and its facets influenced individuals' escalation of commitment in investment decisions. Moon found that the broad factor of conscientiousness was unrelated to escalation behavior, but select facets of conscientiousness did impact individuals' escalation of commitment. In particular, the facet of achievement striving was positively related to escalation behavior, whereas the facet of dutifulness was negatively related to escalation behavior. Subsequent studies have gone on to demonstrate further that broad personality factors and their facets can have differential effects on individual behavior and performance (Griffin & Hesketh, 2004; Magid, MacLean, & Colder, 2007). On the basis of this research, it is clear that researchers should consider both the broad factors and the individual facets of personality. In fact, too much emphasis on the broad personality factors without consideration of specific facets may be one reason why personality has a poor record of predicting important negotiation outcomes (Hamner, 1980).

With respect to straightforwardness, there are both empirical and conceptual reasons to conclude that the straightforwardness facet and the broad agreeableness factor are not as similar as one might assume. Empirically, Ashton and Lee (2005) concluded

The NEO-PI-R [factors] tend to be somewhat heterogeneous in content and subsume some constructs whose loadings on the five lexical factors are somewhat modest. In the case of the NEO-PI-R Agreeableness [factor], two of the six facets assess constructs that are not among those that strongly define the Big Five Agreeableness factor as obtained in earlier English lexical research. (p. 1327)

One such facet is straightforwardness. John and Srivastava (1999) supported this conclusion, noting that the 12 items used to assess the broad agreeableness factor include only one item measuring straightforwardness. Conceptually, the agreeableness factor primarily comprises the altruism and compliance facets. These facets reflect one's general tendency to help others or conform but with less of an expectation for something in return when compared with straightforwardness (Costa & McCrae, 1992). Straightforwardness reflects one's tendency to behave in ways that are frank, sincere, and ingenuous. However, one can act in a straightforward manner and still be concerned about one's interests, especially in negotiation contexts in which, by definition, each party has at least some self-interest and expectation of mutual exchange. In this sense, straightforwardness is more of an exchange-oriented dimension of personality and involves consideration of actions that impact the other person during an exchange situation. This is in contrast to altruism, compliance, and thus the broad agreeableness factor, which generally reflect one's behavioral tendency to give or help

with less of an expectation for any exchange in return. For this reason, we expect straightforwardness to be more predictive of negotiation behavior than the broad agreeableness factor or the altruism and compliance facets.

In negotiation contexts, we expect that persons high in straightforwardness will ultimately concede more from their initial demands than persons low in straightforwardness. This is because we expect straightforward people to respond to the dilemma of honesty by being more frank, truthful, and sincere in negotiations, compared with persons who are lower in straightforwardness. The interesting consequence of this truthfulness, as noted by Kelley (1966) and Lewicki et al. (2006), is that by being more truthful, the straightforward negotiator is likely to acknowledge that his or her interests can be met at lower levels of favorability than would be the case with a less straightforward negotiator. Less straightforward negotiators can be more successful in negotiations because they are more comfortable either establishing unnecessarily high aspirations or arguing for higher settlement levels with less regard for the other party's interests. Less straightforward negotiators will also be more comfortable omitting key information that would compromise their own position. In contrast, more straightforward negotiators are likely to have more difficulty defending their aspirations than less straightforward negotiators, which ultimately should result in greater concessions from their initial demands.

Agreeableness has been shown to impact negotiation outcomes via anchoring processes (Barry & Friedman, 1998)—a cognitive explanation. We argue here that facet-level straightforwardness impacts negotiator behavior, namely concession making, via motivational processes. In particular, we argue that one's concern for the interests and well-being of the other party explains the relationship between straightforwardness and concessionary behavior. The dual concern model (Pruitt & Rubin, 1986) provides a useful theoretical framework for understanding these relationships. This model, which is an extension of Blake and Mouton's (1964) conflict grid, has the following two dimensions: (a) concern about one's own outcomes and (b) concern for others' outcomes. These two dimensions range from weak to strong and are independent. The degree of concern for others' outcomes is considered to be either genuine in nature or more of an instrumental concern. If genuine, the concern may be derived from positive feelings toward, or a perception of, common group identity with the other party. In the case of an instrumental concern for the other party, one's other-concern is often due to an expectation that future interaction with this party will occur and establishing a good working relationship is important (Pruitt & Carnevale, 1993).

Pruitt and Rubin (1986) highlighted that an important determinant of strategy selection by a negotiator is the perceived feasibility of the strategy. Feasibility is defined as "the extent to which the strategy seems capable of achieving the concerns that give rise to it and the cost that is anticipated from enacting each strategy" (Pruitt & Rubin, 1986, p. 35). The dual concern model posits that negotiators rely on four basic strategies as they pursue dispute resolution. One of these strategies is yielding (accommodation), which is the strategy a negotiator is expected to use more to the extent that he or she has more concern for the other's outcome. In discussing perceived feasibility, Pruitt and Rubin stated that to the extent that parties are more concerned about others' outcomes than their own, they are more likely to use an accommodating strategy.

We argue that negotiators higher in straightforwardness will have greater concern for the other party than people low in straightforwardness. This is because straightforward individuals have a strong desire to be frank, truthful, and sincere in their dealings with other people (Costa & McCrae, 1992). As a result, straightforward individuals are likely to develop a more instrumental concern for, and thus a more accommodating working relationship with, their negotiating partner. In other words, straightforward individuals have a greater concern for the other party because they assume that this will lead to a better working relationship. In contrast, less straightforward individuals are less motivated to be sincere or forthright when interacting with others and, as a result, are less likely to have or develop a concern for other people. In negotiations, straightforward individuals are more likely than less straightforward individuals to be concerned about the interests of the other party and consequently should find it more difficult to defend their positions and aspirations. Thus, the more straightforward individuals are, the more likely they are to concede from their initial demands.

We expect these effects of straightforwardness on negotiators' concern for the other party, and ultimately their concessions from initial demands, to be independent of any effects associated with the broad agreeableness factor or facets such as altruism and compliance. Relative to the broad agreeableness factor or these other facets, straightforwardness is much more descriptive of the actions taken toward others in exchange contexts such as negotiations. Conceptually, straightforwardness describes people's (un)willingness to manipulate others to get what they want, trick people into doing what they want, and be shrewd in handling other people. Altruism and compliance, and therefore the broad agreeableness factor, as these are the two dominant facets composing the broad factor, are more descriptive of people's willingness to help or obey, with less of an expectation for something in return, which is inconsistent with the basic idea of a negotiation.

This discussion about the consequences of straightforwardness leads to the following two hypotheses, which we expect are independent of any effects associated with the broad agreeableness factor or the altruism and compliance facets of agreeableness:

*Hypothesis 1:* Straightforwardness will be positively related to individuals' concessions from their initial demands.

*Hypothesis 2:* The relationship between straightforwardness and concessions will be mediated by the negotiator's concern for the other party.

### Integrative Potential

Although these hypotheses generally suggest that straightforwardness may be a liability, we anticipate that the deleterious effects of straightforwardness on concessions may be worse in some negotiation contexts (namely distributive negotiations) than in others (integrative negotiations). Since Walton and McKersie (1965) first distinguished between integrative and distributive negotiations, these two types of negotiation have been the focus of much research (e.g., Barry & Friedman, 1998; Lax & Sebenius, 1986; Pruitt & Carnevale, 1993). Because the goals maintained by the negotiating parties are usually in fundamental and direct conflict with one another and resources are fixed and limited, each

party in a distributive negotiation engages in behavior directed at maximizing its share of the outcomes to be obtained (Lewicki et al., 2006). This stands in contrast to integrative negotiations, in which if one party achieves its goals, the other party is not precluded from also achieving its goals. In essence, the structure of an integrative negotiation is such that it allows both sides to achieve their objectives (Walton & McKersie, 1965).

We propose that straightforwardness will be more of a liability in distributive negotiations than in integrative negotiations; in other words, we expect highly straightforward negotiators to concede more from their initial demands in distributive negotiations than in integrative negotiations. This is because the dispositional characteristics of such a person are inconsistent with the demands that are placed on a negotiator in a distributive bargaining context. Lewicki, Saunders, and Minton (1999) stated that “distributive bargaining is basically a conflict situation, wherein parties seek their own advantage—in part through concealing information, attempting to mislead, or using manipulative actions” (p. 106). Others (e.g., Johnston, 1982) also suggested distributive negotiations lead to the use of unpredictability, surprise, threats, bluffs, hostility, and the creation of negative images of the other side. Consistent with the writings of Ashton and Lee (2005) and Costa and McCrae (1992), who noted that straightforward individuals tend to refrain from these sorts of contentious behaviors, we suggest that more straightforward negotiators are likely to be less adept at such behaviors than less straightforward negotiators.

Relative to distributive negotiations, the characteristics of integrative negotiations provide greater opportunity for more trust and openness between negotiating parties, exchange of accurate information, predictability, and the abandonment of negative images of the other side. We expect these features of integrative negotiations are a good fit with the dispositional tendencies of a highly straightforward person. In addition, the importance of truthful information exchange in integrative negotiations, combined with the variable-sum nature of such negotiations, implies that straightforward negotiators can express their needs honestly, and it will not automatically lead to contentious-claiming behavior by the other party. This is because revealing truthful information in integrative negotiations helps the parties discover that they may prefer different settlement positions, which thereby allows both sides to get more value on the issues of more importance to them. A seller may care much more about selling price, for example, whereas a buyer may care much more about financing terms. In such cases, even if parties prefer opposite settlement positions on each issue, they can reach beneficial agreements because their priorities are different (i.e., the buyer’s most important issue is not the seller’s most important issue, thus allowing for tradeoffs across the issues rather than compromises on each issue). Although straightforward negotiators may still concede more than they should in an integrative negotiation, their honesty and frankness can also help the parties discover the integrative potential of the negotiation, which can make the total value of the settlement larger and create a situation that does not require the straightforward negotiator to concede as much as he or she would in a distributive negotiation. On the basis of these arguments, we hypothesize the following:

*Hypothesis 3:* The relationship between straightforwardness and concessions will be moderated by negotiation type such that the positive relationship between straightforwardness and

concessions will be stronger in distributive negotiations than in integrative negotiations.

### Power

We also expect that the relationship between straightforwardness and how much individuals concede from their initial demands will be impacted by the position power that disputants possess in the negotiation. Models of power usually characterize power in dyadic terms. For instance, Emerson’s (1962) work construed power in terms of how dependent one party was on another for valued resources. In the literature on negotiation and conflict, power has been defined as the ability to bring about desirable outcomes (Salancik & Pfeffer, 1977), the possibility to influence others (Bacharach & Lawler, 1981; Kelley & Thibaut, 1978), or the capacity to put effective pressure on the other negotiating party (Carnevale & Pruitt, 1992). Using any one of these definitions, a party with power can induce another party with less power to do what the latter would otherwise not do (Dahl, 1957; Kotter, 1979). More recent work on power has elaborated and contextualized early definitions, but most note that power can be construed as both a structural element of situations and a psychological reaction experienced by individuals (Anderson & Galinsky, 2006). The present study focuses on power as a function of the structural position parties occupy in negotiations.

Existing research on the role of power in negotiations has primarily considered the importance of equal or unequal power among negotiating parties (Rubin & Brown, 1975). Although roughly equivalent levels of power characterize many negotiations, there are numerous examples of negotiations in which disparities exist among negotiators in terms of position power (French & Raven, 1959). Consider when a boss negotiates with a subordinate over how a task should be executed, or when a department chair negotiates with a faculty member over teaching assignments, or when an acquiring company negotiates with a firm it has just purchased over the new human resource policies to be implemented. In each of these dyadic exchanges, the first party mentioned is usually seen as having an advantaged and more powerful position relative to the second party. In each case, the first party has the capacity to control one’s own and others’ outcomes from the dyadic exchange and, as a result, has more power (Magee, Galinsky, & Gruenfeld, 2007).

Relative structural or position power is often noted as an important factor in determining the bargaining strategies of negotiating parties and the settlements reached by those parties (Bacharach & Lawler, 1981; De Dreu & van Kleef, 2004; Habeeb, 1988). Existing empirical research would support the notion that relative power influences negotiation processes such as cooperation (e.g., Rekosch & Feigenbaum, 1966; Tedeschi, Bonoma, & Novinson, 1970) as well as joint outcomes (e.g., McAlister, Bazerman, & Fader, 1986). In fact, in many negotiations, it is likely that the more powerful party in the dyad could determine the outcomes of negotiation unilaterally, although powerful actors do not always use or invoke such power (e.g., Conlon, Carnevale, & Murnighan, 1994). Powerful negotiators may not unilaterally impose outcomes because they recognize that parties are typically more satisfied and committed to implementing the decision outcomes when they can view themselves as being at least partially responsible for the outcome (Lind & Tyler, 1988).

In general, the research on power in negotiations shows that dyads with equal power engage in more cooperative behavior, whereas dyads with unequal power engage in more contentious tactics and negotiating strategies. For instance, Sheposh and Gallo (1973) used a Prisoner's Dilemma paradigm to show that dyads of equal power are more cooperative than dyads with unequal power. Similarly, Swingle (1970) showed that dyads with unequal power engaged in more exploitative behavior than did dyads with equal power. More recent studies of power in negotiation have only reinforced the notion that power differences between negotiators lead to greater use of threats and punishments, thereby escalating conflict among negotiators (e.g., De Dreu, Giebels, & van de Vliert, 1998; Lawler, 1992). In sum, a general conclusion in this literature is that dyads with unequal power experience greater conflict and are more contentious than those with equal power.

In considering straightforwardness, one can easily see parallels between this discussion of unequal and equal power and our previous discussion of distributive and integrative negotiation contexts. Specifically, we expect that the impact of straightforwardness on concessions is likely to be exacerbated in negotiations of unequal power, as the behaviors that manifest themselves in such negotiations do not fit well with the dispositional tendencies of straightforward negotiators. For example, one could imagine that if a less powerful negotiator is more straightforward and reveals truthful information to a more powerful opponent, it becomes even easier for the more powerful negotiator to exploit this information. From a bases-of-power perspective, straightforward negotiators with low power lose any potential information power they have, and the structure of the situation does not allow them to gain any other source of power in exchange. Ironically, straightforwardness could even be a greater liability for more powerful negotiators because by revealing information about true preferences and needs, high-power negotiators undermine their advantaged position by providing information to low-power negotiators that bolsters the latter's negotiating position or heightens the latter's resolve to resist making concessions. Thus, we hypothesize the following:

*Hypothesis 4:* The relationship between straightforwardness and concessions will be moderated by power such that the positive relationship between straightforwardness and concessions will be stronger in unequal power negotiations than in equal power negotiations.

Although we expect the relationship between straightforwardness and concessions to be stronger in negotiations of unequal power, we also expect that within these unequal power negotiations, the negative effects of straightforwardness will be even more pronounced for the high-power negotiators. The low-power negotiator is already in a disadvantaged position and, as a result, begins the negotiation with a lower set of expectations. In contrast, the high-power negotiator is in an advantageous position, often has higher expectations, and thus has more to lose by being straightforward regarding his or her interests. Moreover, a high-power, straightforward individual is more likely (in comparison to a less straightforward, high-power person) to incorporate the other person's low-power position and the behavioral implications of this disadvantageous position. As stated previously, the genuine concern for the opponent experienced by individuals who are high on

straightforwardness stems from positive feelings toward the other party, a perception of common group identity (likely to emerge in this merger-acquisition negotiation), and a preference for a positive working relationship (Pruitt & Carnevale, 1993). Because the high-power, straightforward negotiator has these feelings, that person will be more comfortable relaxing his or her demands and subsequently making concessions. However, when an individual is in a low-power position, that person has to look for other ways to get a preferred solution. All else being equal, we expect a low-power position encourages less candid, less truthful, and less sincere behavior, which creates a disadvantage for the high-power, straightforward individual. In this sense, straightforwardness is one mechanism through which high-power negotiators can lose the advantages afforded to them by their positional power, which leads us to the following hypothesis:

*Hypothesis 5:* The relationship between straightforwardness and concessions will be moderated by role such that the positive relationship between straightforwardness and concessions will be stronger for high-power negotiators than low-power negotiators.

## Method

Participants were upper-level business undergraduates at a large, midwestern university. A total of 198 students voluntarily participated in the study, resulting in a total of 99 negotiating dyads. Average age was 22 years, and 50% were women.

## Procedure

Upon their arrival, participants were provided with an orientation to the study. Following their consent to the study, participants completed an initial questionnaire. The items used to assess straightforwardness were included in this questionnaire but were randomized and embedded in a broad array of personality-related items so that participants would not be able to deduce our focus on straightforwardness. Participants were then randomly assigned to one of two roles ("Mountain" or "Pinnacle"), and the role groups were then separated into two rooms. We used the Mountain-Pinnacle negotiation task, which is a variation of the new-recruit negotiation that has been used in prior research (e.g., Conlon, Moon, & Ng, 2002). In each negotiating dyad, one participant represented a company called Mountain, and the other participant represented a company called Pinnacle. The negotiators needed to arrive at a settlement on seven issues related to human resource management and compensation decisions. To ensure that participants would be motivated to negotiate, all parties were told prior to the negotiation that they had the opportunity to earn \$25 on the basis of their individual performance and the overall performance of their dyad. Specifically, we selected the top 50% of dyads according to joint value and from these dyads rewarded the top 20% of negotiators on the basis of their individual scores.

Prior to the negotiation, participants were provided written case materials to review and use in preparing for the negotiation. These case materials included information about their respective roles, the company, the negotiation context, the issues subject to negotiation, and supporting information to develop their positions on the issues. All text in the case materials not relevant to the

experimental manipulations (e.g., instructions, company names, geographic locations, background information) was held constant across conditions. Participants were allowed 30–40 min to review the materials. Upon reviewing the materials, participants answered several brief questions to verify that they understood the case and their point schedules for the seven negotiable issues. Once participants understood the case materials but prior to the negotiation, they completed a second questionnaire that included items related to their goals and aspirations in the negotiation.

Participants were then assigned to dyads by randomly pairing negotiators from each role (one party representing Mountain was randomly paired with one party representing Pinnacle). Dyads were placed into private rooms where they were allowed up to 45 min to negotiate a settlement on all seven issues. Upon reaching an agreement, each participant completed a form indicating the result of his or her negotiation and then completed a measure of his or her concern for the other party during the negotiation. Similar to the straightforwardness items, the survey items used to assess one's concern for the other party were also randomized and embedded in a longer survey to reduce the likelihood that participants would assume our interest in their concern for the other party.

### Manipulations

A  $2 \times 2$  factorial design varied the structural power inherent in the negotiating dyad (equal or unequal power) and the integrative potential of the negotiation task (integrative or distributive).

*Power and role.* Power was manipulated by varying the structural properties of the situation. In the equal power conditions, negotiators were told that their two companies (Mountain and Pinnacle) were merging and that both Mountain and Pinnacle negotiators had equal authority to decide exactly what the settlement outcomes were going to be. In the unequal power condition, negotiators were told that Mountain was acquiring Pinnacle. In this acquisition scenario, both parties were told that the Mountain negotiator had the authority to decide what the settlement outcomes would be, should the parties be unable to reach a negotiated settlement. Thus, the Mountain negotiator was in the high-power role, and the Pinnacle negotiator was in the low-power role because the Mountain negotiator had the capacity to control his or her own as well as the other's outcome, consistent with the definition of power provided by Magee et al. (2007). The equal power condition was coded 0, and the unequal power condition was coded 1. For testing Hypothesis 5, which only dealt with unequal power dyads, the low-power role was coded 0, and the high power role was coded 1.

*Integrative potential.* A total of seven issues were negotiated across all conditions. The settlement positions were held constant across all conditions (i.e., each issue could be settled at one of five outcomes, identical across all conditions). However, the payoff structure of the seven issues was manipulated to create either an integrative or a distributive negotiation (see Appendix). In the integrative condition, six of the seven issues were designed to allow for tradeoffs across issues. Issues that had a high priority for the Mountain negotiator (e.g., salary worth a possible 6,000 points and vacation time worth a possible 4,000 points) had lower priorities for the Pinnacle negotiator (e.g., salary worth a possible 2,400 points and vacation time worth a possible 1,600 points). In the distributive condition, the Mountain point structure remained the

same, but the Pinnacle point structure was changed to be in direct opposition to the Mountain point structure. The seventh issue (training location) was not manipulated in this study and thus was a compatible issue present in all conditions. The distributive condition was coded 0, and the integrative condition was coded 1.

### Measures

*Straightforwardness.* We measured straightforwardness via the long form of the Revised NEO Personality Inventory (Costa & McCrae, 1992). The scale included eight items and was measured on a 7-point agreement scale (1 = *strongly disagree*, 7 = *strongly agree*). Example items included "I couldn't deceive anyone even if I wanted to" and "At times I bully or flatter people into doing what I want them to" (reverse coded). The coefficient alpha for this scale was .63.<sup>1</sup>

*Concern for the other party.* We measured the degree to which each party was concerned for the interests of the other party using the following two items: "I was very concerned with the welfare and interests of the other party" and "I was very concerned with the outcomes of the other party." We adapted these items from past measures of concern for other (Lim, 1997) and the descriptions of concern for other provided by Pruitt and Rubin (1986). These items were measured on a 7-point scale (1 = *strongly disagree*, 7 = *strongly agree*). The coefficient alpha for this scale was .83.

*Concessions.* We operationalized concessions as the change in demand made by the negotiator from the onset of negotiations to the conclusion of negotiations. This is consistent with prior studies that have looked at concessions in terms of the decline in utility (points) over time (e.g., Carnevale, 2008; De Dreu, 1995; Stuhlmacher & Champagne, 2000). In the second questionnaire, which was completed directly prior to the negotiation, we asked participants "How many points will you try to get in this negotiation?" This item served as each negotiator's target goal. To measure change in demand, we subtracted each individual's actual point total (at the end of the negotiation) from this initial target goal. Each individual's actual point total was computed by adding together the points awarded across all seven negotiable issues. For each negotiable issue, a specific number of points were awarded based on the final settlement that was reached by the two negotiating parties (see Appendix for payoff structure).

*Control variables.* Given that straightforwardness is a facet of agreeableness, it is important that we distinguish the effects of straightforwardness on concessions from any effect that the broad agreeableness factor might have on concessions. In addition, one might argue that other facets of agreeableness, namely altruism

<sup>1</sup> This coefficient alpha is slightly lower than the common cutoff value of .70. However, according to Schmitt (1996), a low alpha value actually attenuates the observed relationship, making it less likely that one will find an effect. Moreover, coefficient alpha is, in part, a function of test length. With only eight items in our measure, it might be the case that our low alpha was due, in part, to the number of items. For these reasons, Schmitt actually concluded that "the use of any cutoff value (including .70) is shortsighted" (p. 351). For this study, we used the most established, validated measure of straightforwardness available (Costa & McCrae, 1992), and our .63 alpha attenuates the observed relationship between straightforwardness and the other variables of interest. Thus, the relationship observed in this study should be quite robust.

and compliance, might impact concession behavior. Therefore, we measured each of these variables using the long form of the Revised NEO Personality Inventory (Costa & McCrae, 1992). Each measure was assessed on a 7-point agreement scale (1 = *strongly disagree*, 7 = *strongly agree*). The coefficient alpha values for agreeableness, altruism, and compliance were .75, .73, and .63, respectively. To isolate the effects of straightforwardness on concession behavior and eliminate potential confounding effects, we controlled for these variables in our analyses.

### Data Analysis

Because individuals are nested within dyads, there is a lack of independence in the data. To take this lack of independence into account, we formally tested the hypotheses using multilevel modeling (Hofmann, 1997; Hofmann, Griffin, & Gavin, 2000; Raudenbush & Bryk, 2002). Multilevel modeling allows one to analyze variables at multiple levels of analysis in a series of regression equations. In this study, multilevel modeling is appropriate because we are interested in individual-level behaviors, in particular concessions during the negotiation, and these individual-level behaviors are nested within and impacted by dyad-level factors. The first level of analysis (Level 1) is the individual negotiator and includes measures of straightforwardness, concern for the other party, and concessions. The second level of analysis (Level 2) is the dyad and includes the manipulations of power and integrative potential. For the main effect hypothesis (Hypothesis 1), the  $t$  test of the  $\gamma_{40}$  parameter provides a direct test of the hypothesis, taking into account the lack of independence in the data. For the mediation hypothesis (Hypothesis 2), we used the methods outlined by Baron and Kenny (1986) and MacKinnon, Lockwood, Hoffman, West, and Sheets (2002). For the cross-level interaction hypotheses (Hypotheses 3–4), the  $t$  test of the  $\gamma_{41}$  and  $\gamma_{42}$  parameters provides a direct test of the hypotheses, taking into account the lack of independence in the data. For the Level 1 interaction hypothesis (Hypothesis 5), the  $t$  test of the  $\gamma_{60}$  parameter (for the interaction between straightforwardness and role) provides a direct test of the hypothesis (see Hofmann et al., 2000).

To interpret the estimates as representing strictly within-dyad effects, we centered all Level 1 predictor variables to each individual's mean (Hofmann et al., 2000). This form of centering removes any between-individuals variance in estimates of within-individual relations among the variables. This procedure ensures that any relations among the Level 1 variables are not confounded

by between-dyads differences. We used HLM Version 6.0 (Raudenbush & Bryk, 2002) to analyze all the hierarchical models.

### Results

Table 1 presents the means, standard deviations, and correlations among all study variables at the individual level of analysis. An examination of the means indicates that, on average, negotiators conceded 6,649 points from their initial target goal. Although the bivariate correlations must be interpreted with caution because they do not consider the nested structure of the data, integrative potential and concessions were negatively correlated, indicating that negotiators conceded less in integrative negotiations compared with negotiators in distributive negotiations. Straightforwardness was positively correlated with both concern for the other party and concessions, offering initial support for some of our basic propositions.

Prior to testing our hypotheses, it was important that we test an underlying assumption made in developing our hypotheses: Did those in the unequal power condition actually engage in negotiations? Recall that it was theoretically possible for the high-power negotiator in this condition to eschew negotiations altogether and instead use his or her position power to determine the outcome. To examine this possibility, we included a series of questions on the final questionnaire for those in the unequal power condition. These participants were asked, for each of the seven issues in negotiation, whether the settlement reached on the issue "occurred voluntarily through negotiation" or "was imposed by the Mountain negotiator." More responses in the latter category would indicate fewer settlements achieved via negotiation; if all seven issues were answered in this way, it would indicate that no outcomes were achieved via negotiation. Fortunately, this was not the case. Across the seven issues, the average number of issues settled through negotiation in the unequal power condition was 5.74, and this number was not significantly different whether reported by the low- or the high-power negotiator. In other words, on average, 82% of the issues were settled via negotiation, and there were no dyads in which all the settlements were imposed by the high-power party.

It was also important that we rule out potential problems with our use of difference scores in assessing concession behavior. The use of difference scores as dependent variables introduces methodological problems under three conditions: (a) when the components of the difference score are positively correlated, (b) when the

Table 1  
*Descriptive Statistics and Correlations*

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7
1. Integrative potential	0.45	0.50	—						
2. Power	0.48	0.50	.05	—					
3. Agreeableness	5.82	0.52	.06	-.07	—				
4. Altruism	5.89	0.56	.01	-.08	.79**	—			
5. Compliance	4.70	1.01	.05	-.10	.59**	.34**	—		
6. Straightforwardness	4.94	0.84	.04	-.02	.39**	.32**	.34**	—	
7. Concern for the other party	4.14	1.05	-.02	-.10	.09	.05	.11	.19**	—
8. Concessions	6648.69	3942.35	-.20**	.00	.04	.03	-.05	.24**	.09

Note.  $N = 198$ .

\*\*  $p < .01$ .

relative variances of the individual components significantly differ, and (c) when the difference score confounds the effects of the independent variable on the components of the difference score (Edwards, 1995). In this study, none of these three conditions were problematic. The two components of concession behavior, target goal and actual point total, were not significantly correlated ( $r = .13$ , *ns*). For both the target goal and actual point total, one standard deviation represented 20% of the mean value on these variables, indicating that the relative variance for each component was the same. Finally, for individuals in the equal power condition, straightforwardness was not significantly related to either target goal ( $r = .13$ , *ns*) or actual point total ( $r = .05$ , *ns*). For this last condition, we focused exclusively on the equal power condition because target goal was confounded with relative power in the unequal power condition. Thus, with evidence that negotiators in the unequal power condition engaged in the negotiation and that our use of difference scores was not subject to common methodological problems, we moved forward with formal tests of our hypotheses.

Hypothesis 1 predicted that straightforwardness would be positively related to concessions such that individuals who are more straightforward in their dealings with other people will concede more from their initial target goal. Our data (see Table 2) suggest that for every unit increase in straightforwardness, negotiators conceded, on average, 1,094 more points in the negotiation ( $\gamma_{00} = 6648.69$ ,  $\gamma_{40} = 1094.31$ ,  $p < .05$ ). Agreeableness, altruism, and compliance had no effect on concession behavior. Thus, Hypothesis 1 was supported.

Hypothesis 2 predicted that concern for other would mediate the relationship between straightforwardness and concessions. We tested this hypothesis using the methods outlined by Baron and Kenny (1986) and MacKinnon et al. (2002), which require that four conditions be met to infer mediation: (a) the independent variable must be significantly related to the dependent variable, (b) the independent variable must be significantly related to the mediator, (c) the mediator must be significantly related to the dependent variable, and (d) the previously significant relationship between independent and dependent variables decreases and becomes nonsignificant when controlling for the mediator. As noted in the test of Hypothesis 1, the first of these conditions was met.

With respect to the second condition, we regressed individuals' concern for the other party on individuals' straightforwardness,

controlling for the broad agreeableness factor, altruism, and compliance. This relationship was positive and significant ( $\gamma_{00} = 4.13$ ,  $\gamma_{40} = .19$ ,  $p < .05$ ), suggesting that more straightforward individuals also tend to have greater concern for their counterpart's interests and well-being. These data satisfy the second condition for mediation. We tested the third condition for mediation by regressing concessions on individuals' concern for the other party and found a strong, positive relationship between how much concern individuals had for their counterpart and concessions ( $\gamma_{10} = 1062.63$ ,  $p < .01$ ). These data satisfy the third condition for mediation. Regarding the fourth and final condition for mediation, we regressed concessions on straightforwardness and concern for the other party. As shown in Table 2, when controlling for concern for the other party, the main effect for straightforwardness on concessions becomes nonsignificant ( $\gamma_{10} = 904.22$ , *ns*), and concern for the other party has a significant effect on concessions ( $\gamma_{10} = 957.64$ ,  $p < .05$ ). A Sobel test (Baron & Kenny, 1986; Sobel, 1982) indicates that the effect of straightforwardness on concessions decreased significantly when controlling for individuals' concern for the other party ( $z = 1.68$ ,  $p < .10$ ), providing evidence and support for mediation. Thus, Hypothesis 2 was supported.

Hypothesis 3 predicted that integrative potential would moderate the relationship between straightforwardness and concessions such that the positive relationship between straightforwardness and concessions would be most pronounced in distributive negotiations. As shown in Table 3 and illustrated in Figure 2, integrative potential did moderate the straightforwardness–concessions relationship such that highly straightforward negotiators conceded more from their initial demands in distributive negotiations compared with integrative negotiations ( $\gamma_{41} = -1706.55$ ,  $p < .05$ ). On the strength of these results, Hypothesis 3 was supported.

Hypothesis 4 predicted that power would moderate the relationship between straightforwardness and concessions such that the positive relationship between straightforwardness and concessions would be stronger in unequal power negotiations than in equal power negotiations. Consistent with this hypothesis, our data (see Table 3 and Figure 3) suggest that straightforwardness is a liability, leading to more concessions from initial demands in unequal power negotiations ( $\gamma_{12} = 1915.53$ ,  $p < .05$ ). On the basis of the form of this interaction, our data also suggest that straightforwardness can be an asset in equal power negotiations in that negotiators in equal power negotiations make fewer concessions from initial

Table 2  
*Results of Hierarchical Linear Modeling Analyses for Concessions on Straightforwardness and Concern for the Other Party*

Independent variable	Main effects		Mediated effects	
	Coefficient	SE	Coefficient	SE
Intercept ( $\gamma_{00}$ )	6648.69**	248.32	6636.56	284.89
Agreeableness ( $\gamma_{10}$ )	1131.70	1478.63	1441.48	1420.52
Altruism ( $\gamma_{20}$ )	-554.98	1164.26	-663.04	1111.53
Compliance ( $\gamma_{30}$ )	-344.55	542.89	-468.70	521.64
Straightforwardness ( $\gamma_{40}$ )	1094.31*	479.71	904.22	465.19
Concern for the other party ( $\gamma_{50}$ )	—	—	957.64*	413.44

Note.  $N = 198$  individuals; 99 dyads.

\*  $p < .05$ . \*\*  $p < .01$ .

Table 3  
*Results of Hierarchical Linear Modeling Analyses for  
 Concessions on Straightforwardness, Integrative Potential,  
 and Power*

Independent variable	Cross-level moderated effects	
	Coefficient	SE
Intercept ( $\gamma_{00}$ )	6648.69**	273.51
Integrative potential ( $\gamma_{01}$ ) <sup>a</sup>	-1553.16**	545.26
Power ( $\gamma_{02}$ ) <sup>b</sup>	69.50	543.35
Agreeableness ( $\gamma_{10}$ )	713.64	1405.74
Altruism ( $\gamma_{20}$ )	-326.13	1109.85
Compliance ( $\gamma_{30}$ )	-459.75	527.51
Straightforwardness ( $\gamma_{40}$ )	932.24	441.76
Integrative potential ( $\gamma_{41}$ ) <sup>a</sup>	-1706.55*	784.66
Power ( $\gamma_{42}$ ) <sup>b</sup>	1915.53*	820.30

Note.  $N = 198$  individuals; 99 dyads.

<sup>a</sup> Dummy coded (distributive = 0, integrative = 1). <sup>b</sup> Dummy coded (equal power = 0, unequal power = 1).

\*  $p < .05$ . \*\*  $p < .01$ .

demands when they are highly straightforward regarding their own interests in the negotiation. Thus, Hypothesis 4 was partially supported in that the relationship between straightforwardness and concessions is positive for unequal power dyads. However, we did not expect that this same relationship for equal power dyads would shift from positive to negative. We expand on this particular nuance of our data in our discussion of the study's findings. Based on the variance components from the hierarchical linear modeling analysis, the two cross-level interactions between straightforwardness, integrative potential, and power collectively reduced the Level 2 variance in the main effect of straightforwardness on concessions by 90%.

Hypothesis 5 predicted that, within unequal power dyads only, the relationship between straightforwardness and concessions would be moderated by role (high power vs. low power). Specifically, we predicted that straightforwardness would be more detrimental in terms of concessions when the negotiator was in the high-power role as opposed to the low-power role. Consistent with this hypothesis, our data (see Table 4 and Figure 4) suggest that high-power negotiators do best when they are low in straightforwardness but concede just as much as low-power negotiators when they are high in dispositional straightforwardness. Thus, Hypothesis 5 was supported.

Our formal hypotheses and the results presented thus far deal specifically with understanding the impact of straightforwardness and concern for the other party on individuals' concessions from their initial demands. This discussion and the data, however, do not speak to the nature or pattern of concessions made during the negotiation. To examine the nature or pattern of individuals' concessions, we draw from the research of De Dreu, Carnevale, Emans, and van de Vliert (1994). These authors established a "concession index" that considered the movement parties made in terms of position levels on specific issues. Following their ideas, we examined the final settlement positions of each negotiator and determined the amount of movement by counting the number of positions they moved from their optimal settlement position on each issue.<sup>2</sup> For instance (as can be seen in the Appendix), the

Mountain negotiators' optimal settlement on the signing bonus issue was 2%; a final settlement of 10% on this issue would be a movement of four levels on this issue, whereas a final settlement of 6% would be a movement of two levels on this issue. We created two measures from these data. The *movement on other's most important issues* summed the amount of movement in positions each negotiator made on the three issues of most importance to his or her opponent. The *movement on other's least important issues* summed the amount of movement in positions each negotiator made on the three issues of least importance to his or her opponent.

Using these indexes of concession behavior, we examined how individuals' concern for the other party predicted which issues were conceded. As evident in Table 5, individuals high in concern for the other party moved further away from their optimal settlement point on the issues that were most important to the other party but not on the other party's least important issues. These data illuminate a nuance in the relationship between concern for the other party and individuals' concession behavior. Even though an individual might have a high concern for the other party, the individual does not concede on all issues—just those that are most important to the other party.

## Discussion

Ultimately, negotiations involve some amount of concession making by parties, or agreements cannot be reached. This study examined how dispositional straightforwardness impacts negotiator concession making and how this individual-level relationship is influenced by two dyadic-level features of the negotiation context, namely integrative potential and power. The empirical results from this study suggest that straightforwardness is an important individual difference that shapes negotiator behavior and ultimately the outcome of the negotiation. Our discussion of this study focuses on two implications of this research. We begin with a consideration of how our results inform the literature on dispositions in general and prior work on agreeableness and negotiations in particular. Second, we consider the implications of our cross-level influences on negotiator behavior.

### *Is Straightforwardness the Best Policy?*

We investigated an understudied dispositional facet of negotiators (straightforwardness, one facet of the personality dimension of agreeableness) and its influence on a key behavior in negotiation (concession making). Our study demonstrates the utility of examining specific facets of personality, and not just broad factors of personality, in predicting negotiator behavior. We found that greater levels of straightforwardness led to greater concessions from initial demands by negotiators and that this relationship was

<sup>2</sup> This measure assesses an individual's concession from the optimal settlement point for each issue. It does not assess concession from an individual's actual aspirations for each issue. To the extent individuals' aspirations differ from their optimal settlement point for any particular issue, these measures would diverge and represent two measures of concession behavior. Future research that examines the conceptual and empirical differences across these two forms of concession behavior would make a noteworthy contribution to the literature on negotiations.

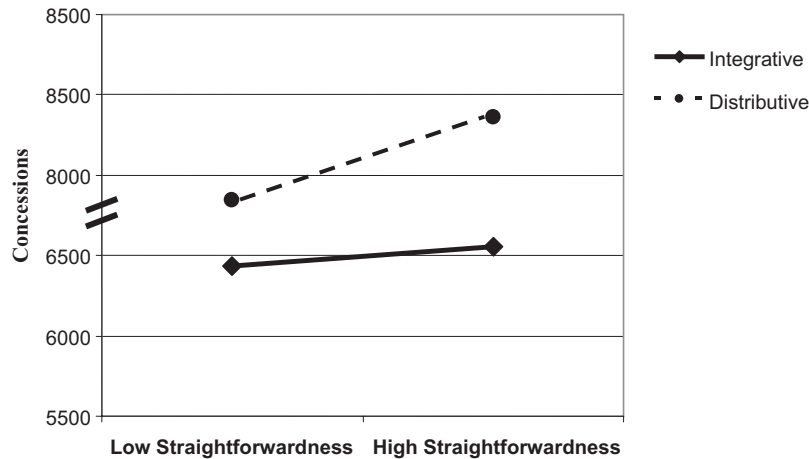


Figure 2. Effects of integrative potential on the relationship between straightforwardsness and concessions.

moderated by the integrative potential of the negotiation task and the relative power the disputants possessed. Our results also provide support for the dual concern model of negotiation and its emphasis on negotiator concern for the other party as a mediating variable between the dispositional factor of straightforwardsness and the behavioral act of concession making. We propose that those high in straightforwardsness desire to develop a sincere and genuine relationship with the other party, and this desire leads to a greater concern for the other party. That said, the present study offers limited insight into the psychological processes that explain why straightforwardsness leads to this greater concern for others. We encourage other scholars to investigate this relationship further by examining the psychological processes that link straightforwardsness with one's concern for others.

In this study, we also demonstrated that the broad factor of agreeableness and other facets (altruism, compliance) had no effect on concessions in our study, whereas the specific facet of straightforwardsness did. Thus, our study adds to a growing number of studies suggesting that relationships at the facet level can be quite different from relationships with the broad personality factors

(e.g., Griffin & Hesketh, 2004; Moon, 2001). That said, it should be noted that the magnitude of effect sizes for straightforwardsness and the broad agreeableness factor are similar (see Table 2). The agreeableness effect does not reach statistical significance because of a high standard error. One potential implication of this, notwithstanding the high standard error for agreeableness, is that straightforwardsness and agreeableness might have independent effects on concession behavior and quite possibly impact concessions through different mediational mechanisms. This is a nuance in our data that future research should explore.

We focused on agreeableness in part because there has been some prior work in negotiations linking this personality dimension to negotiation behavior in both integrative and distributive negotiations (Barry & Friedman, 1998). Given our results at the facet level, which are not identical to those found by Barry and Friedman (1998; more on this below), we suggest that it may be prudent to examine how facets of other personality dimensions might impact negotiations. For instance, facet-level constructs such as anxiety, achievement striving, and ideas (facets relating to the emotional stability, conscientiousness, and openness to experience

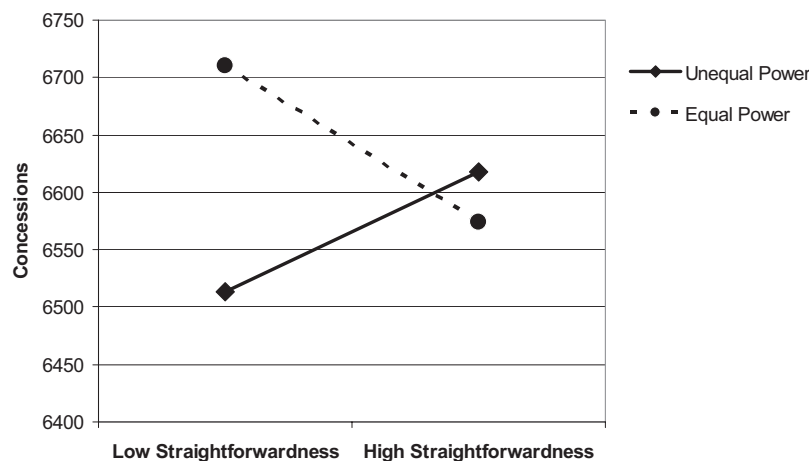


Figure 3. Effects of power on the relationship between straightforwardsness and concessions.

Table 4  
Results of Hierarchical Linear Modeling Analyses for  
Concessions on Straightforwardness and Role

Independent variable	Level 1 moderated effects	
	Coefficient	SE
Intercept ( $\gamma_{00}$ )	6646.25**	422.60
Agreeableness ( $\gamma_{10}$ )	1285.67	2147.19
Altruism ( $\gamma_{20}$ )	-436.79	1753.09
Compliance ( $\gamma_{30}$ )	-451.99	593.02
Straightforwardness ( $\gamma_{40}$ )	125.73	504.92
Role ( $\gamma_{50}$ ) <sup>a</sup>	-18082.45**	5062.03
Straightforwardness $\times$ Role ( $\gamma_{60}$ )	3443.09**	1011.97

Note.  $N = 96$  individuals; 48 dyads.

<sup>a</sup> Dummy coded (low power = 0, high power = 1).

\*\*  $p < .01$ .

dimensions of the Big Five, respectively) may also have important consequences for negotiator behavior, such as concession making and recognition of integrative potential in negotiations, even if the broad personality factors do not.

By way of example, we can compare our results with those of Barry and Friedman (1998). These authors found that agreeableness was a liability in distributive negotiations but had no effect on integrative negotiations. In contrast, we found that straightforwardness was a liability (led to more concession from initial demands) in both integrative and distributive negotiations, though our interaction results document that the effect was stronger in distributive than in integrative negotiations. It may be that our discovery of a main effect for straightforwardness on concessions is because we focused on the aspect of agreeableness most closely related to information exchange, a central mechanism in communicating value in negotiations. However, there is another possible explanation for why our results differ from those of prior work.

In the Barry and Friedman (1998) studies, the distributive and integrative negotiation tasks were very different in terms of complexity. The distributive negotiation was over a single issue, whereas the integrative negotiation was over multiple issues. Thus,

the two negotiations in their study differed in terms of complexity as well as in terms of whether the parties valued the issues similarly or differently. A notable contribution of our study is that, to our knowledge, it is the first study to use an identical negotiation task to examine distributive and integrative negotiations. By using the same task and the same number of issues, we eliminate the number of issues as an alternative explanation for our findings—an internal validity threat that prior studies on distributive and integrative negotiations could not eliminate. Thus, we could summarize our results as follows: In complex negotiations with numerous issues, straightforwardness increases concessions from initial demands, and this effect is even stronger when the negotiation is distributive rather than integrative. One question for future research is whether these patterns hold in less complex negotiations tasks, such as those with a single issue.

Another contribution and strength of this study is its use of multilevel theory and analytics to understand how personality, integrative potential, and power come together to influence negotiation processes and outcomes. Clearly, different conclusions are possible at different levels of analysis (Morgeson & Hofmann, 1999). For instance, whereas Barry and Friedman (1998) found that agreeableness can be a liability at the individual level of analysis, we developed and tested a multilevel model that suggests straightforwardness can be an asset under certain higher order conditions (equal power) and a liability under other higher-order conditions (unequal power, distributive negotiations). Given the link between straightforwardness and concern for others, one potential reason for why straightforwardness could be an asset in equal power contexts is that it facilitates greater cooperation among negotiators. Without this straightforwardness and concern for others, equal power negotiators may be less inclined to share information and explore the preferences of other parties, thereby forcing individuals to make greater concessions than they would otherwise to reach a settlement. This finding illustrates just how important the negotiation context is for understanding the impact of individuals' dispositions on negotiation processes and outcomes. Whereas few studies have considered the role of personality in negotiation, even fewer studies have examined how

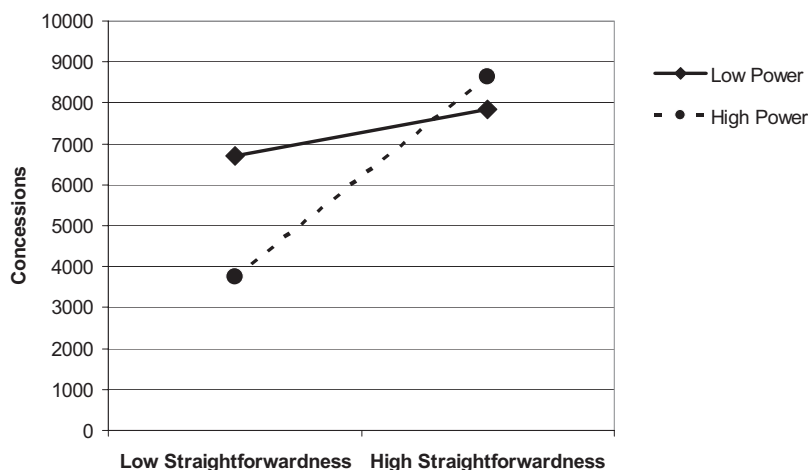


Figure 4. Effects of power on the relationship between straightforwardness and concessions in unequal power negotiations.

Table 5  
*Results of Hierarchical Linear Modeling Analyses for  
 Concessions on Most and Least Important Issues*

Independent variable	Most important issues		Least important issues	
	Coefficient	SE	Coefficient	SE
Intercept ( $\gamma_{00}$ )	6.88	0.17	5.12	0.17
Concern for the other party ( $\gamma_{10}$ )	0.88**	0.20	0.39	0.25

Note.  $N = 198$  individuals; 99 dyads.

\*\*  $p < .01$ .

individual-level personality interacts with contextual features of the negotiation task or relationship among parties to shape individual negotiator behavior and ultimately the outcome of the negotiation. In this sense, the field of negotiation studies could really benefit from a conceptual model illustrating how different features of the negotiation context help shape the role of individual dispositions such as personality in negotiations.

As in any study, this study is not without limitations. The use of students as the basis for our sample highlights the importance of examining the role of personality and power in negotiation, as well as differences between integrative and distributive negotiations, in a field setting. Nonetheless, the sample and laboratory setting used in this study are reasonable for two reasons. First, students often find themselves in contexts in which they must negotiate. Second, students are often involved in negotiations that involve power disparities (e.g., student–professor disputes, tenant–landlord disputes).

One might also be concerned that the present negotiations involved relatively short time frames and occurred between parties with little to no prior contact. In this particular study, no two parties within a negotiating dyad knew each other prior to the experiment, and participants were given up to 45 min to negotiate. Interestingly, these attributes of laboratory studies (and real-world negotiation contexts) may actually suppress the strength of relationships between our key variables. Because of the short time frames and minimal prior interaction, straightforward negotiators have less of an opportunity to evaluate their opponents and determine their level of concern for the other side. In fact, these features of the experimental context enable us to isolate the effects of straightforwardness, whereas in a field setting this would be more difficult. Also, one needs to keep the nature of the research question in mind when assessing the relevance of external validity (Berkowitz & Donnerstein, 1982). With regard to the present study, there is no apparent reason why the relationships we propose could not be tested in this specific context.

Another potential limitation of this study is related to the context of the negotiation task used with dyads in the equal power condition. In this condition, negotiators assumed the role of representatives from two merging companies. In this role, negotiators sought to reconcile divergent human resource management policies between the two merging organizations. As a result, goal interdependency might be higher in this context than in other negotiation tasks in which little integrative potential exists. This is also related to the reward structure we used in this study. We used a reward structure that valued both individual and dyadic perfor-

mance. We chose this particular hybrid reward structure because it reflected many negotiations in practice, especially those related to our context of two firms being integrated owing to merger or acquisition. However, future research that manipulates goal interdependence in the negotiation task or reward structure would be a noteworthy extension of our study.

### Future Research

Findings from the present study illuminate several specific areas of inquiry for future research. Albeit beyond the scope of this study, personality may in fact influence concession-making behavior via processes other than one's concern for the other party. For instance, Barry and Friedman (1998) discussed the effects of anchoring. Certain individuals (or dyads), depending on their dispositional orientation, may engage in more extensive anchoring that, in turn, biases judgments of the underlying economic structure of the negotiation. Individuals' optimism may be one such factor that influences this process (Scheier et al., 1989). Thus, we certainly recommend that researchers explore the effects of other facets of personality in negotiation contexts.

In addition, building on French and Raven's (1959) conceptualizations of legitimate power, we conceptualized power in this study in structural terms and operationalized it as the potential for one party to determine the joint outcome. This characterization of power differences may be found more frequently in hierarchical settings such as organizations than in other environments. Although such an operationalization is similar to how power has been construed in some prior studies (e.g., the supervisor–subordinate power distinction used by De Dreu & van Kleef, 2004), it is clearly different from other studies (e.g., Kim & Fragale, 2005; Vitz & Kite, 1970). For instance, the presence and quality of individuals' best alternative to a negotiated agreement (BATNA) are common methods by which power is manipulated, and some prior research has investigated power differences by manipulating the quality of these BATNAs (e.g., Pinkley, Neale, & Bennett, 1994). Other work has created variation in the perception of one's general sense of power by having people recall an instance in which they had power over someone or when someone had power over them (e.g., Galinsky, Gruenfeld, & Magee, 2003).

Future research should explore the conclusions of the present study using other forms of power. For example, although having less structural power or a comparatively weaker BATNA might lead negotiators to make concessions, perhaps it is easier to bluff and behave as if one had a better BATNA than it is to behave as if one had more structural power, suggesting that there would be even more concession making by a negotiator with low structural power than a negotiator with a low BATNA. It would also be interesting to see how both power manipulations influenced a negotiator's general sense of power (see Galinsky et al., 2003). Future research examining whether different structural variations of power create similar or different psychological reactions or negotiation behavior would be particularly noteworthy.

Finally, our study focuses exclusively on economic-oriented concessionary behavior, and as a result, we cannot speak to the impact of straightforwardness and concern for others on intangible negotiation outcomes (e.g., perceptions, attitudes). Researchers have long criticized the relative lack of attention paid to the intangible outcomes of negotiation (e.g., Rubin & Brown, 1975).

In a review of the negotiation literature from 1993 to 2002, intangible outcomes were included in only 16% of studies (Mestdagh & Buelens, 2003). A broad array of intangible outcomes were beyond the scope of this article, but future research should seek to extend our findings beyond economic outcomes and examine negotiator perceptions and attitudes such as justice and fairness perceptions, trust, and relationship quality. Research by Curhan, Elfenbein, and Xu (2006) identified a range of intangible outcomes that might be particularly important in negotiation contexts and thus might serve as a guiding framework for this line of research.

### Managerial Implications

Negotiations play a vital role in many managerial situations. From mergers and acquisitions to employees negotiating employment contracts, the number and type of dyadic negotiations are vast. Thus, understanding what factors influence the nature of these negotiations has significant implications for managers. Results from the present study indicate that negotiator straightforwardness is more of a liability in some situations than others. Herein we argue that managers have two basic alternatives for managing these issues in dyadic negotiations. We then discuss the implications of this study for training individuals in negotiation contexts.

Given that straightforwardness is especially troublesome in distributive negotiations, one option managers may want to pursue is to create more integrative potential in negotiations. Pruitt and Carnevale (1993) and Lewicki et al. (2006) identified numerous ways managers can increase the integrative potential of any negotiation. One approach suggests that managers find ways to increase the available resources so that both sides can achieve their objectives (i.e., expand the pie). In addition, managers can add issues to the negotiation such that both parties will be able to make concessions on issues that are of low priority to them and high priority to the other party. A final tactic for increasing integrative potential is for managers to further their understanding of the concerns that underlie the positions taken by the other party and seek to resolve those concerns. These concerns may involve goals, values, or principles, some of which may not be reconcilable without intervention from a third party. These three approaches should increase the integrative potential in the negotiation and may also reduce the use of behaviors (threats, bluffs, etc.) that are difficult for the straightforward negotiator to use effectively. However, we recognize that increasing the integrative potential of a negotiation is not always an option.

Another option that has received little attention in the negotiations literature is to focus on the training of negotiators. The present study complements prior research on personality and negotiation (e.g., Barry & Friedman, 1998; Moberg, 1998) by further documenting the impact of personality on the behavior of negotiators and outcomes of the negotiation. On the basis of these findings, we expect there is an opportunity for organizations to train individuals how to be more or less straightforward in negotiations depending on what the situational context calls for (e.g., whether there is equal or unequal power between negotiators). Our findings suggest that negotiator performance could be enhanced if individuals could be trained to identify the type of negotiation task and any power differences between negotiators and, on the strength of this information, adapt how straightforward they would be in their dealings with other negotiating parties. Conversely,

personality is often considered a fairly stable disposition of individuals and, as a result, is often considered an important selection tool for organizations (Schmit & Ryan, 1993). Although the current study does not address the full set of decision rules and processes that would be required to use straightforwardness systematically as a selection criterion for negotiators, it does raise the question of whether negotiators can be trained to adapt their dispositional tendencies across different negotiation contexts, or whether straightforwardness is best used as a selection tool. Future research that examines the relative validity of training to be more or less straightforward according to the situation, versus selecting negotiators on the basis of their dispositional straightforwardness, would go a long way toward helping organizations extend our findings into the realm of practice.

In conclusion, our results suggest that straightforwardness generally leads to greater concession making, and the strength of this relationship depends on structural and relational elements of the negotiation task, namely integrative potential and power. In this sense, the present research further highlights the dilemma of honesty, whereby a negotiator who is dispositionally oriented toward being straightforward risks reaching a suboptimal outcome. However, we also extend our understanding of the dilemma of honesty by specifying a new underlying mechanism through which this occurs (concern for the other party), as well as boundary conditions for when straightforwardness is truly a liability in dyadic negotiations.

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## Appendix

### Payoff Structures for the Distributive and Integrative Negotiations

Settlement	Points		
	Mountain distributive and integrative	Pinnacle	
		Distributive	Integrative
Signing bonus (%)			
10	0	1,600	4,000
8	400	1,200	3,000
6	800	800	2,000
4	1,200	400	1,000
2	1,600	0	0
Vacation time (days)			
25	0	4,000	1,600
20	1,000	3,000	1,200
15	2,000	2,000	800
10	3,000	1,000	400
5	4,000	0	0
Starting date for college graduates			
June 1	0	2,400	6,000
June 15	600	1,800	4,500
July 1	1,200	1,200	3,000
July 15	1,800	600	1,500
August 1	2,400	0	0
Moving expense coverage (%)			
100	0	800	3,200
90	200	600	2,400
80	400	400	1,600
70	600	200	800
60	800	0	0
Insurance coverage plan			
A	0	3,200	800
B	800	2,400	600
C	1,600	1,600	400
D	2,400	800	200
E	3,200	0	0

(table continues)

Appendix (*continued*)

Settlement	Points		
	Mountain distributive and integrative	Pinnacle	
		Distributive	Integrative
Salary			
\$50,000	0	6,000	2,400
\$48,000	1,500	4,500	1,800
\$46,000	3,000	3,000	1,200
\$44,000	4,500	1,500	600
\$42,000	6,000	0	0
Training center location			
Boston	0	0	0
New York	300	300	300
Chicago	600	600	600
Los Angeles	900	900	900
San Francisco	1,200	1,200	1,200

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