Research on Negotiation and Trust: A Reunion Long Overdue

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What is the most fundamental concept in the literature?
## Origins of Negotiation Research and Trust Research

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<th>Negotiation</th>
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**What is the most fundamental concept in the literature?**

*Interests*
Origins of Negotiation Research and Trust Research

What is the most fundamental concept in the literature?

From this concept we get...

**Negotiation**

**Trust**

**Interests**

Interest-based negotiation
The Dual Concerns Model

Concern about other's outcomes

Yielding

(Compromising)

Inaction

Concern about own outcomes

Problem solving

Contending
The Dual Concerns Model

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Principled Negotiation: Focus on Interests to Create Value

Inexperienced negotiators, and even many experienced negotiators, tend to assume they have a choice between two main strategies: negotiate in a tough, demanding manner or in a friendly, accommodating manner.

In fact, there is a better and wiser way of negotiating—one that doesn’t rely on toughness or accommodation, but that will improve your likelihood of meeting your negotiation goals. In their popular negotiation book, Getting to Yes: Negotiating Agreement Without Giving In (Penguin, 2nd edition, 1991), Roger Fisher, William Ury, and Bruce Patton of the Harvard Program on Negotiation present strategies that focus on realizing shared interests rather than concentrating on the positions at hand. This approach is known as principled negotiation.

The key to effective principled negotiation is broadening the focus from interests to positions. The positions can be made more objective, which will likely lead to a better resolution.

Negotiation

Trust

Interests

Vulnerability
Origins of Negotiation Research and Trust Research

What is the most fundamental concept in the literature?

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Trust: “Willingness of a party to be vulnerable to the actions of another party based upon the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.”

(Mayer, Davis & Schoorman 1995)
The Dual Concerns Model

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Factors of Perceived Trustworthiness

Ability
Benevolence
Integrity

Trust
Risk Taking in Relationship

Outcomes

Trustor's Propensity

Perceived Risk

FIGURE 1
Proposed Model of Trust
The Dual Concerns Model

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**Trust and Suspicion; Prisoner’s Dilemma**

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**Negotiation**

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Morton Deutsch (1920-2017)

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(Deutsch 1958)

Vulnerability

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Is Trust Relevant in the Context of Negotiation and V.V.?

Why Should Trust Researchers be Interested in Negotiation?

• Negotiation ≡ “A social process that occurs whenever people cannot achieve their goals without the cooperation of others” (Thompson, Wang & Gunia 2010).

• So, a great deal of what constitutes leader-follower & peer relations with organizations can be understood as “negotiation.”

• And also cross-functional teams, performance review, managers as third parties, coalitions, teams, interdepartmental relations, employment terms, job roles, etc.

• These relations involve social exchange processes, fairness, coordination, helping, communication, non-verbal communication, reputation, persuasion, influence, emotions, power, gender and demographics, culture, cognition, decision making, collaboration, person perception, all of which are of interest to trust researchers.
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How Much Research is there on Trust in the Context of Negotiation?

**Answer 1:** Meta-analyses

- Effects of trust on negotiation behaviors and outcomes: 32 studies (Kong, Dirks & Ferrin 2014)
- Determinants of trust in the context of negotiation: 25 studies (Lyu, Kong, Ferrin & Dirks 2017)

**Answer 2:** My non-systematic search of 24 OB/Psych/IO journals for the last 15 years turned up 37 peer-reviewed articles studying trust in the context of negotiation.

**Putting that in context:**

- The First International Network on Trust (FINT) attracts ~90 researchers biannually. (Mostly European trust researchers).
- IACM attracts hundreds (?) of researchers annually.
- I estimate that there are now approximately 40-60 peer-reviewed articles on trust published annually in the top 15 OB/IO/HR journals.
A Reunion Long Overdue: Weaknesses and Frontiers

Weaknesses and Frontiers of Trust Research

• Causality: Few studies that assess causality except in very abstracted lab tasks

• Trust development: Few studies of trust development as a process
  • Spirals, Phases, Trajectories

• Rudimentary and unsystematic understanding of the effects of culture

• Samples: Studies of executive participants are nearly always correlational
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**Weaknesses and Frontiers of Negotiation Research (with respect to Trust)**

- Oversimplified understanding of what trust is
- Lack of theoretical precision and richness regarding the role of trust in negotiation
- Weak measurement of trust
- Silo paradigm: Negotiation research seems somewhat stand-alone from other areas of e.g. OB
A Reunion Long Overdue: Opportunities!

Opportunities for Trust Research

• Demonstrate causality
• Study trust development
  • Spirals, Phases, Trajectories
• Study culture systematically
• Study trust dynamics, including causality, trust development, and culture among others, in Executive samples
• Advance the scientific understanding of negotiation!
A Reunion Long Overdue: Opportunities!

Opportunities for Trust Research

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• Study trust development
  • Spirals, Reciprocation, Trajectories
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Opportunities for Negotiation Research (with respect to Trust)

• Add theoretical richness, precision, and explanatory power regarding the role of trust in negotiation
• Employ state of the art measures
• Advance the scientific understanding of trust!
Understanding Trust Conceptually (1)

Mayer, Davis & Schoorman 1995:
Trust as Willingness to Accept Vulnerability

FIGURE 1
Proposed Model of Trust
Understanding Trust Conceptually (2)

McAllister 1995:
Trust as Confident Positive Expectations

- Cognition-Based Trust
- Affect-Based Trust
Melding the Two Primary Models and Measures of Trust

Mayer et al. 1995: Perceived Trustworthiness
- Perceived Ability
- Perceived Benevolence
- Perceived Integrity

McAllister 1995: Trust as Confident Positive Expectations
Cognition-Based Trust
Affect-Based Trust
Trust (WTAV)

Mayer et al. 1995: Trust as Willingness to Accept Vulnerability
- Risk-Taking in the Relationship
- Outcomes

Trust Propensity

Mayer et al. 1995

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Outcomes
Melding the Two Primary Models and Measures of Trust

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Risk-Taking in the Relationship
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Now, think about a real-life scenario, or a negotiation experiment. If you asked, “how much did you trust your counterpart,” how would you interpret the answer?
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What do we do with this model? Use it to pinpoint the constructs that are of theoretical and empirical interest.
How Can We Measure Trust?

Mayer & Davis (1999); also see Mayer & Gavin (2005)

McAllister (1995)

Frazier, Johnson & Fainschmidt (2013)
How Can We Measure Trust (2)?

How Can We Measure Trust (2)?

The Organizational Trust Inventory (OTI)
Development and Validation

L. L. CUMMINGS
PHILIP BROMLIE

The purpose of this chapter is to present the conceptual and empirical development, including validation, of a measure of organizational trust. Organizational trust refers to the degree of trust between units of an organization or between organizations.

A number of conceptual and empirical perspectives have been taken on trust, ranging from interpersonal (Helge, 1994; Wrightman, 1991) to intergroup (Zander, 1994) to organizational (Hendrick & Hendrick, 1985; Ganzbrot, 1998; Croyer, 1995) to societal (Lewis & Weigart, 1985). In addition, trust has been conceptualized as both a behavior and a belief (Shields, Mitchell, & Weigert, 1999).

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Cummings & Bromiley
(1996)

McEvily & Tortoriello
(2011)
Existing Approaches to Measuring/Studying Trust in Negotiation Research

Room for Improvement 😊

• Single item non-dimensional measure “How much did you trust the other party?”

• Single item dimensional measure: “I can depend on my partner to have my best interests at heart” (ABT)

• Short unsourced multi-item scale that measures multiple trust dimensions as a single dimension.

• Hotchpotch items that don’t clearly link to trust dimensions: “I felt on the same page with the other person”; “cooperative”; “helpful”; “considerate”
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Exemplary 😊!!!

How Can We Approach the Study of Culture in the Context of Trust and Negotiation (1)?
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Ferrin & Gillespie (2010) review of 50+ empirical studies that examined trust across cultures concluded that trust is:

- a variform universal (Lonner 1980): The general principle of trust exists around the world but some manifestations vary around the world.
- a variform functional universal (Bass 1997): similar relationships of trust with other variables are found around the world, but magnitudes (and sometimes directions) sometimes differ.
How Can We Approach the Study of Culture in the Context of Trust and Negotiation (2)?
Examples already in use! (Based on my review of 24 journals)

• Cross-cultural generalizability: Numerous studies use non-US samples: Chinese, Dutch, British, Australian, Hong Kong, etc. Even without a culture research question, these expand evidence of generalizability.

• Cross-cultural comparisons using negotiation simulations
  • Tightness-Looseness; Indian & American (Gunia, Brett, Nandkeolyar & Kamdar, 2011)

• Intercultural analyses using negotiation simulations
  • Interpersonal (Mediation of American vs. Turkish conflict) (Salmon, Gelfand, Celik, Kraus, Wilkenfeld & Inman, 2013)
  • Team vs. Team (Anxiety in American vs. HK Chinese) (Lee, Yang & Graham, 2006)

• Cross-cultural comparisons using surveys
  • Negotiation Orientations Inventory compared trust foundations in Finnish, Mexican, Turkish, and US businesspeople (Metcalf, Shankarmahesh, Bird, Lituchy & Peterson, 2007)

• Within-country analysis using interviews
  • Interviews to understand HQ-subsidiary negotiations in Japanese MNEs (Ott & Kimura, 2016)

• Within-country analysis using archival negotiation data
  • Discourse analysis of Philippines company-union negotiation to understand how Face culture communication overcame low trust (Teng-Calleja, Baquiano & Montiel, 2015)

• Meta-analytic approaches
  • Tightness-Looseness effects on trust in negotiations (Lyu, Kong, Ferrin & Dirks, 2017)
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