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CHAPTER 11

NEGOTIATION IN VIRTUAL ORGANIZATIONS

Roy J. Lewicki and Brian R. Dineen

ABSTRACT

Our purpose in writing this chapter is to explore the nature of negotiation in virtual organizations. Specifically, we present several guiding principles that facilitate an understanding of some of the unique ways that the nature of virtual organizations can shape or modify negotiation processes and outcomes. First, we describe several elements of the negotiation process that are fundamental to any negotiation situation. Second, we review key principles of traditional negotiation, including context, negotiating dynamics, communications, and individual differences. We then discuss these principles from the standpoint of virtual negotiations. Finally, we conclude by making some prescriptive statements about how one might negotiate more effectively in a virtual environment.

INTRODUCTION

In this chapter, we will explore the nature of negotiation in the virtual organization. While the process of negotiation has been written about extensively in the management literature (Fisher, Ury, & Patton, 1991; Lewicki, Hiam, & Olander, 1996; Lewicki, Saunders, & Minton, 1999), little has been written about the ways that negotiation processes might be differ-

ent or unique in a virtual organization environment. There are many different ways to understand negotiation. In this chapter, we present several guiding principles that should facilitate an understanding of some of the unique ways that the nature of virtual organizations can shape or modify negotiation processes and outcomes. First, we describe several key elements of the negotiation process that are fundamental to any negotiation situation. Second, we review key principles of traditional negotiations, including context, negotiating dynamics, communications, and individual differences. Next, we discuss these areas from the standpoint of virtual negotiations, describing relevant research and highlighting points of similarity and difference. Finally, we use this review to make some prescriptive statements about how to negotiate more effectively in a virtual context.

FUNDAMENTAL ELEMENTS OF NEGOTIATION

We begin by reviewing some basic elements of negotiation that are common to all organizational settings. While many readers may be familiar with the negotiation process, others may be reading about negotiation for the first time. It is therefore appropriate for us to review some fundamental negotiation elements before we discuss the ways that virtual organizations may affect and change negotiation process and dynamics.

Negotiation is a very complex social process. Two or more parties, each with different preferences or priorities, are interacting with each other to achieve some agreement about those preferences and priorities. Lewicki and colleagues (1999) define the negotiation process as having several fundamental elements:

- Two or more parties: individuals, groups, or organizations.
- A conflict of interest. Each wants different things, and the parties must find a way to manage those differences.
- A voluntary process. The parties choose to negotiate vs. pursuing alternative ways to achieve their objectives—i.e., going it alone or pursuing a less satisfactory agreement.
- Expectation of “give and take.” Each expects that they, and the other, will have to modify their objective or make concessions in order to reach an agreement.
- The pursuit of both tangible and intangible goals. *Tangible* goals relate to the specific “discernable” objectives of the parties—a particular price, or rate, or terms of the agreement. However, the parties often have *intangible*, or psychological goals—to win, to beat the other, to protect or defend “a principle,” to look good to the people whom they report to or are accountable to. As frequently noted,

intangible goals are often as important, if not more important, than tangible goals; when disputes reach an impasse or the parties seek out neutral third parties, it is often because the intangible objectives have become so prominent that they are overshadowing the tangible objectives (Lewicki et al., 1999, pp. 6–7).

- Varying outcomes. Because negotiation is a process of resolving differences between two or more parties, negotiation outcomes can be described in terms of the degree to which they actually meet the desired goals and objectives of each side. We can represent possible outcomes to a conflict in a two-dimensional matrix in which one dimension is the degree to which you achieve the outcomes you want, and the other dimension is the degree to which the other party achieves the outcomes they want (see Figure 1). Locating any given outcome in this space allows us to describe both conflicts and outcomes in the familiar terminology of “win-win,” “win-lose” and “lose-lose.” As can be seen, outcomes in which both parties are highly satisfied with the outcome are typically called “win-win”; when only one party is satisfied, the outcome tends to fall in the “win-lose” space; and when neither party is satisfied, the outcome can be called “lose-lose.”

Negotiation is an extremely common process in organizations. At the individual level, two clerks discuss how to divide up a pile of paperwork in order to complete it by the end of the day. Managers coordinate with each

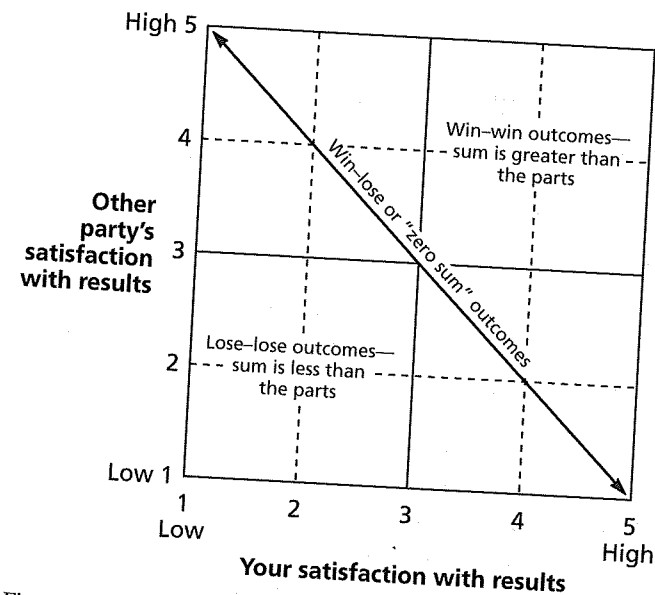


Figure 1. Outcomes can be win-lose, win-win, or lose-lose.

other to make sure that the opening of a new warehouse proceeds smoothly. Purchasing agents represent their organizations to negotiate the price and delivery of new supplies of raw material. A customer requests a price discount and free delivery on a very large order. Labor and management periodically sit down to discuss the terms and conditions of the employment relationship—how will workers be paid, what other benefits will they receive, and what jobs and duties are they expected to perform. And organizations themselves frequently negotiate with their environments, as when companies decide to acquire another company, merge together, or form a joint venture or alliance in order to improve their strategic position in the broader marketplace.

Negotiation is used to make strategic choices and decisions when parties have different preferences and priorities (Lax & Sebenius, 1986; Raiffa, 1982); it is used to coordinate actions when parties have motivations to both compete and cooperate (Rubin & Brown, 1975; Walton & McKersie, 1965); it is used as a proactive process by which organizations deal with their environments (Murray, 1983). As a result, managers need to know "how negotiation works," and how to make it work more effectively to achieve their strategic position in the broader marketplace.

THE NATURE OF NEGOTIATION IN ORGANIZATIONS

There are two major aspects to negotiations that we will discuss when examining the negotiating process. First, the parties have several different options for managing conflict, and negotiation is only one of the options. Second, when engaged in negotiation in organizations, parties clearly have to decide on the importance of the specific outcome and ALSO the importance of the future relationship with the other party. This choice clearly dictates the strategy they pursue.

1. *There are variations in the strategies used to manage conflict.* Negotiation is a process of conflict management. Like negotiation, conflict is inevitable in organizations (George & Jones, 1999; Kochan & Verma, 1983). In studying the true nature of managerial work, Mintzberg (1975) pointed out that of the ten most common roles filled by managers, three of them—resource allocator, negotiator, and disturbance handler—are clearly related to the management of conflict.

When conflict occurs in an organization, there are three primary ways that the disputing parties can resolve it:

- They can try to work it out themselves. Researchers have identified five fundamental styles of handling interpersonal conflict: Avoiding, Accommodating, Competing, Compromising and Col-

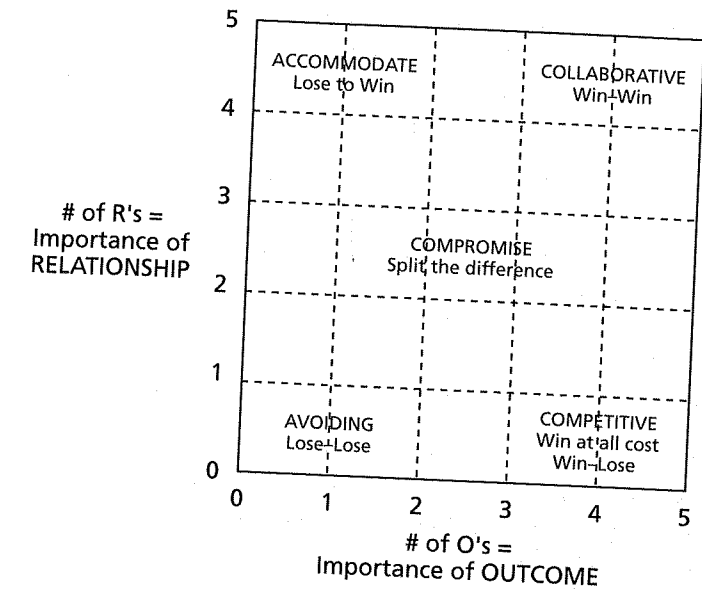


Figure 2. The five legitimate negotiation strategies.

laborating (Kilman & Thomas, 1977; see Figure 2). As we will describe later, some of these styles can also be described as approaches to negotiation.

- They can take the dispute to a "third party" who may help them resolve it. The clerks can go to their supervisor and ask for a decision or for help in resolving the problem. Labor and management seek out third parties to help them arrive at a viable contract. These third parties typically serve as arbitrators (people who actually propose—and sometimes impose—a conflict solution on the parties) or mediators (people who help the two parties negotiate more effectively so that they arrive at their own solution). In many organizations, ombudsmen also function as third parties by investigating the dispute, validating claims and trying to help the parties find an amicable settlement (Rowe, 1995; Sheppard, 1984).
- Finally, they take their conflict to a dispute resolution system, such as a grievance system, an appeals procedure, or even a court of law, where the parties expect to be able to have their arguments heard and their point of view honored, and then to move toward some kind of settlement (either by relying on existing law and policy or by creating new law and policy to govern such situations). Taken together, these second and third options are often

referred to as Alternative Dispute Resolution (ADR) (for an excellent review, see Costantino & Merchant, 1996).

2. *Parties differ in their preferences for obtaining tangible outcomes and maintaining the relationship with the other party.* There are two major forms of outcomes one can pursue in a negotiation. The first is a substantive outcome. These are outcomes you want to achieve on specific issues. Each clerk wants to make sure that he or she does not receive more than a fair share of the work. The purchasing agent wants to receive a favorable price and delivery schedule for the raw material. Workers want to receive a pay increase and a better benefit package from the company.

The second major outcome is a relationship outcome. Most research on negotiation has studied the give-and-take process as though it was an isolated event, occurring between parties who do not know each other and who have no past or future relationship. However, most actual negotiations in the workplace occur between people who DO know each other, negotiate frequently with each other, and have some past or future relationship. This reality has several important consequences:

- Preparing for negotiation will require an analysis of the relative importance of the outcome and relationship goals. In some negotiations, the substantive outcome is the most important element; but in other negotiations, the quality of the ongoing relationship is the most important element.
- Maintaining the relationship will be a critical goal when the parties have to work together repeatedly over a period of time. If one party ignores the relationship and only pursues outcome goals, he or she may achieve an extremely favorable outcome, but the other party may feel angry, upset or even betrayed. As a result, in the future, the "loser" is likely to engage in behaviors that are designed more to punish the other for the past defeat than to seek success on current strategic goals. In organizations, the long-term consequences for both parties can seriously hamper their ability to agree and work together.
- Thus, there are times when maintaining the relationship may be MORE important than the substantive outcome, since parties who negotiate continually with each other need to find a way to achieve their objectives, but not at the expense of the other.

Therefore, in Figure 2, we can represent a negotiator's strategic alternatives in a two-dimensional matrix, reflecting the degree to which a negotiator is concerned about achieving specific outcomes, and or maintaining/enhancing the relationship with the other party.

While a negotiator's strategy can be located anywhere in this two dimensional matrix, there are five commonly identified strategies that tend to be used by either party:

- (a) Collaboration, in which the negotiator attempts to maximize on both the substantive outcome and the relationship;
- (b) Competing, in which the negotiator attempts to maximize the substantive outcome and disregard the relationship;
- (c) Accommodating, in which the negotiator attempts to maximize the relationship outcome and ignore the substantive issues;
- (d) Compromising, in which the negotiator places some (but not complete) emphasis on both the outcome and the relationship;
- (e) Avoiding, in which the negotiator seeks to minimize emphasis on either the outcome or the relationship.

Much of what is written about negotiation has dominantly focused on the strategy and tactics of the collaborating (win-win) or competing (win-lose) approaches. In negotiating terminology, collaborative or win-win strategies are often called *integrative*, and competitive or win-lose strategies are often called *distributive*. We further discuss additional, more specific principles of negotiation below.

The Negotiation Context

Because our objective in this chapter is to identify key principles of negotiation in order to understand how negotiation changes in a virtual organization environment, we briefly touch on a number of these principles from a more traditional perspective before discussing them from the standpoint of virtual negotiations. Readers are encouraged to consult the references for a more extensive treatment of these principles, as well as negotiation strategy and tactics.

First, we turn to a discussion of contextual factors that are important to negotiations in general. Thompson, Peterson, and Kray (1995) have suggested a number of contextual factors that impinge upon a negotiation, including the number of parties and the relationship between them, prevailing norms, and outcomes that the parties desire. We address each of these in turn.

1. *Nature of the actors and their audience.* Negotiation is largely a two-party process. In this chapter, we will dominantly refer to situations in which one individual is negotiating with another party. This "dyad"—one individual with another—is the most common unit of analysis in the research literature. However, it is clear that there are

many other levels at which negotiation occurs. First, we sometimes negotiate "with ourselves," in that the conflict over different preferences and priorities is often inside us, rather than between another party and us. Thus, how we make choices among conflicting or competing alternative courses of action can be viewed as a negotiation (cf. Bazerman, Tenbrunsel, & Wade-Benzoni, 1998). Second, there can be more than two parties at the negotiation table. There can be conflicting preferences or priorities among groups of three or more, each of them arguing for their own point of view. For example, if a group of office workers is discussing where to hold the office Holiday Party, each may prefer a different location or choice of menu. In these situations, group negotiations often resemble group decision making processes (Bazerman, Mannix, & Thompson, 1988; Brett, 1991), as parties debate the alternatives and then find ways to make a decision about what they will do. Multiple party negotiations also often lead to "coalitions," as some parties agree to band together to support each other's preferences. Particularly if groups are going to use some form of voting or "majority rule" as the process for making decisions, parties negotiate with each other to create a set of common views and a subgroup that is large enough to carry the decision.

Third, there are times when negotiators are not representing their own views in the deliberations, but instead are representing the views of others. In our earlier example, the purchasing agent is negotiating on behalf of the organization that employs him. His job is to get a cheaper price on raw materials so that the company can make the product more inexpensively and save more money on each sale. The organization will evaluate the purchasing agent based on how well he does this job, and hence he is accountable to that organization to understand and achieve his employer's objectives. As we will point out, when one negotiates as an *agent*, representing the interests of other parties (rather than one's own interests), the strategy and tactics are often different. Agents often pursue their own interests, as opposed to strongly representing the interests of those who employ them. Lastly, and most complexly, negotiations can be a mixture of multiple parties representing multiple groups and organizations. Mergers, alliances and joint ventures, community disputes, regulatory negotiations, policy making deliberations and complex international conflicts often include multiple parties representing their own interests and/or the interests of others, and offer us an opportunity to see negotiations in their most complex and interesting forms.

2. *Prevailing norms.* Most negotiations are governed by informal "norms"—expectations that the parties have of how the process will

- be conducted. Although these norms are often not stated explicitly, the nature and strength of the norm can be detected based on the magnitude of the reaction when it is violated. Norms may also differ, depending on the type of negotiation that we are engaged in. Thus, while parties using a collaborative strategy (committed to both the outcome and the relationship) may work hard to live by and enforce the norms, parties using a competitive strategy may intentionally violate these norms or follow OTHER norms in order to gain advantage. Here are a few norms that shape face-to-face negotiations:
- *Taking turns.* It is expected that negotiators will take turns. One makes an offer or demand, and the other then replies (often called "reciprocity"). As we stated in the opening definition, parties expect "give and take" in a reciprocal manner.
 - *Common courtesies.* Related to taking turns is the expectation of certain "common courtesies"—keeping an appointment, speaking calmly, talking directly to the other, listening, honoring verbal agreements, etc. In short, people expect that the informal "rules of civil discourse" will apply.
 - *"Level playing field."* In many negotiations, the informal norm is that both parties approach the process with equal power. Each party can put items on the agenda, each has an equal turn to speak, each can express their perspective fully, and each must ultimately approve the outcome if it is to be binding. However, as noted by those studying power in negotiation (see Lewicki et al., 1999 for one review), power is very complex and often fleeting. And again, competitive parties are likely to seek ways to enhance and use power to dominate the other rather than to guarantee the other a level playing field.
 - *Fairness.* Finally, negotiating parties often assume that the process and outcome should be fair. Often, fairness means "equality"—equal time to speak, or an outcome that divides the outcomes equally. But judgments of fairness are strongly *relative*—that is, what one side considers fair is not what the other considers fair—and parties may also disagree about how fairness should be determined (see Lewicki et al., 1999 for a review). Gaining a common definition of both a fair process and a fair outcome is often the hallmark of a highly successful negotiation.
3. *Outcomes and relationship as objectives.* As noted above, parties tend to use strategies and tactics that will move them toward achieving "winning" outcomes—that is, outcomes that allow them to achieve their objectives. Thus, they will tend to pursue collaborative or competitive strategies—because both these possibilities enhance the likelihood that the party will achieve his/her objectives, although the

competitive one is more likely to damage the relationship in the long term.

Negotiation Dynamics

A second area of negotiation that has received much attention is the “give and take” or dynamics of negotiation. In this section, we briefly review two aspects of negotiation dynamics: how the parties manage emotionality in negotiations, and how the parties define the boundaries for what is acceptable (“ethical”) vs. unacceptable (“unethical”) conduct.

1. *Management of emotions.* The literature on the role of emotions in negotiation is quite mixed. For example, some have minimized the role of emotion in negotiation (e.g., Raiffa, 1982). Others have suggested that the expression of emotion is inevitable, but that the parties should strive toward only expressing *positive* emotions (Kumar, 1997), since positive feelings are more likely to lead the parties toward more integrative processes, create a positive attitude about the other side, and promote more persistence (cf. Lewicki et al., 1999). However, appropriately expressed negative emotions (fear, anger) may have a powerful impact, and positive emotions can also “blind” a negotiator to the issues and make that individual more susceptible to deceptive tactics.
2. *Ethical issues.* Another aspect of negotiation strategy has to do with the extent to which actors will “bend the truth” to achieve their aims. Because negotiation is a strategic interaction, and parties are often intent on a competitive strategy in which they are attempting to win only for themselves, communications often become distorted as parties overemphasize their preferred outcomes, attack the other’s preferred outcomes, and employ misleading, deceptive or outright false statements in an effort to trick the other, throw the other off track or secure undeserved concessions. In short, some negotiators may resort to “unethical” conduct in order to achieve their objectives. Recent research on the “ethics of negotiation” reveals that a certain amount of bluffing is actually seen as ethically acceptable in negotiation (Lewicki & Robinson, 1998; Robinson, Lewicki, & Donahue, 2001). Because a negotiator is expected to advocate for the best outcomes he or she would like to receive, and expects to make concessions away from that most-desired objective, negotiators don’t expect the other to tell “the truth, the whole truth and nothing but the truth.” In fact, hiding one’s own real “bottom line” from the other party, making an opening offer far higher than one hopes to actually

achieve, and tactics such as stalling for time are actually seen as ethically acceptable and appropriate in a negotiation context (Lewicki & Robinson, 1998; Robinson et al., 2001). On the other hand, outright lies, falsehoods, deceptions and “spying” on the other to obtain critical information are seen as very ethically inappropriate. While such actions may be likely to benefit the user in the short term—and can be continued if the actions remain undiscovered—they are also very likely to lead the other to be angry and retributive when the deception is discovered. Later in the chapter, we will specifically address whether the “virtual” context of an organization is more or less likely to encourage unethical negotiating behavior.

Communication and Perception Processes

A third principle of negotiations is that it is a process of communication and persuasion. Each party is trying to convince the other to accept the validity of one’s own requests and arguments. Thus, the effectiveness of a negotiation strategy is directly tied to how well one “sells” one’s own point of view to the other party. In addition, how we perceive the other party’s arguments and persuasiveness will affect their success in achieving their objectives. In this section, we will briefly consider how communication, persuasion and perception can affect negotiation outcomes.

1. *Persuasive communication.* Thus far, we have discussed negotiations as consisting of parties pursuing strategies to achieve objectives. These strategies are executed by parties exchanging information, facts, rationales, offers and demands. Thus, negotiation is also very much a communication and persuasion process (cf. Putnam & Roloff, 1992). One party structures persuasive communications in order to “sell” the other side that his/her views or perspectives should dominate over theirs, and they respond with counter arguments and different facts to support their position. Thus, negotiation processes can be actively studied by examining the words people use, the way that words are assembled into arguments, and the relative effectiveness of particular arguments in persuading the other side to accept one’s own perspective. Moreover, those who have studied negotiation have learned that communication changes over time in a negotiation (e.g., Holmes, 1992). Parties move from initial introductions and statements of perspectives, to a process of explaining one’s own preferences and challenging the preferences of others, to a process of “give and take” as

offers and counteroffers are exchanged, and finally to a process of determining and confirming the agreement with each other.

Finally, communication processes have the potential to offer many different kinds of information about the other's preferences and priorities. Not only do parties receive the words of the message, but they are also able to receive voice intonation, emphasis, emotionality, facial gestures and body movements, all of which put the words in context and communicate the negotiator's intensity, strength of feelings, deeper emotional state, etc. As we will note in our discussion of negotiation in a virtual environment, whether parties have access to "information-rich" communication tools (the words, the body gestures, the voice and intonation, etc.) or "information-poor" communication tools (words only) can make a significant difference in how the message is received, understood and responded to.

2. *Perceptual biases.* People are imperfect communicators by nature and are prone to perceptual biases or distortions when negotiating. Specifically, a perceiver's personal needs, desires, motivations, and personal experiences may create a predisposition about the other party, which can result in biases and errors in perception and communication (Lewicki et al., 1999). These biases can take one of two forms: *generalization distortions*, by which small amounts of information are used to draw large conclusions about individuals, and *anticipation*, by which a person distorts by anticipating certain attributes in another person. For example, stereotyping, a generalization, occurs when a person assigns attributes to another solely on the basis of membership (real or purported) in a certain social or demographic group. Halo effects occur when people generalize about a variety of attributes based on knowledge of a single or limited set of attributes (Cooper, 1981). Selective perception, an anticipatory error, is enacted when a person singles out certain information that supports a prior belief, and filters information that disconfirms that belief. Finally, projection occurs when people ascribe characteristics to others that they themselves possess.

These and other related perceptual biases infiltrate the negotiation process to varying degrees. Other characteristics of the negotiation, including context, communication medium, or negotiating actors' experience with one another can either enhance or attenuate these biases. These characteristics make perceptual biases relevant to a discussion of virtual negotiations, and they will be addressed from that standpoint later in the chapter.

Individual Differences

Finally, although we have been referring to negotiators as strategic actors rationally choosing specific strategies to maximize either outcome and/or relationship goals (e.g., the five styles identified in Figure 2), there are strong individual differences among negotiators in their skills, capabilities and preferences for particular strategic approaches. Individuals differ in their preferred styles for managing conflicts with others, and these preferences may overshadow the most "rational" strategy for a particular situation. Thus, an individual negotiator whose personality is strongly competitive may tend to "over-choose" the competitive approach, even when the "rational" strategy might be to pursue approaches that put more emphasis on relationship outcomes. Research has extensively explored a number of factors, such as personality, gender, and national culture, that have been shown to strongly influence negotiator strategy and tactics (see Lewicki et al., 1999 for a review).

Summary. In this section, we have reviewed five different aspects of negotiation: elements of the negotiation context (the parties, audiences, outcomes and prevailing norms), negotiation dynamics (management of emotions and ethical issues), communication processes (strategies of persuasive communication and perceptual biases), and individual differences. These characteristics serve as a useful framework for examining the ways in which we might expect virtual negotiations to differ from more traditional, face-to-face encounters. In the next section, we specifically explore these differences.

NEGOTIATING VIRTUALLY

The modern day business world is a dynamic environment that demands flexibility and maximum efficiency in all facets of operation. Many companies are realizing the necessity of expanding operations beyond local borders, and are seeking global expansion and interfirm partnerships. Evolving from these trends is the concept of the virtual organization. Virtual Organizations have been defined in various ways, but center on the notion of people using electronic technology to work and relate at a distance to accomplish goals. For example, Snow, Lipnack, and Stamps (1999) discuss some key factors that set a virtual organization apart, including members working across space, time, and organizational boundaries.

There are a number of factors driving the move toward virtual organization. First, flatter, more horizontal organizational structures are spreading employees out, both structurally and physically. As a result, there is less hierarchy; but the absence of hierarchy creates a greater requirement that

people at the same level learn to cooperate and work together in lateral relationships. Second, many new work environments require greater inter-organizational cooperation as well as competition. Organizations are more likely to acquire new expertise, competencies or speed to market by partnering together with another firm in a partnership, joint venture or strategic alliance. Third, there is an increasing globalization of trade. More and more transactions with other firms occur across cultural and international boundaries. Finally, there is a continued shift from production to service/knowledge work environments with less need for co-located employees (Townsend, DeMarie, & Hendrickson, 1998). These employees have to effectively share and coordinate information with each other, but do not necessarily have to be in the same room (or even in the same city) with each other to complete that work effectively. Combined, these trends have changed many business operations from local, face-to-face transactions to more distributed exchanges. Also facilitating this transition is the growing availability of technology that allows people separated by distance to connect electronically. In particular, more recent advances in electronic mail and internet discussion forums have furthered our ability to connect, and these forums are growing in use. The nature of virtual organizations demands that members of such organizations communicate and work electronically.

In virtual organizations, negotiation between members is an important facet of daily operations. As noted in the first half of this chapter, negotiation has been traditionally viewed (and dominantly researched) as a face-to-face encounter, with known participants and fairly well established norms of behavior. In fact, most of the research and writing addresses the process from this perspective. With the changes in the business landscape described above, however, corresponding changes in some of the dynamics of negotiation are to be expected. As the electronic world has expanded, we see more negotiations being conducted "at a distance"—by telephone, videoconference, email or chat room—and less face-to-face. In this section, we will review the small amount of research that been performed on virtual negotiations, and draw implications for the practitioner negotiating in these new contexts.

As noted above, some research has examined the benefits and drawbacks of face-to-face vs. virtual negotiations. However, many of these studies have tended to simply focus on the impact of a more limited number of communication channels on negotiation process and outcomes (e.g., the consequences of not being able to see or hear the other). For example, studies have generally demonstrated a higher impasse rate in written or email negotiations (e.g., Barsness & Tenbrunsel, 1998; Valley, Moag, & Bazerman, 1998). Also, non face-to-face negotiations have generally led to less efficient outcomes, less mutually beneficial outcomes, but equally integra-

tive agreements, compared to face-to-face negotiations (Purdy, Nye, & Balakrishnan, 2000; Rangaswamy & Shell, 1997; Valley et al., 1998). Earlier studies using face-to-face versus isolated negotiators tended to demonstrate mixed results with regards to integrativeness (Carnevale & Isen, 1986; Carnevale, Pruitt, & Seilheimer, 1981; Lewis & Fry, 1977; Wichman, 1970). For example, Carnevale and colleagues reported less integrative outcomes among face-to-face than separated negotiators who were still able to speak. Results from Lewis and Fry (1977) also suggest that a lack of visual access may increase the integrativeness of outcomes, although their subjects also were allowed to speak to one another. On the other hand, Wichman (1970) reported the most integrative outcomes when subjects negotiated face-to-face, and the least integrative when subjects were completely isolated (i.e., couldn't see or hear each other). So, as the reader can see, the early results are mixed and often contradictory.

Although these findings are important, we, along with others (e.g., Grifeth & Northcraft, 1994), believe that the question of whether virtual negotiations are different from face to face negotiations needs to be examined more closely. Specifically, earlier studies tended to simply study the impact of limiting the number and type of communication channels on processes and outcomes (e.g., the consequences of not being able to see or hear the other). While the communication channel is a central characteristic of virtual versus face-to-face negotiations, there are a number of other psychological dynamics and contextual issues that are useful and important to study.

The following discussion will highlight some of these key elements. Specifically, we follow our earlier framework in highlighting four main areas of interest. These principles are illustrated in the model presented in Figure 3. First, beyond the obvious difference in channel, other aspects of the negotiation context are likely to differ in a virtual organization as compared to a traditional organization. Second, certain aspects of the "give and take" of negotiation are likely to differ. Third, communication dynamics in face-to-face versus virtual environments have received considerable research attention, and we will discuss their relevance to virtual negotiations. Finally, individual differences among negotiators are likely to affect virtual negotiations. We examine some of these differences, noting why the virtual nature of the negotiation makes them potentially important. We conclude the chapter with some implications for practitioners.

Context of Virtual Negotiations

As discussed earlier, negotiations occur in a rich and complex context that has a significant impact on how parties interact and how the process evolves (Lewicki et al., 1999). We turn now to a discussion of how some of

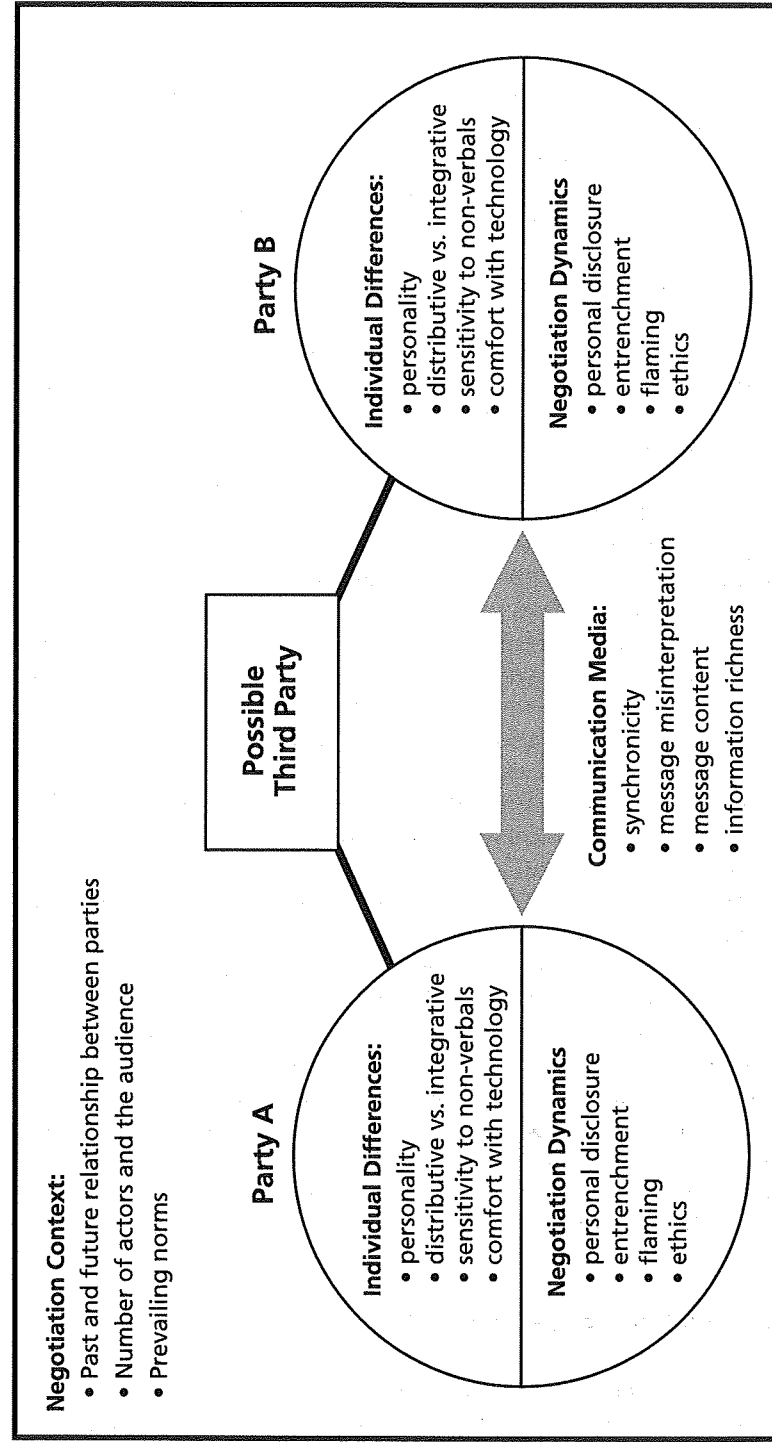


Figure 3. A model of virtual negotiation characteristics.

these contextual factors are likely to differ in a virtual (vs. face-to-face) environment.

1. *Prior and future relationship between parties.* Prior relationship between parties is a particularly important contextual element affecting virtual negotiations. In particular, research has suggested that in a virtual negotiation, a prior face-to-face encounter may be beneficial to avoiding impasse and negotiating higher joint gains (Drolet & Morris, 2000; Maruca, 2000; Moore, Kurtzberg, Thompson, & Morris, 1999). The increased importance of a prior relationship is clear when one considers the fundamental difference between the two types of encounters. First, in a face-to-face situation, negotiators immediately establish some sort of interpersonal contact during the first few minutes. They gather preliminary information about the other from reading facial expression, eye contact, body position, clothing and tone of voice. Even simple demographic information—age, gender, race, socioeconomic status—can be discerned immediately and used to make assumptions and inferences. The consequences of not having had a prior meeting may fade quickly. For example, a negotiator may have a preconceived notion that her counterpart is a peer, only to find out upon meeting him that he is quite a bit older.

In a virtual negotiation, on the other hand, parties may never see each other. Therefore, preconceived notions such as a counterpart's age may prevail throughout the negotiation given no prior relationship—or, these notions may be absent, allowing the negotiator to focus on the specific issues at stake. So, whereas there may be differences between face-to-face negotiations in which (a) parties have met previously and (b) parties have not met, these differences are not likely to be as substantial as those in which virtual negotiators do or do not have a prior face-to-face meeting.

Although a prior meeting between virtual negotiators may be beneficial, such a meeting is not always feasible. Further, some have argued that the benefits of a previous meeting may not be as great as previously thought (e.g., Nunamaker, Dennis, Valacich, & Vogel, 1991). When virtual negotiators have never met, certain types of information remain veiled. The degree of anonymity between the parties of a virtual negotiation has received a fair amount of research attention. For example, Nunamaker et al. (1991) found that anonymity allowed personalities to be separated from issues, promoting more objective evaluation of issues and interests, and generation of options for settlement. Others have suggested that virtual negotiations "level the playing field" by eradicating status differences (Croson, 1999; Kiesler & Sproull, 1992; Poole, Shannon, & DeSanc-

tis, 1992), which in turn can promote more objective evaluation of issues and increased option generation (Nunamaker et al., 1991).

However, while anonymity may allow for more equal participation, it may not necessarily lead to equal influence (e.g., McLeod, Baron, Marti, & Yoon, 1997). And, although both face-to-face and virtual actors tend to enact stereotypical representations of counterparts that suit their needs or wishes, and match those representations to particular strategies, (Landry, 2000), virtual stereotypes are more likely to be retained in the absence of visually disconfirming evidence. Therefore, stereotypes enacted in a virtual environment may be even more detrimental to the negotiation than face-to-face stereotypes.

Finally, it is important to remember that anonymity should be thought of as a continuous variable (Nunamaker et al., 1991). That is, a person is not just "anonymous or non-anonymous," but rather can be anonymous on some characteristics (e.g., age, height) but not as anonymous on others (e.g., gender, race, socioeconomic status). There is greater probability of experiencing varying levels of anonymity in a virtual negotiation. However, the particular features of anonymity that are salient and important in a particular negotiation will vary from case to case.

2. *Audience knowledge.* Earlier in the chapter, we noted that many negotiations are conducted in front of "audiences"—constituents who the negotiator may report to, and who are either directly or indirectly impacted by the outcomes of the negotiation. In a virtual negotiation, knowledge about the audience can be more difficult to ascertain. While the audience is usually fairly apparent in a face-to-face situation, in electronic deal-making, the specific audience may be more unknown (i.e., you may not know how many other members of the other party are listening in, or their rank, seniority, priorities, etc.) (Carnevale & Probst, 1997; Martovani, 1994). This may take away from any additional benefits gained from the effects of a "level playing field" described previously.
3. *Negotiation norms.* Negotiation norms are an important contextual factor likely to differ considerably in a virtual negotiation. Some have even considered norms to be more important in a virtual environment (e.g., Martovani, 1994). This may likely be the case because norms are largely still in their formative stages with regards to electronic interaction. For example, Carnevale and Probst (1997) have highlighted the fact that norms for new technology such as email have yet to be fully worked out. This evolving "ethos" of how people should or should not behave and act electronically will likely continue to yield wide variance in behavior for the foreseeable future as norms develop. Also, there

exist fairly established ways of expressing emotions (such as discontent) in a face-to-face negotiating context, whereas expressing discontent online may take on a different meaning to both the sender and receiver of a message. Finally, norms of reciprocity are somewhat more rigid in an electronic environment (e.g., Maruca, 2000). For example, among two people negotiating via email, there is a strong tendency to "wait until you receive a reply" before making your next point or counteroffer, whereas in a face-to-face situation, "turn-taking" is not as rigid. That is, in a face-to-face negotiation, negotiators are more likely to communicate information "on the fly," whenever there is a lull in the conversation, or whether the other does not respond favorably, rather than religiously waiting their turn.

Negotiation Dynamics in the Virtual Environment

Some of the fundamental dynamics and means of interacting between negotiators are likely to differ in the virtual situation. We focus on four such characteristics that appear to be most relevant: degree of personal disclosure, position entrenchment, use of "flaming" (i.e., intimidating or menacing use of words or phrases), and the use of unethical and/or deceptive techniques.

1. *Degree of personal disclosure.* A number of researchers have noted a tendency toward less inhibition when a person communicates electronically. In particular, Poole et al. (1992) noted that more self-disclosure is likely. This makes sense, given the "level playing field" effect described earlier. When people feel that they are on equal footing with a negotiating counterpart, they may exhibit more of a tendency to self-disclose. Also, the existence and nature of a prior relationship might influence a negotiator's willingness to self-disclose. In a negotiation context, it is likely that increased self-disclosure will facilitate issue identification and lead to more integrative outcomes or less incidence of impasse (Moore et al., 1999).

However, as Landry (2000) notes, more extreme position entrenchment may result from the tendency toward "disinhibition" in a virtual context. That is, virtual negotiators may feel more confident in standing by their positions, may be less likely to "back down," and less likely to give in to pressure during negotiations because they are not subject to the direct, evaluative scrutiny of the other party in the face-to-face context. This suggests that virtual environments could be particularly problematic for distributive negotiations. We continue below by developing this idea of position entrenchment further.

2. *Position entrenchment.* Position entrenchment, or rigidity, refers to unwillingness on the part of negotiating parties to back down from a stated position. Past research has recognized many factors that lead to increased position rigidity, such as when positions are put in writing (cf. Poole et al., 1992). Since virtual negotiations are usually text-based, and can be archived, this may be a valid concern; it may simply be harder to back down from a prior written statement, and there may be an increased tendency to try to "trap" the other in their earlier words. Also, as we note in the next section, virtual negotiations often occur in an *asynchronous* manner—that is, the "turn taking" between offers and counteroffers is not as regularly paced as face-to-face deliberations.

Thus, virtual negotiations may lead to entrenchment due to the "lag time" between correspondence. Specifically, a person may become more attached to a position and have more time to internalize that position as time elapses between contacts with a counterpart. If there is a delay in the other responding—simply because of electronic traffic or the other's unavailability to respond, entrenchment may grow. Perhaps this might help explain the prevalence of findings indicating higher rates of impasse in virtual negotiation (e.g., Barsness & Tenbrunsel, 1999). On the other hand, though, it is possible that a lack of face-to-face contact could *decrease* rigidity (Poole et al., 1992). For example, it may be easier to "save face" when backing down from a position if one's counterpart is not physically present; if embarrassment and loss of face increases entrenchment (Brown, 1968), minimizing embarrassment may be able to reduce it.

3. *Use of flaming tactics.* Another consequence of disinhibition may be the increased propensity toward "flaming," or "rude, compulsive behavior and the expression of extreme views in an electronic network" (Kiesler & Sproull, 1992). Considerable evidence points toward an increased likelihood of flaming in a virtual environment (e.g., Kiesler & Sproull, 1992; Poole et al., 1992)—although some disagree (Martovani, 1994). Moreover, these findings are likely to be understated, given that they came from research studies in a laboratory context with parties who were role playing a dispute and probably lacked the level of emotional investment often found in real-life negotiations with real-life outcomes. As a negotiating strategy in a virtual environment, flaming could be used as a form of intimidation to push for one's preferred alternative, or to rebut and demean the other's offer. Although a similar strategy could also be used in a face-to-face context, its prevalence is enhanced in a virtual environment because the party is protected from the negative disapproval one may encounter face-to-face.

4. *Ethical issues.* Finally, researchers have begun to examine the different uses and effects of deception in a face-to-face and virtual negotiating environment. For example, Fortune and Brodt (2000) found that an email negotiation led to less post-negotiation trust and more suspicion of deception than a face-to-face negotiation. Prior experience with the other party decreased, but did not eliminate, these levels of deception. This result is probably due to the tendency for people to think that they can "tell when someone is lying" in a face-to-face situation, whereas these judgments are harder to make virtually. Also, as Valley et al. (1998) and Thompson (1998) note, face-to-face situations seem to compel negotiators to be honest and cooperative to a greater degree than non face-to-face situations.

However, Schweitzer, Brett and Croson (2000) argue that negotiators exhibit more of a propensity to lie in face-to-face situations. They claim that this is due to a need to monitor the counterpart's reaction to ensure that the lie is "having its intended effect." Indeed, deceiving in a virtual environment can leave the deceiver wondering if his/her counterpart is "buying into" the deception. A humorous example can be provided from the senior author's own experience. Earlier in his career, Lewicki was working on an edited book of essays with another co-author (Max Bazerman). They had not discussed the order of authorship on the book, but needed to do so. Bazerman was in Massachusetts, Lewicki in North Carolina. In a phone conversation, Bazerman suggested flipping a coin. Lewicki asked how they would verify the outcome if only one could see the coin. Bazerman suggested that Lewicki could be in charge of both flipping and verification. Lewicki flipped the coin, and announced that he had lost (thereby making Bazerman the first author). While Lewicki may have gained Bazerman's trust by being honest, he also lost the opportunity to exploit the situation and become first author because Bazerman could never verify the flip—but then forever wondered whether Bazerman would really have believed the deception! (Bazerman & Lewicki, 1983, p. 9).

In sum, the evidence regarding deception tendencies in a face-to-face versus virtual environment is mixed. At a minimum, negotiators should be alert to the potential for "virtual deception" while also realizing that face-to-face environments still are ripe for attempts to deceive.

Communication Processes in a Virtual Negotiation

Communication is at the heart of the negotiating process. Through communication, other key parts of a negotiation such as strategizing, plan-

ning, and preparing are enacted (Lewicki et al., 1999). Research on communications in face-to-face versus electronic environments is multiplying, yet more work needs to be done. We highlight some of the key communication dynamics that are likely to differentially affect a face-to-face versus a virtual negotiation, including asynchronicity vs. synchronicity, message misinterpretation, message content, and information richness.

1. *Synchronicity.* By definition, face-to-face negotiation is a synchronous process, with both parties sending and receiving information in "real time." Alternatively, virtual negotiation can take place in either a synchronous or asynchronous manner. A number of researchers have examined the impact of each of these processes on various outcomes. For example, negotiation using written communications (which are generally asynchronous, in that the response may be seriously delayed by thinking and writing it out) has been shown to lead to higher rates of impasse (Valley et al., 1998). Asynchronous negotiation also may have detrimental effects on coordination and solution analysis, although it also may act to slow down the process, force reflection, and prevent premature solutions (Poole et al., 1992).

Another possible effect of asynchronicity has to do with the asking of questions/clarifications during negotiation. Whereas a negotiator may feel little hesitation in asking for clarification or extra information in an ongoing, synchronous situation, the thought of crafting the question, being clear about the specific ambiguity—especially to a seemingly trivial clarification—and waiting for an answer may dissuade the person from coming forth with the question (and incurring the associated "wait time") in an asynchronous situation. This could have effects on both the process and the ultimate outcome of a negotiation.

A final area of interest regarding the differences between synchronous and asynchronous information exchange relates to what we term *feedback tracking*. For the most part, in a synchronous interaction, parties can actively track feedback from a counterpart, both verbal and nonverbal (if face-to-face), and adjust their stance incrementally as the interaction proceeds. In an asynchronous situation, on the other hand, feedback is broken rather than continuous, with no chance to adjust "midstream." An example may better illustrate this point. Consider a recruiter negotiating a salary offer with a highly sought-after job candidate. In a synchronous situation, the recruiter can monitor the candidate's nonverbal reactions to the pay and benefits offers, and possibly make quick adjustments to these offers depending on whether the candidate's reaction seems positive or negative. In making a similar offer over email, however, the recruiter loses the chance to make such "midstream" adjustments.

Of course, there is a likelihood of misreading the reactions or feedback of a negotiating counterpart midstream, leading to misguided adjustments. This relates to our next communication issue.

2. *Message misinterpretation.* Message interpretation and misinterpretation is a major problem in virtual versus face-to-face situations. Related to our preceding points regarding asynchronous versus synchronous communication, a misinterpretation during an asynchronous negotiation has the potential to "balloon" over time. Specifically, when the misinterpretation is allowed to fester uncorrected, and the other party does not have a chance to quickly correct it, an anchoring effect may occur whereby the person misinterpreting the information begins to "anchor onto" a misunderstanding or an incorrect attribution—an attribution that may be harder and harder to change as time goes by. Hence, "failure to exchange information may result in attributing extreme motives to the other party, especially in the absence of corrective feedback" (Poole et al., 1992, p. 57). This attribution offers another possible explanation for the higher rates of impasse typically found in virtual negotiations. Indeed, as Landry (2000) notes, impasse is often due more to failure to reach closure than to failure to generate sufficient alternatives. Also, as previously discussed, virtual negotiators may be more reticent to ask clarification-type questions in the interest of time and having to wait for an asynchronous response.

On the other hand, virtual negotiation does also hold some promise for avoiding misinterpretation or even enhancing correct interpretations. For example, it is harder to practice selective perception, or filtering of disconfirming evidence, when all communication is documented, as is often the case in virtual negotiations (e.g., email files). Also, research has shown that people pay more attention to the substantive content of electronic text messages than to message content communicated verbally. This potentially holds promise for increasing problem solving and thinking processes during virtual negotiation (Shell, 1995), and appears to stem from people being more "on their toes" with regards to virtual communications (Poole et al., 1992). In other words, the novelty of virtual interaction raises the salience of the content of the communication, causing parties to pay more attention to it.

3. *Message content.* A number of researchers have noted that subtle, yet potentially important, differences exist in the message content of virtual versus face-to-face communication in general. These differences likely extend to negotiating situations in particular. First, while parties interacting face-to-face often spend some time getting to know the other before negotiating, oftentimes parties to an electronic

interaction refrain from these pleasantries (e.g., Maruca, 2000). For example, the small talk that normally precedes a meeting or negotiation session is often missing from email interaction, which decreases the familiarity and attraction the parties may feel for each other. Furthermore, the total amount of information transmitted tends to be less in a virtual context (Poole et al., 1992). Also, since it is usually text-based, virtual negotiation may have more of the tone of "strident demands" to it (Landry, 2000) and thus may be perceived as more confrontational by some. Finally, emotionality is largely absent in virtual communications (Barry & Oliver, 1996). This is primarily due to a lack of nonverbal cues, and could alter the process and outcomes of a negotiation. It would seem that whether the emotion is positive or negative makes a difference. Thus, if the emotion is negative, replacing an emotional frame with a more impersonal frame might lower inhibitions, foster directness and the expression of differences, and ultimately lead to greater integration and rationality in decisions (Poole et al., 1992). However, it is also likely that the emotions surrounding a negotiation do not simply dissipate with the introduction of a virtual context, but rather get misinterpreted or misplaced.

4. *Information richness.* Information richness refers to the amount of information that can be conveyed through a medium (Daft & Lengel, 1984). For the most part, virtual negotiation lacks the degree of information richness found in face-to-face contexts. For example, speed of information transfer largely favors face-to-face over electronic. Also, problems may arise when the negotiation problem is complex and requires use of supplemental material (such as product prototypes or extensive charts and graphs). Although technology has come a long way in facilitating transfer of material electronically, the ease of that transfer and the prowess of negotiators to effectively employ it is far from assured. Addressing this issue, Frohlich and Oppenheimer (1998) note that the effects of email versus face-to-face negotiations likely vary depending on the nature of the decision required, the complexity and content of what needs to be communicated, and the style employed. In a related vein, Purdy and colleagues (2000) found that collaborating styles occurred more in "rich" (face-to-face) negotiation than in less rich media (e.g., telephone or computer chat). Moreover, collaboration attempts were more correctly perceived in the face-to-face condition. However, in a somewhat mixed finding, no greater profits were realized in the face-to-face condition, but reductions in the inequity of profit distributions and greater time efficiency were realized in the richer face-to-face media. In sum, greater information richness does not necessarily translate directly into more or

less optimal negotiations (Poole et al., 1992). Rather, outcomes are more directly affected by style of communication, which tends to evolve from the richness of the medium chosen. Therefore, although not exerting direct effects, information richness remains one of many important variables in need of consideration when approaching a virtual negotiation situation.

Individual Differences Important to Virtual Negotiations

Although individual differences are a key element in any negotiation situation (Lewicki et al., 1999), there are a number of individual differences among negotiators that may be particularly more or less important when negotiating virtually. First, a number of personality characteristics might be less important in a virtual environment. For example, extraversion is likely to be veiled in a virtual environment—parties who speak a great deal and dominate the verbal conversation may be more constrained, while introverts—who often express themselves better in writing—may thrive. Second, researchers have differentiated between the collaborative and competitive orientations described earlier in this chapter. For example, Lewis and Fry (1977) found that collaboratively oriented ("problem-solving") people performed the same when negotiating with and without a barrier between them and the other, whereas competitively-oriented people did better when a barrier was in place. Also, researchers have examined people's sensitivity to nonverbal signals. The PONS scale (Rosenthal, Hall, DiMatteo, Rogers, & Archer, 1979) is a common assessment instrument used to gauge this construct. Basically, some people depend on nonverbal signals more than others in interpreting communication. Success in a negotiation may hinge on the ability to "read" the other party, an ability that may be hampered if sensitivity to nonverbal signals is high. Another set of individual difference variables has to do with negotiators' comfort with the technology they are trying to use. Individual self-efficacy (Gist & Mitchell, 1992) for using that technology could be important. For example, a negotiator with a lower self-efficacy toward the technology may be distracted by trying to operate the technology successfully instead of focusing on the negotiation as it unfolds.

IMPLICATIONS AND CONCLUSION

A number of interesting implications can be drawn from our discussion of the changes we may expect when negotiations become virtual. There are clearly strong implications for practitioners who want to negotiate effec-

tively in a virtual environment, and researchers who are interested in pursuing important questions and strengthening the quality of work that can be done in this area. Because this book is primarily directed toward practitioners, we will devote our attention to the implications for negotiation practitioners.

In this section, we will try to summarize the major implications from the research that we presented earlier. We will try to cover only the most important principles, although more could be generated from the work already done. We have decided to present this as a chart, so that the rules will stand out clearly. Also, it is important to state that it is our assumption that *the negotiator intends to approach the negotiation collaboratively, or integratively*. That is, the negotiator wants to establish a solid cooperative relationship with the other and work toward an agreement that assures mutual gain. If the negotiator intends to pursue a competitive strategy, then the "inverse" of some of these principles would apply, because the negotiator should be considering how to gain competitive advantage over the other, and maximize ONLY on his/her outcomes, rather than work toward joint gain. We briefly describe these principles below, and list them in Table 1.

Table 1. The Top Ten Rules for Negotiating in a Virtual Environment

1. Create a relationship face-to-face before the process begins, or early in the negotiation. Put a face or voice behind the email or faxes.
2. Be explicit about the normative process to be followed during the negotiation.
3. If there are other parties present in a virtual negotiation—either on your side of the table or theirs—let the other know who is there and why.
4. Virtual negotiations may be particularly good for creating and clarifying the agenda, and for getting new issues onto the table. Pick the medium (face-to-face, videophone, voice, fax or email, etc.) that is most effective at getting all the information and detail on the table so that it can be fully considered by both sides.
5. Avoid virtual "flaming"; if you have to express emotion, label the emotion clearly so the other knows what it is and what caused it.
6. Don't assume turn-taking; but as much as possible, synchronize offers and counter-offers, and ask questions of the other if it is not clear "whose turn it is."
7. Check out any inferences and attributions you are making about the other's offer, demands, proposals or conduct. Ask questions. The less face-to-face information you have about the other, the more likely it is that inferences will get you in trouble.
8. Be sensitive to "entrenchment" in virtual negotiations and talk about it if it is happening.
9. While it may be easier to use unethical tactics in a virtual negotiation, the consequences of doing so may be more severe.
10. Try to understand how your own personal preference for a style (collaboration, competition, etc.) fits the communication medium you select.

1. *Create a relationship face-to-face before the process begins, or early in the negotiation. Put a face and voice behind the email or faxes.* This is a very important principle. The more likely the other has established a personal relationship with you in the past, or will see you again personally in the future, the less likely they will be to use the virtual environment to exploit or take advantage of you in the diminished communication context.
2. *Be explicit about the normative process to be followed during the negotiation.* As noted by Kolb and Martin (2000), experienced negotiators must be effective in keeping track of the substantive issues under discussion as well as the process by which negotiation is taking place. Failure to exert some direction and control over the process will allow the other to take charge of the process (and adapt it to their advantage), or the process will become subject to the constraints of the environment in which it is occurring. Not only should you know how you would like the process to work, but you should state these expectations very clearly to the other, get their consent and agreement, and monitor whether these rules are being followed as you actually negotiate the issues. Many of the other rules that follow build off this principle.
3. *If there are other parties present in a virtual negotiation—either on your side of the table or theirs—let the other know who is there and why.* In face to face negotiation, we know who else is at the table, or who the opponent may be talking to in caucus sessions, etc. In virtual negotiations, we may assume that all the communication is confidential, only to discover that other people also have been reading, listening in, etc., without our knowledge. Moreover, hiding this information could be viewed by the other as highly deceptive, and could cause them serious embarrassment if they said something without knowing who else is present. Be clear to the other who else will see or hear the communications, and ask about these issues on their side as well.
4. *Virtual negotiations may be particularly good for creating and clarifying the agenda, and for getting new issues onto the table. Pick the medium (face-to-face, videoconference, voice only, fax or email, etc.) that is most effective at getting all the information and detail on the table so that it can be fully considered by both sides.* In the earlier review of research, we tried to be clear about how a given medium presented certain advantages and disadvantages. Negotiators should intentionally try to think through what issues should be discussed face-to-face, what can be exchanged by fax and memo, etc.
5. *Avoid virtual "flaming"; if you have to express emotion, label the emotion clearly so the other knows what it is and what caused it.* Negotiations

often get emotional. In virtual negotiations, particularly email, emotion can be strongly expressed without the other party knowing what caused it. Moreover, the emotion is rekindled every time one reads the email. So there are two principles here. First, if you are emotional, it is better to express it face-to-face or via telephone, where it can be expressed and dealt with, and the parties can hopefully move on. If you need to express it in fax or email, label what the emotion is and what caused it. Thus, instead of sending another an email that says "You jerk! %\$#@^&%", a more appropriate response would be, "The last line on your previous email made me very angry. I was upset that you started talking about an issue I thought we had resolved six months ago..."

6. *Don't assume turn-taking; but as much as possible, synchronize offers and counter-offers, and ask questions of the other if it is not clear "whose turn it is."* We noted that in certain types of virtual negotiations, there can be long periods of lack of communication between the parties. When this happens face-to-face or over the telephone, we sense the other thinking, crafting a response, etc. When it happens virtually, we don't know whether the other has gone out of town and won't be back in three days, or wants to think about it over night, or that his mail server crashed and he didn't even get the message. Don't assume that because you haven't heard back from the other in a reasonable period of time, that this means it is your turn to make another concession! Ask questions, have them clarify their lack of response, or try to call or meet face to face to clarify ambiguities.
7. *Check out any inferences and attributions you are making about the other's offer, demands, proposals or conduct. Ask questions. The less face-to-face information you have about the other, the more likely it is that inferences will get you in trouble.* This is similar to the previous point. As you don't want to assume "synchronous" processes long distance, don't assume that they are angry, upset, delighted, or confused. Assumptions get people into trouble in face-to-face encounters, and can cause even more trouble in a virtual environment. Again, ask questions about their reactions, mood, current mind state, etc. and offer them ample time to respond.
8. *Be sensitive to "entrenchment" in virtual negotiations and talk about it if it is happening.* Because many offers are written out in detail, a competitive negotiator might try to "nail" her opponent in either the ambiguous or incomplete language used to express those offers, or in the exact wording of an initial bargaining position. Don't let this happen to you, and don't treat the other in this manner. The parties should discuss and clarify until all agree.

9. *While it may be easier to use unethical tactics in a virtual negotiation, the consequences of doing so may be more severe.* Because it is more difficult to monitor events, the accuracy of communication, etc. in a virtual environment, competitive negotiators may be more likely to try to "get away with" statements, arguments, etc. that can't be easily verified by the other. Like face-to-face negotiations, integrity and trustworthiness in the virtual environment are essential for open communication. If one uses unethical tactics, one may be able to get away with them in the short term, but may suffer the other's revenge if and when he discovers that he has been duped. Additionally, many virtual negotiation exchanges are automatically documented (e.g., email files), thus providing potentially incriminating evidence of unethical behavior.
10. *Try to understand how your own personal preference for a style (collaboration, competition, etc.) fits the communication medium you select.* Finally, as we stated earlier, our assumption here is that you as the negotiator wish to pursue a more collaborative negotiation approach, and that your opponent wishes to do so as well. If you intend to be competitive, it should be clear how you can adapt some of these principles and use them to your advantage. But more importantly, if you suspect that your opponent may be doing this, you should be ready to carefully monitor his behavior and to actively "call him" on any actions or behaviors which you consider suspicious and which are not in the interest of joint gain.

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Part IV

CASE STUDIES

Although cases of human resource management practices in virtual organizations have been presented throughout the book, this part of the book provides some more detailed case studies. Wang (Chapter 12) examines how E-commerce has impacted organizational structures and HRM practices in the banking industry in China. Crandall and Wallace (Chapter 13) describe how the creation of a virtual organization structure for the orthopedic division of Smith and Nephew led to the need and creation of new HRM systems to support the virtual organization structure.