



Georgia Southern University
Digital Commons@Georgia Southern

Electronic Theses and Dissertations

Graduate Studies, Jack N. Averitt College of

Spring 2013

Competitive versus Collaborative: Exploring the Negotiation Strategy Impact on Relational Outcomes in Ongoing Buyer-Supplier Relationships

Stephanie Powell Thomas

Follow this and additional works at: <https://digitalcommons.georgiasouthern.edu/etd>

 Part of the [Operations and Supply Chain Management Commons](#)

Recommended Citation

Thomas, Stephanie Powell, "Competitive versus Collaborative: Exploring the Negotiation Strategy Impact on Relational Outcomes in Ongoing Buyer-Supplier Relationships" (2013). *Electronic Theses and Dissertations*. 59.

<https://digitalcommons.georgiasouthern.edu/etd/59>

This dissertation (open access) is brought to you for free and open access by the Graduate Studies, Jack N. Averitt College of at Digital Commons@Georgia Southern. It has been accepted for inclusion in Electronic Theses and Dissertations by an authorized administrator of Digital Commons@Georgia Southern. For more information, please contact digitalcommons@georgiasouthern.edu.

COMPETITIVE VERSUS COLLABORATIVE: EXPLORING THE NEGOTIATION
STRATEGY IMPACT ON RELATIONAL OUTCOMES IN ONGOING BUYER-SUPPLIER
RELATIONSHIPS

by

STEPHANIE POWELL THOMAS

(Under the direction of Karl Manrodt)

ABSTRACT

Negotiations are important interactions in ongoing buyer-supplier relationships. Previous research has identified two commonly utilized types of negotiation strategies that are incorporated into buyer-supplier negotiation encounters. The collaborative strategy seeks to achieve an outcome that is mutually beneficial, while a competitive strategy is focused on individual outcomes. The purpose of this dissertation is to utilize a multi-method research approach to examine the relational impact of negotiation strategies choices.

Study One utilized a scenario based experiment methodology. A priori hypotheses were developed based on Social Exchange Theory and its reciprocity tenet. The experimental results indicate that the use of a competitive negotiation strategy decreases levels of relationship specific assets, cooperation, trust, and process integration. Further analysis indicated that the use of a competitive negotiation strategy reduces levels of relationship specific assets and cooperation more in highly interdependent buyer-supplier relationships than in relationships with low levels of interdependence.

Study Two used a grounded theory methodology to explore the impact of strategy choice in how buyers and suppliers perceive the relationship. Depth interviews were conducted with experienced buyers and suppliers. Coding and analysis of the interviews led to the development

and presentation of a theoretical model. The findings suggest that the previous history of the buyer-supplier relationship impacts not only the choice of negotiation strategy but also the expectations of the strategy that the other negotiator will likely employ. The model suggests that the use of a competitive negotiation strategy has potentially harmful relational effects. However, the most damage to an ongoing relationship occurs when a buyer or supplier has traditionally utilized a collaborative strategy and violates the other partner's expectations by switching to a competitive strategy. Five specific relationships factors that were deemed to be important emerged from the data: relationship investment, trust, information communication, collaboration, and alignment.

This research should offer insight for managers into the potential relational costs and benefits of utilizing different negotiation strategies. The contributions of the dissertation research are addressed. Future opportunities for research are also discussed.

INDEX WORDS: Negotiation, Buyer-supplier relationships, Behavioral laboratory experiment, Grounded theory, Supply chain management, Relational outcomes, Negotiation strategies

COMPETITIVE VERSUS COLLABORATIVE: EXPLORING THE NEGOTIATION
STRATEGY IMPACT ON RELATIONAL OUTCOMES IN ONGOING BUYER-SUPPLIER
RELATIONSHIPS

by

STEPHANIE POWELL THOMAS

B.A., University of Tennessee, Knoxville, 1998

M.B.A., University of Tennessee, Knoxville, 2000

A Dissertation Submitted to the Graduate Faculty of Georgia Southern University in Partial
Fulfillment of the Requirements for the Degree

DOCTOR OF PHILOSOPHY

STATESBORO, GEORGIA

2013

© 2013

STEPHANIE POWELL THOMAS

All Rights Reserved

COMPETITIVE VERSUS COLLABORATIVE: EXPLORING THE NEGOTIATION
STRATEGY IMPACT ON RELATIONAL OUTCOMES IN ONGOING BUYER-SUPPLIER
RELATIONSHIPS

by

STEPHANIE POWELL THOMAS

Dissertation Committee Chair: Karl Manrodt

Committee: Luther Denton

Jacqueline Eastman

David Shepherd

Electronic Version Approved:

May 2013

DEDICATION

This dissertation is dedicated to my husband and children, also known as Team Thomas.

Rod, your love, advice, and support made this journey possible. I wouldn't want to travel life's highways with anyone else. Thank you.

Katherine and Rodney, I am so proud to be your mother. You have been my inspirations to see this through. Thanks for being patient and encouraging your mom to follow her dream. I hope and pray that one day you'll grow up and follow your own dreams. I can't wait to cheer you on.

ACKNOWLEDGMENTS

“It takes a village to raise a child” is a well-known African proverb. However, one could substitute doctoral student for child and still have an accurate statement. It is because of the love, sacrifice, advice, feedback, encouragement, and prayers of many that allowed me to reach this goal. First, I am so thankful for and indebted to my dissertation committee members: Dr. Karl Manrodt, Dr. Luther Denton, Dr. Jacqueline Eastman, and Dr. David Shepherd. Their time, support, encouragement, and friendship helped guide me through the dissertation process. I owe a special thanks to Dr. Karl Manrodt. I appreciate his willingness to teach and mentor me.... again. I am also grateful for all the faculty and staff involved in Georgia Southern’s PhD program. They have each contributed to my growth and development as a scholar and as a person in many different ways. I’d also like to thank Dr. Scott Webb for his guidance as a mentor and friend during his time at Georgia Southern.

My fellow doctoral students have been an important part of my life and learning as a doctoral student. Thank you to my fellow cohort members: Amit, Maria, Scott, Sara, and Donnie. Thanks also to the members of cohort number 2.

The unconditional love and support of my husband, Rod, daughter, Katherine, and son, Rodney have motivated me to achieve this goal. They’ve sacrificed in countless ways (although I’ve been assured that PB&J or cereal for dinner isn’t a sacrifice), and I will be forever grateful. My Mom and Dad raised me to believe that I could achieve anything I set my mind to. They believed in me when I didn’t always believe in myself. I always knew that family and friends both near and far were pulling for me to succeed, which is a powerful motivator. I’ve been blessed with an incredible village.

TABLE OF CONTENTS

ACKNOWLEDGMENTS	7
LIST OF TABLES	10
LIST OF FIGURES	11
CHAPTER	
1 INTRODUCTION	12
Research Objective and Research Questions	17
Justification of This Research	18
Research Approach	20
Contributions of This Research	21
Dissertation Organization	23
2 LITERATURE REVIEW	25
Introduction	25
Theoretical Foundation: Social Exchange Theory	25
Buyer-Supplier Relationships.....	27
Buyer-Supplier Negotiations	31
Negotiation Strategies	40
Negotiation Outcomes	44
Relational Negotiation Outcome Variables.....	53
Proposed Research Hypotheses for Study One	58
3 METHODOLOGY	62
Study One: Quantitative Research Overview	62
Study Two: Qualitative Research Overview	69
4 DATA ANALYSIS AND RESULTS.....	76
Study One: Quantitative Research Findings.....	76

Discussion of Quantitative Study One Results.....	87
Study Two: Qualitative Research Findings.....	89
Summary of Qualitative Study Two Results.....	115
5 CONCLUSIONS AND IMPLICATIONS.....	116
Overall Dissertation Contributions.....	116
Study One Research Contribution and Implications.....	118
Study Two Research Contribution and Implications.....	120
Combined Research Implications.....	122
Research Limitations.....	124
Future Research Directions.....	126
REFERENCES.....	130
APPENDICES	
A "ECONOMIC NEGOTIATION OUTCOMES".....	148
B "THEORIES AND MODELS THAT HAVE INFLUENCED NEGOTIATION OUTCOME RESEARCH".....	151
C "PSYCHOLOGICAL NEGOTIATION OUTCOMES".....	152
D "RELATIONAL NEGOTIATION OUTCOMES".....	154
E "2 X 2 EXPERIMENTAL RESEARCH DESIGN".....	155
F "STUDY ONE DIRECTIONS AND SCENARIOS".....	156
G "STUDY ONE MEASUREMENT OF DEPENDENT AND MANIPULATION CHECK VARIABLES".....	157
H "STUDY TWO NEGOTIATION INTERVIEW GUIDE".....	159

LIST OF TABLES

Table 1: Negotiation Definitions	33
Table 2: Five Stages of the Negotiation Process Described	38
Table 3: Characteristics of Competitive and Collaborative Negotiation Strategies	43
Table 4: Relational Capital Defined	52
Table 5: Sample Characteristics.....	77
Table 6: Principal Component Analysis Factor Loadings	79
Table 7: Average Variance Extracted	79
Table 8: ANOVA Results for Main and Interaction Effects.....	82
Table 9: Dependent Variable Cell Means	83
Table 10: Summary Tests of Hypotheses	86
Table 11: Qualitative Research Participants	90
Table 12: Evaluating the Research Trustworthiness of Study Two.....	93
Table 13: Negotiation Strategy Impact on Specific Relational Factors.....	114
Table 14: Research Contributions.....	118

LIST OF FIGURES

Figure 1: Five Stage Linear Negotiation Process Model.....	37
Figure 2: Buyer-Supplier Negotiation Process Model.....	39
Figure 3: The Focal Relationship.....	40, 125
Figure 4: Relationship Specific Assets	84
Figure 5: Cooperation	85
Figure 6: Trust.....	85
Figure 7: Process Integration	86
Figure 8: Model of the Impact of Negotiation Strategy Choice on Relationship Factors	103

CHAPTER 1

INTRODUCTION

“You have to keep in mind that while you are negotiating, not only are you trying to negotiate a contract, but you’re also trying to negotiate a relationship that you’re going to have to work with these people, you know, for the next several years and you want it to feel good when everybody gets done with it.” [Rick, VP-Inventory and Transportation]

At its core, supply chains consist of interdependent buyer-supplier relationships (Mentzer et al. 2001; Xu and Beamon 2006; Frankel et al. 2008). Supply chain members need each other to obtain goods and services in order to fulfill end consumer needs (Ramsay 2004; Atkins and Rinehart 2006). Numerous types of supply chain relationships exist such as shippers-carriers, finished good sales representatives-retail buyers, raw materials suppliers-manufacturing purchasers, manufacturers-distributors, and organizations-third party logistics (3PL) companies. Potential performance outcomes and competitive advantage improvements motivate organizations to foster these interdependent supply chain relationships with interdependence being described as the mutual dependence between buyers and suppliers (Pfeffer and Salancik 1978; Morgan and Hunt 1994; Krause et al. 2007). Intangible benefits such as the sharing of information, resources, and knowledge can also develop as the result of close supply chain relationships (Stank et al. 1999).

Buyers and suppliers have to manage a complex network of relationships that fall along a continuum ranging from discrete transactional exchanges to highly interdependent strategic partnerships (Macneil 1980). Discrete transactions have been conceptualized as analogous to casual dating where a more committed sale has been equated to a marriage (Levitt 1983; Dwyer

et al. 1987). Proposing the marriage analogy Levitt states “how good the marriage is depends on how well the relationship is managed” (1983, p.111). Thus, there is a temporal component where each interaction must be examined with respect to the relationship history and future potential (Dwyer et al. 1987; Macneil 1980). Drawing from Social Exchange Theory (SET) (Thibaut and Kelley 1959; Blau 1964), different relationship types are perceived to offer a range of costs and benefits that buyers and suppliers must evaluate (Dwyer et al. 1987). Accurately identifying the cost-benefits tradeoffs and managing these different types of relationships are an ongoing challenge for buyers and suppliers.

Negotiations are a specific interaction in buyer-supplier relationships. As part of their efforts to coordinate key supply chain activities, interdependent buyers and suppliers often negotiate essential elements of common costs and services. Agreement on items such as pricing, product selection, delivery terms, shipment schedules, carrier selection, volume discounts, product training, and quality standards are negotiated between supply chain members. Increasing performance pressures in a perpetually changing business environment emphasizes the critical nature of each negotiation outcome for overall organizational performance (Herbst et al. 2011). Managers spend an estimated twenty percent of their time in negotiations (Mestdagh and Buelens 2003). Thus, organizations with buyers and suppliers who negotiate most effectively are more likely to outperform their competitors. This research seeks to aid buyers and suppliers in better understanding the connection between negotiations and ongoing supply chain relationships. The findings from this dissertation highlight how a decision such as selecting a negotiation strategy can have a much broader impact beyond the present negotiation encounter.

For buyers and suppliers, negotiations are an essential multi-step process. A holistic negotiation process encompasses the assessment of the potential for negotiation through the implementation of the negotiation outcome (Rinehart et al. 1988). However, an ongoing buyer-supplier relationship modifies the negotiation process dynamics (Pruitt and Carnevale 1993). Previously, negotiation process models have largely taken a one-time discrete event perspective. The introductory quote and this quote from an automobile parts sales manager suggest that this narrow view of the negotiation process may not mirror reality:

“[Our company philosophy on negotiations] is that with any customer it’s a relationship building opportunity.”
[Joe, Sales Engineer]

Thus, research needs to address this disconnect between the academic and practitioner world given the importance of buyer-supplier negotiations for meeting firm objectives. While a whole stream of literature has developed around buyer-supplier relationships, negotiation research that has more than a single negotiation encounter is relatively sparse. The research from this dissertation makes a contribution in terms of the negotiation process within an ongoing buyer-supplier relationship where the parties involved have a history with each other and are looking to continue the relationship in the future.

The importance of developing and maintaining ongoing relationships is not limited to interactions between organizations. While the scope of this research is limited to buyer-supplier relationships, research in consumer behavior also addresses the desire for long-term relationships with end consumers (Dwyer et al. 1987). However, consumer behavior literature has perhaps been more successful in quantifying the impact of relationship failure in terms of such measures as individual customer lifetime value (Kotler and Keller 2011). The ability to retain customers is perceived as critical to success and is less costly than wooing new customers (Gummesson 1999;

McKenna 1991). Previous research has suggested that this loyalty of end consumers is based on SET's norm of reciprocity (Palmatier et al. 2009). This research seeks to also use the lens of reciprocity (Gouldner 1960) and explore the value of long-term buyer-supplier relationships and how the negotiation process impacts the lifetime value of that relationship.

During the negotiation process, buyers and suppliers often employ different negotiation strategies (Ganesan 1993). Buyers and suppliers select strategies that complement the goals they are striving to achieve based on company objectives and the current business environment (Herbst et al. 2011). Two of the most common negotiation strategies include a collaborative approach and a competitive tactic (Krause et al. 2006). Buyers and suppliers who adopt a collaborative strategy desire to learn information about the goals of their negotiation partner and strive for a joint benefits outcome (Mintu-Wimsatt and Graham 2004). The goal of a competitive strategy is to win at all costs without any concern for the goals of the other party (Calhoun and Smith 1999). In order to foster the development of longer term interdependent buyer-supplier relationships, collaborative negotiation strategies are often advocated (Zachariassen 2008). However, evidence suggests that competitive negotiation strategies often outperform collaborative approaches by obtaining a larger share of economic benefits (Graham et al. 1994). Both types of negotiation strategies are often utilized by buyers and suppliers. While a collaborative negotiation strategy has been favored for supply chain relationships, research has been relatively silent on the effect of a competitive negotiation strategy on the overall supply chain relationship. Drawing from the reciprocity tenet of SET, research has suggested that supply chain partners will mirror the negotiation strategies of each other (Gouldner 1960). The tendency for negotiators to reciprocate the strategies of their

negotiation partner has been supported even when the negotiator's current strategy is more in line with their own goals (Pruitt 1998).

Regardless of the strategic approach, negotiation is an essential aspect of supply chain management. Specifically, collaborative and competitive negotiation strategies are common elements of interdependent buyer-supplier relationships in modern supply chains and research has supported that negotiation strategy type impacts the negotiation outcomes (Rinehart et al. 1988; Krause et al. 2006). Unfortunately, little is known about the effects of negotiation strategies on ongoing collaborative behaviors and relational outcomes in exchange relationships (Atkins and Rinehart 2006).

Negotiation research often focuses on the economic outcome of profit or the psychological outcome of satisfaction within a specific buyer-supplier encounter (Mintu-Wimsatt and Graham 2004). However, these outcomes limit the scope of inquiry in exchange relationships by treating negotiation interactions as discrete events rather than part of an ongoing relationship (Dwyer et al. 1987). Discrete events like individual negotiations are the foundation of critical buyer-supplier relationships that form modern supply chains (Daugherty 2011). Unfortunately, most negotiation research views buyer-supplier negotiations as isolated incidents instead of a continuing contribution to the overall supply chain relationship. Insights from Social Exchange Theory (SET) suggest that negotiations are in fact a critical part of ongoing exchange relationships that will influence future interactions between buyers and suppliers (Thibaut and Kelley 1959; Emerson 1976). Therefore, in order to increase understanding of buyer-supplier relationships, it is important to learn how a discrete negotiation event can impact longer term collaborative behaviors in exchange relationships (Atkins and Rinehart 2006).

Given the relational context, a predominant focus on monetary negotiation outcomes is insufficient. Buyer-supplier relationship research would suggest that a variety of relational variables would be an important part of interactions, specifically negotiations, between supply chain partners. SET proposes that buyers and suppliers attempt to maximize rewards and minimize costs in negotiation encounters (Thibaut and Kelley 1959; McDonald 1981). This research suggests that the monetary outcome is just one of the factors that interdependent supply chain members assess in determining if the benefits outweigh the costs of doing business with another organization.

In summary, supply chain relationships are an essential component of achieving overall performance success and maintaining a competitive advantage. The negotiation process is an important part of developing and maintaining these interdependent buyer-supplier relationships. However, research and the accepted process models have largely relied on a discrete event, transactional interaction foundation. This research makes an academic contribution by presenting a circular negotiation process model that is intended to better capture the ongoing nature of buyer-supplier negotiation interactions.

Research Objective and Research Questions

This dissertation explores the negotiation strategy-outcome phenomenon from the context of ongoing buyer-supplier relationships, which has been largely overlooked. Based on identified gaps in the literature, the following research questions were developed for this dissertation:

1. How are buyer-supplier relationships impacted by the use of competitive and collaborative negotiation strategies?

2. Do buyers and suppliers treat negotiations as discrete events or as part of the overall supply chain relationship?

The dissertation research questions were addressed by two studies. Study One employed a scenario based behavioral experiment. Study Two utilized a qualitative, grounded theory methodology. Both studies are discussed in more detail below.

Justification of This Research

In spite of the universal occurrence of negotiations between supply chain members, research has largely ignored the importance of understanding the negotiation process in modern supply chains (Zachariassen 2008). This research is essential for four primary reasons. First, research has treated negotiations as discrete, isolated events instead of a part of ongoing relationships. Levitt (1983) likened the dynamics of buyer-supplier relationships to being analogous to a marital relationship. If spouses have an argument while trying to deal with a problem, they are likely to remember that encounter when another issue arises that they need to address. Similarly, a supplier is not likely to forget a buyer's lack of help or understanding if an issue arises. As in personal relationships, supply chain relationship encounters do not exist in isolation. They are influenced by past history and encounters. Therefore, research should take care to capture those important nuances as well.

The second reason for this research is to further examine the effectiveness and appropriateness of the two common negotiation strategies in the ongoing supply chain relationship context. While a substantial body of research has supported the negotiation strategy

and negotiation outcome relationship (Rubin and Brown 1975), a majority of it has centered on identifying the most effective negotiation strategy. A collaborative strategy has often been advocated given the belief that it is preferable for long-term relationships (Zachariassen 2008). Research has yet to examine the potentially negative impact a competitive strategy may have on the overall supply chain relationship. Study One will focus on determining the impact of collaborative and competitive strategies on relational outcomes.

The third reason for this research is the need to identify relational negotiation outcomes that are important to supply chain relationships. The previous focus on monetary and satisfaction measures in discrete negotiation encounters overlooks the identification and understanding of important relational negotiation outcomes for buyers and suppliers in long-term interdependent relationships. Study Two will concentrate on exploring the collaborative behaviors and determining the relational outcomes that are most important to buyers and suppliers and using the data collected to build a theoretical framework.

The fourth reason for this research is its potential to offer supply chain managers insights into relational costs and benefits associated with negotiation strategies. Consistent with the tenets of SET theory such information will help managers more effectively assess the cost/benefit trade-offs in supply chain relationship management (Thibaut and Kelley 1959). This information has the potential to aid buyers and suppliers in negotiating more effectively given their goals for a specific supply chain relationship.

Research Approach

In order to explore the effects of negotiation strategies on collaborative behaviors in ongoing buyer-supplier relationships, this research was conducted in three phases: a comprehensive literature review, Study One, and Study Two. First, a comprehensive literature review was conducted on the areas of interdependent buyer-supplier relationships, negotiation strategies, and negotiation outcomes. This literature review is discussed in detail in Chapter 2. Based on the existing literature, gaps were identified that influenced the development of the following two studies. The dissertation organizational structure and multi-method research approach were adopted from Murfield (2012) and Thomas (2008).

Study One examined the effects of negotiation strategies on collaborative behaviors in ongoing buyer-supplier relationships and quantitatively tested a priori developed hypotheses. The impact of collaborative and competitive negotiation strategies on relational outcome behaviors in interdependent buyer-supplier relationships was tested via an experimental design methodology. Experimental design is appropriate for the isolation of cause-and-effect relationships and the systematic testing of theory (Siemsen 2011; Thye 2007). A review of buyer-supplier relationship literature was conducted to identify specific relational outcomes to serve as the dependent variables. The experiment was conducted by asking research participants to read a scenario based manipulation and answer questions from a survey questionnaire (Thomas 2008). The research goal of Study One was to test the hypothesized relationships, based on the tenets of Social Exchange Theory, between collaborative and competitive negotiation strategies and relational negotiation outcomes.

Study Two qualitatively explored the effects of negotiation strategies on relational outcomes in ongoing buyer-supplier relationships and consisted of interviews with buyers and

suppliers who have experience negotiating on behalf of their organizations. In supply chain relationships, the literature on negotiation strategy effects on relational negotiation outcomes is limited. Qualitative methods are considered to be appropriate research methods when little is known about phenomena, complex human interactions are involved, and the focus is interdependent relationships instead of discrete transactions (Rinehart 1989; Strauss and Corbin 1998; Hopmann 2002; Gephart 2004; Zachariassen 2008). Based on the research questions, qualitative research methods were deemed appropriate for use in this dissertation to obtain a greater understanding of negotiation strategies and relational negotiation outcomes in ongoing buyer-supplier relationships.

A grounded theory methodology was determined to be an appropriate methodology for Study Two of this dissertation because of the exploratory characteristics of the research questions, the social complexity of the phenomenon, and the desire to build a testable theoretical framework (Strauss and Corbin 1998; Creswell, 2007; Mello and Flint 2009; Corbin and Strauss 2008). Grounded theory is defined as a “method of constant comparative analysis based on the thesis that social science theory can be built from data systematically obtained in a social setting” (Robrecht 1995, p. 170). As the method has evolved, the term grounded theory more generically refers to the origination of theoretical constructs from qualitative data (Corbin and Strauss 2008). Study Two should offer insights into the understanding of the buyer-supplier negotiation phenomenon and help address some of the gaps that currently exist in the relevant literature.

Contributions of This Research

In order to add to the current body of knowledge for buyer-supplier relationships and negotiations, the researcher identified several research contributions. First, a large number of

diverse disciplines have extensively studied negotiations, but negotiation research in supply chain relationships literature has been limited (Zachariassen 2008). A greater understanding of the nuances of negotiations is critical given the interdependent nature of supply chain relationships and may offer information that helps buyers and suppliers view negotiations as an opportunity to build relationships with other supply chain members.

Second, this research provides insight into the relationship variables that are important in negotiation outcomes. Previously investigated negotiation outcomes are generally limited to economic variables like profit or social-psychological variables like satisfaction (Mintu-Wimsatt and Graham 2004). Such an approach limits the potential scope of negotiation research in the buyer-supplier relationship domain. By understanding the relational variables that are part of the negotiation process, buyers and suppliers may be better able to evaluate all the costs and benefits of a negotiation outcome (Thibaut and Kelley 1959).

Third, this research explores negotiations as an event in the context of an ongoing relationship. While literature has talked about negotiations in this context, most empirical studies still treat them as an isolated event. Such a gap in the literature is noticeable given the importance of both negotiations and buyer-supplier relationships to supply chain management. Therefore, gaining greater insights into how a discrete negotiation event can impact ongoing collaboration between buyers and suppliers is warranted.

Fourth, this dissertation makes two methodological contributions that answer the calls of other researchers for more qualitative research (Rinehart 1989; Hopmann 2002; Ramsay 2004; Zachariassen 2008; Fawcett and Waller 2011; Kaufmann and Denk 2011) and more behavioral and laboratory experiments (Boyer and Swink 2008; Eckerd and Bendoly 2011; Knemeyer and

Naylor 2011; Thomas 2011; Waller and Fawcett 2011; Deck and Smith 2013) in supply chain relationships research. Finally, this study makes an academic contribution by utilizing Social Exchange Theory (Thibaut and Kelley 1959) to extend the scope of negotiation research beyond limited outcomes of discrete events to include collaborative behaviors associated with ongoing interdependent buyer-supplier relationships. The reciprocity tenet of SET (Gouldner 1960) was also examined to better understand how common reciprocation is and the impact it has on both the negotiation and the overall relationship, particularly if a reciprocated negotiation strategy conflicts with the original goals of the negotiator.

Dissertation Organization

The dissertation is separated into five chapters. In summary, Chapter 1 presents the introduction; Chapter 2 covers the literature review; Chapter 3 outlines the multi-method research methodology; Chapter 4 presents the results; and Chapter 5 offers conclusions and implications from the dissertation results.

Chapter 1 introduces the phenomena to be studied, the effects of negotiation strategies on collaborative behaviors in ongoing buyer-supplier relationships. The chapter introduces the research purpose, discusses the justification for the research, highlights the theoretical foundation, and presents the research contributions. Chapter 2 provides the literature review to provide additional detail about the phenomena that is being studied. This chapter also proposes research hypotheses to be tested in Study One of the dissertation. Chapter 3 presents the multi-method research methodology separated into Study One and Study Two. This chapter discusses the research designs, sampling methods, data collection procedures, and data analysis techniques for Study One and Study Two.

Chapter 4 explains the data analysis procedures and presents the research results for Study One and Study Two. The Study One results discuss the outcomes of the hypotheses tested in the quantitative behavioral experiment. The Study Two results report the qualitative findings from the grounded theory research. A theoretical model is also described. Chapter 5 presents the managerial and theoretical implications for Study One and Study Two. Limitations of the research are also addressed and future research suggestions are presented.

CHAPTER 2

LITERATURE REVIEW

Introduction

The purpose of Chapter 2 is to thoroughly review the applicable literature and combine with theory so that testable hypotheses can be proposed. The chapter is organized as follows. First, Social Exchange Theory (SET) and its reciprocity tenet will be presented as the theoretical lens for part of this dissertation. Second, the buyer-supplier relationship literature is examined. Third, negotiation strategy and outcomes literature is reviewed. Fourth, four relational negotiation outcome variables are discussed. Finally, research hypotheses are proposed.

Theoretical Foundation: Social Exchange Theory

The theoretical lens selected as the foundation for this dissertation research on negotiation strategies and relational outcomes in ongoing buyer-supplier relationships is Social Exchange Theory (SET). The roots of SET can be found in such disciplines as sociology (Blau 1955; Homans 1958; Gouldner 1960; Emerson 1962; Emerson 1976), social psychology (Thibaut and Kelley 1959; Jones 1964; Adams 1965), and economics (Smith 1776). SET focuses on the social nature of exchanges and emphasizes that the cost/benefit tradeoff analysis is not solely limited to economic costs and benefits (Blau 1964).

According to the one of the core premises of SET, buyers and suppliers participate in ongoing relationships because they perceive the benefits of working together to outweigh the identified costs (Thibaut and Kelley 1959). Buyers and suppliers must assess the value of factors such as relational negotiation outcomes that are an important part of the buyer-supplier

relationship and negotiation exchange. Identification of specific factors that buyers and suppliers assess will be addressed later in this chapter.

In negotiations, buyers and suppliers have to consider the costs and benefits of reaching an outcome with each other and this analysis should reflect the goals of the parties involved (Mintu-Wimsatt et al. 2005). For example, a buyer who is looking for a long-term supplier that can keep up with the growth of his business is likely to select the supplier with a well-established distribution network and proven supply chain capabilities as opposed to a supplier that is offering a low-cost product but is financially unstable at the corporate level. When the costs of negotiating with a buyer or supplier begin to exceed the benefits, the other party is likely to start making different business decisions to loosen the relationship ties and start looking for a new supply chain partner (Wangenheim 2003).

Another tenet of SET is the reciprocity principle (Larson 1998). The reciprocity principle indicates that parties involved in exchange relationships will mirror the actions and behaviors of the other party (Gouldner 1960). Therefore, according to the norm of reciprocity, buyers and suppliers will alter or adjust their negotiation strategies or behaviors to match those of their negotiation partner (Westbrook 1996). For example, if a buyer shares information about a corporate strategy shift to focus on innovative products, a supplier is likely to reciprocate by sharing information about new products or exclusivity opportunities with their organization.

Three main reasons were identified to support the use of SET as an applicable theoretical foundation for this dissertation research. First, previous negotiation research has also applied SET (Campbell et al. 1988; Alexander et al. 1994; Buchan et al. 2004; Wolfe and McGinn 2005; Bottom et al. 2006). Second, SET has also been utilized in buyer-supplier relationship studies (Dwyer et al. 1987; Narasimhan et al. 2009; Cahill et al. 2010; Thomas et al. 2010; Wagner et al.

2011). Third, buyer-supplier relationships and negotiations are social interactions and as such, this dissertation topic should be included within SET's theoretical scope.

Buyer-Supplier Relationships

Building upon earlier marketing research from Bagozzi (1979, 1975), Macneil (1980), Weitz (1981), and Frazier (1983), Dwyer and colleagues (1987) published a seminal article on the importance of developing and maintaining buyer-supplier relationships. Since that time, buyer-supplier relationships have developed as a popular and active research topic in logistics and supply chain management research (Daugherty 2011). As companies have increasingly looked outside the walls of their organization to outsource activities and focus more on their core competencies, a relationship-oriented approach is often selected because it is perceived to offer business advantages (Daugherty 2011; Stank and Daugherty 1997). The perceived advantage of these important supply chain relationships is to work across organizational boundaries to create collaborative relationships in order to achieve greater efficiencies, create value, secure resources, with the ultimate goal of a sustainable competitive advantage (Nyaga et al. 2010). The performance advantages of buyer-supplier relationships seem to be interconnected in an ongoing, dynamic cycle that evolves as long as the relationship continues (Autry and Golicic 2010). Thus, buyer-supplier relationships are a vital part of supply chain management.

A discrete event lens is used most often for ongoing buyer-supplier interactions, but these relationships are built on a discrete transaction foundation made up of a series of transactions (Dwyer et al. 1987). Each interaction between a buyer and supplier is part of the development of

the relationship. The current relationship between a buyer and a supplier is the culmination of all the interactions that have previously occurred between the organizations.

Three key themes that pertain to this dissertation research were identified from the review of buyer-supplier relationship literature. First, buyers and suppliers rely upon each other to achieve their organizational goals because to some degree all supply chain members depend on each other (Stern et al. 2001). This mutual dependence between buyers and suppliers is called interdependence, which will be discussed in more detail. Relationships in supply chains are “characterized by reciprocal interdependence; each node depends on adjoining nodes to perform its role” (Hult et al. 2004, p. 244). As competencies and priorities change, interdependence between organizations can vary over time (Mahapatra et al. 2010). Buyer-supplier relationships can be classified based on differing levels of symmetry in the relationships. Relationships with mutual symmetric interdependence indicate that buyers and suppliers have an equal amount of interdependence between them and are generally considered to be long-term with common goals and lack opportunistic behaviors because of the high cost of destroying the relationship (Kumar et al. 1995). Asymmetric interdependence is characterized by one party having more power than the other party. This imbalance of power impacts the relationship between the buyer and supplier. This idea of interdependence strongly supports the continuous nature of many buyer and supplier relationships.

Second, the buyer-supplier relationship literature has achieved some consensus that relationships can be classified along a continuum with discrete, transactional relationships on one end and collaborative, strategic relationships on the other with a variety of cooperative relationships in between (Dwyer et al. 1987; Autry and Golicic 2010). Levels of interdependence are likely to increase as relationships move from the transactional to the

collaborative end of the continuum. A large body of the relationship research advocates the movement away from transactional relationships towards collaborative partnerships to gain advances such as lower product costs, better quality and improved service (Rinehart et al. 2004). However, others have argued that close buyer-supplier relationships are costly and not always the best choice (Cannon and Perrault 1999). Different types of relationships along the continuum necessitate different levels and types of investments which result in different outcomes (Daugherty 2011). The variety of relationship types suggests that buyers and suppliers may approach individual relationships differently depending on the type and organizational goal of the relationship.

Third, buyer-supplier relationships are dynamic in nature, as they are constantly evolving and changing. Due to the constantly changing nature of buyer-supplier relationships, most research has been unable to successfully capture it. A recent article from Autry and Golicic (2010) addressed this issue by incorporating spiral theory to capture the changing nature of buyer-supplier relationships and how they are impacted by interactions that force adjustments to the relationship. Social Exchange Theory supports that buyer and suppliers are constantly evaluating their interactions in order to determine the cost-benefit tradeoff of the relationship (Thibaut and Kelley 1959).

Interdependence

A supply chain is a series of mutually dependent, complex buyer-supplier relationships (Stern et al. 2001; Cooper et al. 1997). *Interdependence is defined as the sum of both firm's dependence* (Kumar et al. 1995, p. 349). The interdependence concept acknowledges that “a

firm's dependence on another is relative to the other firm's dependence on it" (Jambulingam et al. 2011, p. 42; Kumar et al. 1995; Buchanan 1992). Interdependence has been conceptualized with varying degrees of symmetry or asymmetry (Gundlach and Cadotte 1994). Four levels of interdependence have been identified: no perceived interdependence, the buyer is more dependent on the supplier, the supplier is more dependent on the buyer, and both parties are equally dependent on each other (Jambulingam et al. 2011). Buyer-supplier relationships with an equal amount of dependence between the buyer and supplier have been classified as having mutually symmetric interdependence (Kumar et al. 1995). In mutually symmetric interdependent buyer-supplier relationships, buyers and suppliers are likely to have increased trust and commitment (Kumar et al. 1995). Mutual interdependence tends to increase the closeness of buyer-supplier relationships because neither supply chain member has more power over the other.

Previous research has suggested an inverse relationship between power and dependence that affects the negotiation process and outcomes (Ganesan 1993; Emerson 1962). The buyer or supplier with more power is likely to achieve more favorable economic outcomes with fewer concessions and be more satisfied with the negotiation outcomes (McAlister et al. 1986; Neslin and Greenhalgh 1983; Dwyer and Walker 1981). Buyers and suppliers must continually assess the perceived power-dependence relationship throughout the negotiation process (Rinehart et al. 1988). Power is defined as "the ability to achieve intended effects or goals" (Dwyer et al. 1987, p. 17; Dahl 1957). As interdependence levels become more asymmetric, power may have a greater influence on the outcomes obtained in a buyer-supplier negotiation (Dwyer et al. 1987). SET would suggest that weaker parties may decide that the costs of doing business with the more powerful party outweigh the benefits and look for other alternatives (Gassenheimer et al. 1994).

While literature has suggested that power affects the negotiation process (Heide and John 1988), SET and buyer-supplier relationship literature suggest that using power to exploit the weaker party is not the only option for interorganizational interactions (Ganesan 1993; Stern and Heskett 1969). In keeping with SET's reciprocity tenet, the more powerful buyer or supplier may opt to utilize more cooperative strategies in hopes of eliciting a reciprocal response and building an ongoing relationship (Frazier and Rody 1991; Gouldner 1960). Tangpong, Michalisin, and Melcher (2008) examined buyer-supplier relationship typologies and found that the power-dependence relationship has been the dominant classification perspective. However, a relational content-based approach has also been used, such as Macneil's continuum (1980) from discrete transactions to long-term relationships. The purpose of this dissertation research is to explore the relational factors that are important in buyer-supplier negotiations beyond the power-dependence relationship. As ongoing supply chain relationships continue to be an important part of achieving organizational goals, an increased understanding of the nuances of these close relationships is needed. By using levels of mutual symmetric interdependence, the effects of power will be controlled so that other relational variables of interest may be examined. In the Study One quantitative experiment, interdependence will be one of the independent variables.

Buyer-Supplier Negotiations

Research on negotiations has emerged and developed from a variety of different fields such as economics (Nash 1953, 1950), social psychology (Barry and Oliver 1996; Thompson and Hastie 1990; Rubin and Brown 1975), marketing (Herbst et al. 2011), and supply chain management (Zachariassen 2008). Given that most conditions of interorganizational exchanges

are decided during buyer-supplier negotiations (Herbst et al. 2011), research that adds to the overall body of buyer-supplier relationship and negotiation literature has the potential to impact a variety of disciplines.

Defining Buyer-Supplier Negotiations

Numerous negotiation definitions have been presented in academic literature. A list of common definitions is presented in Table 1. In Table 1, a lack of definitions from 2004 to the present is due to more recent articles utilizing past definitions. Four elements are consistent across most definitions. First, negotiation is a process. Bloom's definition (1984) places an interesting twist on the conceptualization of negotiation as a process and calls purchasing negotiation an "art," which insinuates that a level of skill is required to be effective. Second, negotiations occur between two or more individuals or parties. In buyer-supplier negotiations, the involved parties negotiate on behalf of the organizations that they represent. Third, each negotiation has a purpose. This purpose may be due to a conflict (Allred et al. 1997; Rognes 1995; Graham et al. 1994; Rinehart and Zou 1992; Thompson and Hastie 1990), a difference in preferences (Walters et al. 1998; Neale and Northcraft 1991; Bazerman and Carroll 1987; Carnevale and Isen 1986), or a desire to reach mutually beneficial outcomes (Gulbro and Herbig 1995; Rinehart and Zou 1992; Rinehart and Closs 1991; Evans and Beltramini 1987).

Table 1: Negotiation Definitions

Author (Year)/Source	Negotiation Definition
Sawyer & Guetzkow (1965)/Book	A process by which parties attempt to reach an accord that specifies how they will act toward one another
Rubin & Brown (1975)/Book	The process by which two or more parties decide what each will give and take in an exchange (from Thompson 1990, p. 516)
Bloom (1984)/Book	[Purchasing negotiation] the art of arriving at a mutual agreement with suppliers by means of bargaining on the essentials of a purchasing contract, such as specifications, quality assurance, price, payment terms, and delivery schedules
Carnevale & Isen (1986)/OBHDP	A process by which two or more people make a joint decision with regard to an issue about which there are initial differences in preference (p.1)
Bazerman & Carroll (1987)/RIOB	The process by which parties with nonidentical preferences allocate resources through interpersonal activity and joint decision making
Evans & Beltramini (1987)/JM	Exchange activity which promotes the possibility of mutually beneficial outcomes (from Graham et al. 1994, p. 73)
Rinehart et al. (1988)/IJPDLM	A management process involving the preparation for bargaining, the interaction of 2 or more parties in a bargaining situation, & the resolution or outcome of this interaction (p.43)
Thompson (1990)/PB	Necessary whenever conflict erupts and there are no fixed or established rules of procedures to resolve the conflict (p.515)
Thompson (1990)/PB	A complex decision-making task in which negotiators are faced with alternative courses of action and choices... that are determined by negotiator's judgments of the task (p. 524)
Rinehart & Closs (1991)/JBL	The process leading to a mutually acceptable agreement between two or more parties on some course of action (p.123)
Fisher et al. (1991)/Book	A process of communicating back and forth for the purpose of reaching a joint decision
Neale & Northcraft (1991)/RIOB	A situation where multiple, interdependent parties with non-identical preferences make decisions that result in the allocation of resources
Rinehart & Zou (1992)/TJ	[Contract] negotiation is a problem-solving decision-making process involving two or more parties that are seeking mutual gains in the form of economic exchange and conflict resolution (p.39)

Table 1: Negotiation Definitions (continued)

Author (Year)/Source	Negotiation Definition
Graham et al. (1994)/MS	Unique encounter because of the simultaneous presence of the elements of cooperation and conflict (p.73)
Rognes (1995)/IJPMM	A process of potentially opportunistic interaction by which two or more parties, with some apparent conflict, seek to do better through jointly decided action than they could do otherwise (p.13)
Gulbro & Herbig (1995)/JBIM	The process by which at least two parties try to reach an agreement on matters of mutual interest (p.19)
Allred et al. (1997)/OBHDP	Primary means by which organizational members attempt to manage conflict (p.175)
Walters et al. (1998)/OBDHP	A process by which individuals with initially divergent interests can resolve their differences to reach mutual agreement (p.1)
Ramsay (2004)/SCM:IJ	An information processing activity involving the manipulation of data for a variety of different sources. (p.223)
Herbst et al. (2011)/IMM	[Business negotiations] as single interaction episodes (p.969)

The fourth element of many negotiation definitions is the notion of reaching an outcome. The outcome may be identified as a specific ending such as a purchasing contract (Bloom 1984) or allocation of resources (Neale and Northcraft 1991). It may also be the attainment of a joint decision (Rognes 1995; Fisher et al. 1991; Bazerman and Carroll 1987; Carnevale and Isen 1986) or mutual agreement (Walters et al. 1998; Rinehart and Closs 1991; Bloom 1984). As previously stated, numerous definitions of negotiations exist. However, for the purpose of this dissertation, the following definition has been created to capture the four common elements from most definitions and the ongoing nature of buyer-supplier relationships. Therefore, a *buyer-supplier negotiation is defined as a process by which two or more parties representing different organizations interact to make a joint decision on some course of action while analyzing the likelihood of a future negotiation.*

Buyer-Supplier Negotiation Process

Buyer-supplier negotiations are a multi-stage process (Rinehart et al. 1998). An understanding of the buyer-supplier negotiation process is important because a majority of the negotiation activities in organizations are handled by the buying and selling departments (Ramsay 2004). Exploration and understanding of the negotiation process is critical given the importance of negotiations in achieving strategic organizational goals. An existing buyer-supplier relationship modifies the dynamics of the negotiation process (Pruitt and Carnevale 1993).

Different process models exist, but the most general is a three stage model which includes a planning/ preparation stage, a negotiation activity stage, and a negotiation outcome stage. Several researchers have extended this model to include a potential stage (Rinehart et al. 1998) at the beginning of the process and/or an assessment/implementation stage at the end of the process (Kaufmann and Carter 2004; Barry and Oliver 1996). Based on the literature, a representation of a full five stage process model is shown in Figure 1.

While an in-depth discussion of each stage of the negotiation process is outside the scope of this dissertation, a brief description from the literature of each stage is presented in Table 2. The negotiation potential stage is the first stage in the negotiation process (Rinehart et al. 1988), but as indicated by Figure 1, research is very limited. Some researchers include negotiation potential in with preparation and planning. More focus on the potential stage in future research has been advocated in order to shift the scope of negotiation research from mainly the actual negotiation encounter to improve the understanding of how individuals make it to the negotiation activity stage (Small et al. 2007). The preparation/planning stage is argued to be critical to the success or failure of a negotiation encounter (Lewicki et al. 1997; Rognes 1995). As stated by Krause and colleagues (2006), “a frequently stated assumption in the negotiation trade literature is that negotiation success is dependent on significant effort in the preparation stage” (p.13).

Figure 1: Five Stage Linear Negotiation Process Model

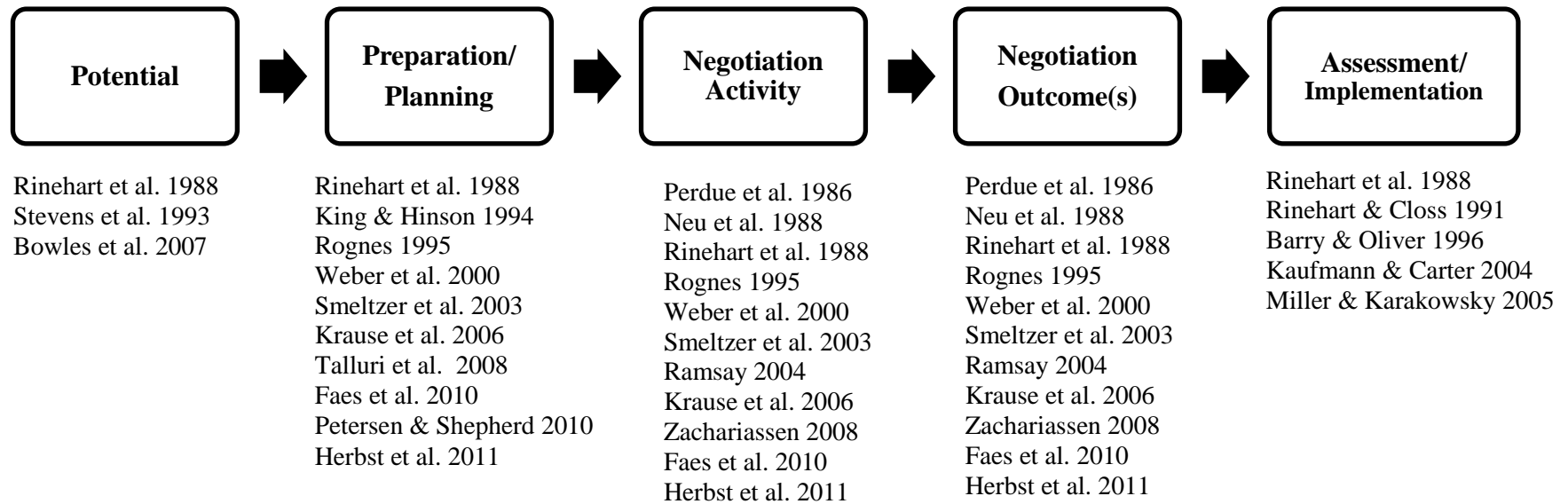


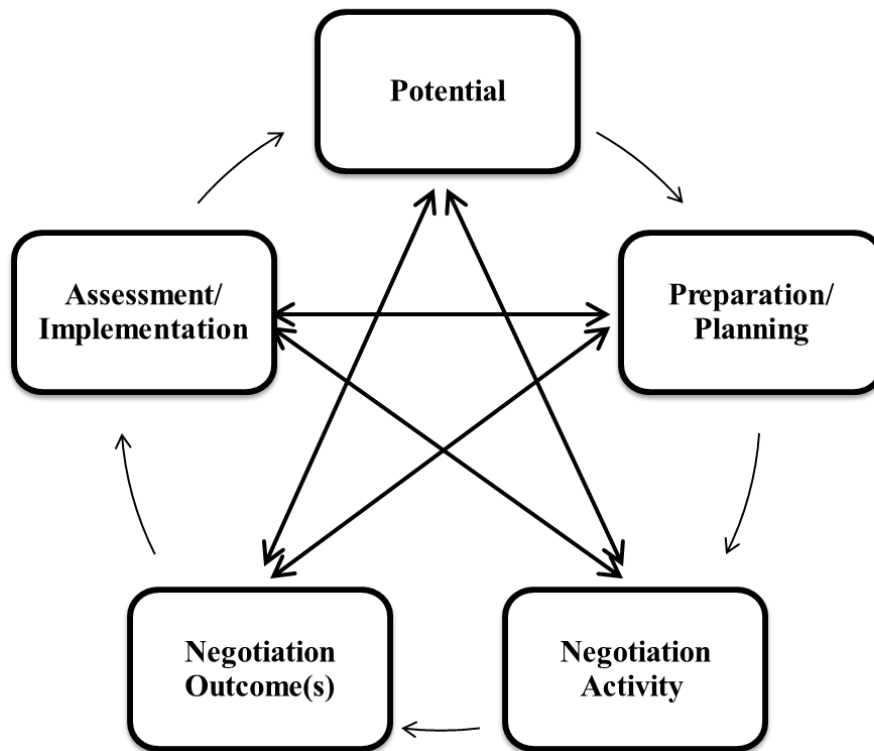
Table 2: Five Stages of the Negotiation Process Described

Potential	The buyers and suppliers assess the power-dependence relationship between them. Their perceptions of this relationship will influence the way they prepare and behave during the negotiation process. (Rinehart et al. 1988, p.45)
Preparation/ Planning	Based on the goals and objectives of their organization, buyers and suppliers collect information, establish negotiation goals, and select negotiation strategies to use in the actual negotiation encounter. (Rinehart et al. 1988, p.43)
Negotiation Activity	In the negotiation activity stage, buyers and suppliers implement the strategies and goals determined in the preparation stage. Then, the buyers and suppliers go back and forth over the negotiation issues in an attempt to satisfy the organizations involved. (Rinehart et al. 1988, p.43)
Negotiation Outcome	This stage indicates that the buyers and suppliers either reached an agreement that offers opportunities for mutual gain or decided to discontinue the negotiation process. (Rinehart et al. 1988, p.43)
Assessment/ Implementation	There are two parts to the assessment/implementation stage. First, at the organizational level, buyers and suppliers have to assess the actual negotiation outcome and proceed with the implementation of the negotiation agreement. (Kaufmann and Carter 2004) Second, at the individual level, buyers and suppliers evaluate their own performance in the negotiation. (Miller and Karakowsky 2005; Rinehart and Closs 1991; Rinehart et al. 1988)

The third stage in the negotiation process is the negotiation activity stage. This stage is often examined in relation to the negotiation outcome stage. Negotiation strategies that are identified during the planning/preparation stage are employed during this stage. The fourth stage is the negotiation outcome stage. Research on this stage will be discussed in detail later in this chapter. The final stage is the assessment stage. This stage has also been limited in quantity of research. During the assessment stage, a negotiator will reflect upon the whole negotiation process and analyze how successful they and their organization were (Kaufmann and Carter 2004; Rinehart et al. 1988). The activities of this stage will also help a negotiator determine how they might perform better in the future and if they would negotiate with the other party again (Miller and Karakowsky 2005; Rinehart et al. 1988).

The negotiation process has been presented using linear models that encompass a discrete event. These models have largely overlooked the dynamic, ongoing nature of buyer-supplier negotiations. Based on information from both negotiation and buyer-supplier relationship literature, this dissertation offers a circular buyer-supplier negotiation process model that also includes several feedback loops. This model is an attempt to more realistically model the negotiation process within ongoing buyer-supplier relationships. The extended buyer-supplier negotiation process model with literature support for each stage is shown in Figure 2.

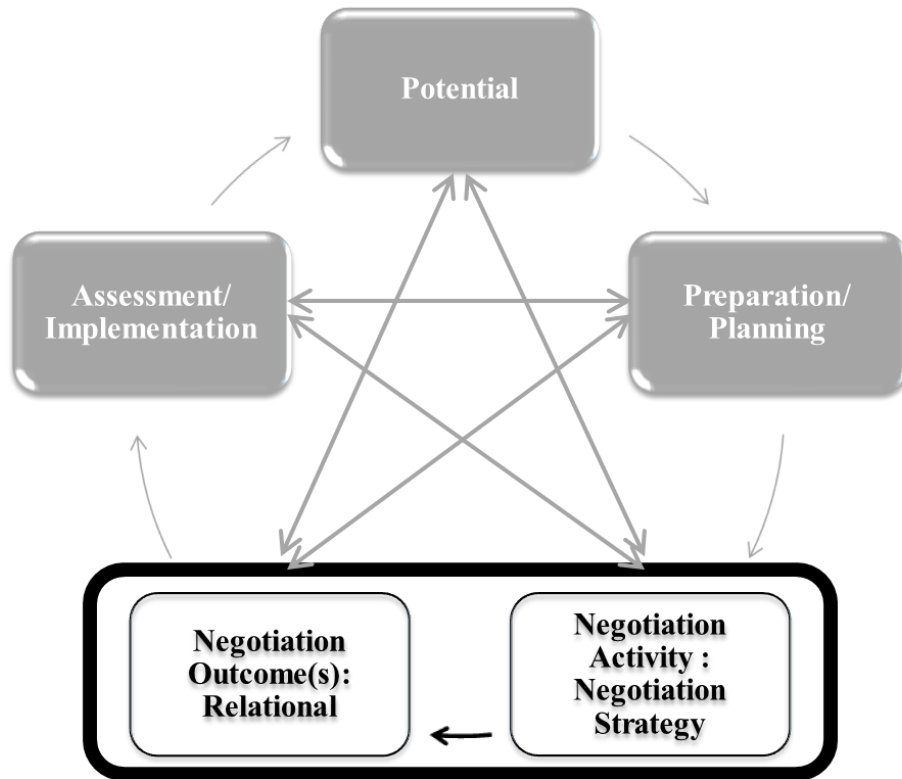
Figure 2: Buyer-Supplier Negotiation Process Model



A negotiator may approach the negotiation process differently depending on the goals for the relationship with the other organization (Lewicki and Stevenson 1997). While many factors

can impact the buyer-supplier negotiation process, the focus of this dissertation research was exploring how the negotiation strategy used in the activity stage affects the outcomes of the negotiation (see Figure 3).

Figure 3: The Focal Relationship – Negotiation Strategy & Negotiation Outcomes



Negotiation Strategies

Negotiation strategies are defined as “interaction patterns used by parties in conflict to achieve resolution” (Ganesan 1993, p.184). Buyers and suppliers may choose different negotiation strategies depending on the importance of the issues to be negotiated and the existing relationship with their negotiation partner (Lewicki and Stevenson 1997; Dant and Schul 1992).

These strategies are often selecting in the planning phase of the negotiation process (Peterson and Shepherd 2010). Two common types of negotiation strategies have traditionally been utilized in buyer-supplier negotiations: collaborative and competitive (Krause et al. 2006). These strategies have been handled as a dichotomy such that negotiators choose to use one or the other (Walton and McKersie 1965).

Collaborative negotiation strategy

A collaborative negotiation strategy has been recognized by a number of names such as integrative, cooperative, problem-solving approach, and win-win (Krause et al. 2006).

Negotiators who utilize a collaborative negotiation strategy will share information with their negotiation partner (Mintu-Wimsatt and Graham 2004). This information sharing enables a collaborative negotiator to evaluate the priorities and needs of everyone involved instead of exploiting differences. The collaborative negotiation strategy goal is to resolve the parties' differing interests and deliver joint benefits for both parties as the desired outcome of the specific negotiation (Pruitt 1981; Zachariassen 2008). A collaborative strategy is considered most appropriate in the context of long-term relationships with opportunities for future negotiations and has been advocated to improve overall supply chain performance, but such claims often lack empirical evidence (Graham et al. 1994; Zachariassen 2008). The goals and features of collaborative negotiation strategies are highlighted in Table 3.

Competitive Negotiation Strategy

A competitive negotiation strategy has been identified by a number of names such as win-lose, distributive, individualistic, and aggressive (Mintu-Wimsatt and Graham 2004). A competitive negotiation strategy is defined as the “attempt to resolve conflicts through the implicit and explicit use of threats, persuasive arguments, and punishments” (Ganesan 1993, p.186). In contrast to the collaborative negotiation strategy, competitive negotiators are not going to share information with their negotiation counterpart, and they are often focused on a one-time or short-term agreement (Lewicki et al. 2001). Competitive negotiators are solely concerned with their outcome and wish to win at all costs regardless of the goals or needs of the other negotiator (Calhoun and Smith 1999). As an example, a retailer using a competitive negotiation strategy might force a supplier to reduce their order lead times so that the retailer can decrease the amount of inventory that they carry. If the supplier says that they are unable to meet the demands, the retailer might threaten to reduce the amount of product that they order or to take their business elsewhere.

While the collaborative negotiator concentrates on reaching favorable joint outcomes, competitive negotiators are focused on individual outcomes (Calhoun and Smith 1999). Empirical research has supported that competitive negotiators realize more profitable individual outcomes (Graham et al. 1994). On the other hand, collaborative negotiators reach more favorable joint outcomes (Graham et al. 1994). Use of a competitive negotiation strategy is perceived to be most suitable for a one-time buy or arms-length, transactional relationships (Krause et al. 2006). The goals and features of collaborative negotiation strategies are highlighted in Table 3. Negotiation strategy served as an independent variable in the Study One behavioral experiment. The impact of a negotiation strategy on relational outcomes in ongoing buyer-supplier relationships was explored in the Study Two grounded theory research.

Comparison of Collaborative and Competitive Negotiation Strategies

Research on negotiations has presented collaborative and competitive strategies as opposing approaches to determining exchange conditions. The literature suggests that these negotiation strategies are on opposite ends of a continuum as shown in Table 3.

Table 3: Characteristics of Competitive and Collaborative Negotiation Strategies*

	Competitive	Collaborative
Additional names	Distributive Hard bargaining Win-lose Zero-sum Fixed pie	Integrative Cooperative Win-win Problem Solving Approach
Goal	Achieve one-sided target	Achieve a mutually acceptable target
Characteristics	Short-term orientation Few or forced concessions Secretive/deceptive communication Linked with arm's length transactional relationships	Long-term orientation Open to concessions Open communication Linked with strategic partnerships
Strategy	Push the settlement near the other party's reservation price Cause the other party to move its reservation price	Try to understand the other party's needs Define the problem in a way that is mutually acceptable to both sides Establish trust
Tactics	Disruptive actions Manipulation Alliance with outsiders Aggressive opening offer Threats/intimidation/aggressive behavior Hardball tactics	Depersonalize the problem Separate problem definition from solutions Generate alternative solutions Expand the resources for both parties Find a bridge solution Use breaks to cool off Clear and accurate communication

**Adapted from Krause et al. 2006, p.9 and Alexander et al. 1994; Calhoun and Smith 1999; Lewicki et al. 2001; Zachariassen 2008*

For example, a collaborative negotiation strategy is consistent with the ideals of developing long-term buyer-supplier relationships while a competitive strategy is more focused on a short-term “win” (Lewicki et al. 2001). Collaborative negotiators strive to build trust as part of their relationship with other negotiators. Clearly communicating important pieces of information about goals is part of a collaborative negotiation strategy, but a competitive negotiator will withhold information and may be deceptive with the information that they do share (Campbell et al. 1988; Graham et al. 1994; Ramsay 2004; Krause et al. 2006; Herbst et al. 2011). Collaborative negotiation approaches highlight the desire for both parties to benefit and are open to exploring new ways for that to be accomplished through alternatives such as investments in assets specific to that buyer-supplier relationship and the integration of technologies and processes, and the alignment of contacts between organizations (Lewicki et al. 2001). In contrast, a competitive negotiator focuses solely on reaching the goals of his organization (Rubin and Brown 1975; Ramsay 2004). Collaborative negotiation strategies are willing to making concessions, but competitive negotiation strategies are less likely to concede (Neu et al. 1988; Mintu-Wimsatt and Graham 2004). Collaborative tactics foster higher levels of cooperation, but competitive tactics often seek to use intimidation and aggressive threats in order to drive the other party to make concessions (Ganesan 1993; Krause et al. 2006; Herbst et al. 2011).

Negotiation Outcomes

Negotiation outcomes have been defined as the point in the process when the parties reach some form of agreement on the total set of issues that have been discussed (Rinehart and

Page 1992, p.21; Dommermuth 1976). Generally, an outcome is reached when it is perceived to be financially less beneficial to disagree than to agree (Rinehart and Closs 1991). A review of research involving negotiation outcomes indicated revealed that negotiation outcome measures are commonly used as dependent variables in buyer-supplier negotiation research. Researchers have measured outcomes both individually and jointly (Neu et al. 1988). After a careful analysis of the literature, three types of negotiation outcomes were identified: economic, psychological, and relational.

Economic Negotiation Outcomes

Economic outcome is the most frequently used dependent variable of negotiation outcomes (Graham et al. 1994). The justification for its use has been its perception as an objective result of the negotiation interaction between a buyer and supplier (Mintu-Wimsatt and Graham 2004). Appendix A presents a list of articles that have examined economic negotiation outcomes.

The economic variables reported most often are profit (Roth et al. 2006; Calhoun and Smith 1999; Stuhlmacher and Walters 1999; Neu et al. 1998; Campbell et al. 1988) and final agreed or settlement price (Srivastava and Oza 2006; Roth et al. 2006; Kaufmann and Carter 2004; Min et al. 1995; King and Hinson 1994; Gupta and Livne 1989). Researchers have measured economic outcomes both individually and jointly (Stuhlmacher and Walters 1999; Neu et al. 1988; Green et al. 1967). Some researchers have argued that mutual instead of individual negotiation solutions and measures are the best indicator of negotiation success (Campbell et al. 1988).

A majority of economic negotiation outcome research has utilized laboratory or field experiments/simulations (Herbst et al. 2011). Over 87% of the buyer-supplier negotiation articles in a content review study utilized laboratory experiments or experimental simulations (Buelens et al. 2008). Stemming largely from operations management research, analytical models have sometimes been used to find the optimal negotiation outcome. However, these studies are largely looking at negotiations from a production planning or scheduling lens (Shin and Jung 2005; Lau et al. 2005). Most of these studies were excluded from this review as they were outside the long term, ongoing buyer-supplier relationship negotiation context.

While surveys are common in supply chain relationship research, it is not a commonly used method for negotiation outcome research. Ganesan (1993) surveyed retail buyers in his study on the impact of different negotiation strategies on the concessions made by negotiators and found that the choice of strategy was dependent on the level of conflict and the importance of the issues discussed. Samples for negotiation simulations or experiments are generally comprised of students – undergraduate (Srivastava and Oza 2006; Calhoun and Smith 1999) and/or graduate/MBA (Menasco and Roy 1997; Gupta and Livne 1989; Eliashberg et al. 1986). However, researchers will sometimes combine different groups to compare and contrast results between undergraduates, MBA students, and business professionals (Menasco and Roy 1997; Min et al. 1995; Eliashberg et al. 1986).

Economic negotiation outcomes have theoretically been heavily influenced by game theory (Herbst et al. 2011). Appendix B presents a list of theories and models that have influenced negotiation outcome research. From the articles included in this literature review, game theories are referenced most often. While game theory ties in with organizational goals desiring to achieve optimal results, other researchers have argued that the findings are too

abstract to be useful (Herbst et al. 2011) and “offers a largely arelational view of an inherently relational situation” (Gelfand et al. 2006, p. 427). The first several decades of negotiation outcome research were influenced very heavily by the field of economics. Game and outcome theories became the theoretical foundation for negotiation research, which has been considered appropriate when the focus has been on achieving optimal results for an individual company (Thompson et al. 2010). However, as the business environment continued to evolve, negotiation outcome research began to evolve as well.

Psychological Negotiation Outcomes

Discontent with the explanatory power of economic negotiation outcomes, among largely unacquainted subjects, has led to a shift in focus of some negotiation research (Barley 1991). Psychological perspectives gained popularity in their application during the 1980s and 1990s. However, psychological negotiation outcome research is limited relative to economic negotiation outcome research. Appendix C presents a list of articles that studied psychological negotiation outcomes.

The second most common dependent variable in negotiation strategy research, after profit, is the social-psychological outcome of satisfaction. For negotiation researchers who argued that monetary economic outcomes did not completely capture the nuances of negotiation outcomes, satisfaction can be included along with monetary outcomes of cost or profit (Herbst et al. 2011). Satisfaction represents a subjective assessment of the negotiation encounter and it is often measured from the buyer’s perspective (Mintu-Wimsatt and Graham 2004; Graham et al. 1994). When used in negotiation strategy research, satisfaction assessments often measure how a negotiator was mentally and emotionally impacted by the strategy of their bargaining

counterpart. For example, Oliver, Balakrishnan, and Barry's (1994) model of post-negotiation processes "treats satisfaction as an affective response to perceptions that one's outcomes have exceeded, matched, or fallen short of prior expectations" (p. 254). If satisfied with a specific negotiation outcome, a buyer or supplier is more likely to want to negotiate again in the future and may ultimately be interested in developing an ongoing, long-term business relationship (Dabholkar et al. 1994).

Moving away from the game theory dominant focus of economic outcomes, theories from psychology and sociology have been used as the foundation for most psychological negotiation outcome research. Reciprocity theory has been used most often (Mintu-Wimsatt and Graham, 2004; Alexander et al. 1994; Campbell et al. 1988). Several researchers have presented theoretical frameworks to encompass psychological outcomes: Atkins and Rinehart's (2004) Model of Negotiation Satisfaction Assessment, Rinehart and Page's (2002) Model of Transaction Negotiation, and Graham and colleagues' (1994) Model of Business Negotiations. Social exchange theory (Campbell et al. 1988), expectancy theory (King and Hinson 1994), and attribution theory (Srivastava and Oza 2006) are also examples of other theoretical foundations used in psychological negotiation outcome research.

Psychological negotiation outcome research is still limited and future research opportunities are extensive. However, similar to the economic outcome of profit, the current psychological measure of satisfaction has been criticized as failing to capture the ongoing nature of an interdependent buyer-supplier relationship, the likelihood that the negotiators will meet again in a future encounter, or how past negotiations impact future relational exchanges in supply chains (Greenhalgh and Chapman 1995). Satisfaction measures have ranged from one item (King and Hinson 1994) to two items (Ganesen 1993) to three items (Atkins and Rinehart

2006) to four items (Mintu-Wimsatt and Graham 2004; Alexander et al. 1994). The explanatory power of a one item measure of satisfaction has been questioned (King and Hinson 1994). As the competitive business environment has evolved under the influence of supply chain relationships and initiatives, negotiation outcome research is starting to see a shift in perspective as well (Herbst et al. 2011; Roseira et al. 2010). Economic and psychological satisfaction outcomes are unable to capture the complexities of buyer-supplier negotiations.

Relational Negotiation Outcomes

The final category of negotiation outcomes is the category of relational outcomes. Researchers have expressed a concern for negotiation research's "arelational bias – emphasizing autonomy, competition, and rationality over dependence, coordination, and relationality" (Gelfand et al. 2006, p.428). While many have argued for the need of a relational perspective in negotiation research, most research has stayed at the abstract, conceptual level and has not been rigorously studied (Gelfand et al. 2006; Greenhalgh and Chapman 1993; King and Hinson 1994). A lack of research focus on relational outcomes is somewhat surprising given the popular body of buyer-supplier relationship literature and the interfirm relationship focus that has come from supply chain management initiatives (Zachariassen 2008; Atkins and Rinehart 2006). Appendix D presents a list of articles that studied relational negotiation outcomes.

Most relational outcome literature has been sparse and diverse. Rinehart and Zou (1992) used a mail survey to examine three variables: the perceived success of a negotiation related to a negotiator's perception of the other party's dependence on them, their level of trust in the other party and their confidence. A negotiator's perceived success was found to be significantly related to these three variables. Corfman and Lehmann (1993) presented a conceptual model of

negotiator satisfaction that measured the following relational outcome variables: liking, expectations, settlement history, likelihood of future negotiations, power orientation, and egocentricity. Their study was intended to test the widely held assumption that negotiators are only worried about maximizing their own success (Corfman and Lehmann 1993). The concern for the other negotiator and his or her needs surfaces to either maintain the other party's interest in the negotiation or to meet strategic goals (Corfman and Lehmann 1993). Other studies have suggested, however, that negotiators do not solely value their own outcomes, but also care about relational outcomes as well (Neslin and Greenhalgh 1983; Bacharach and Lawler 1981).

King and Hinson (1994) addressed their concerns with the definition and measurement of negotiation outcomes by dividing outcomes into overt and covert groups. Their research sought to address some of the inconsistency of outcomes from previous negotiator characteristics (such as gender or personality traits) studies. The lack of success in using negotiator characteristics to predict negotiation outcomes may be due to the narrow definition of outcomes (King and Hinson 1994). Overt (financial) outcomes, while easier and more precise to measure, limit the variety of outcome possibilities from a negotiation encounter and “thus sacrifices completeness for precision” (King and Hinson 1994, p. 610). Drawing from the tenets of expectancy theory (Porter and Lawler 1968; Vroom 1964) and reinforcement theory (Bandura 1969; Skinner 1953), the assortment of potential negotiation outcomes and the various preferences of different outcomes over each other can be as unique as the individual negotiators (King and Hinson 1994).

King and Hinson (1994) broadened the conceptualization of negotiation outcomes from predominantly overt to include covert outcomes as well. They characterized covert outcomes as non-financial, non-tangible, relationship, and interaction outcomes. This expanded outcome definition is intended to more accurately capture negotiation outcomes that impact future

negotiation encounters, are more representative of real-world behaviors, and better captures the dynamic nature of negotiation encounters (King and Hinson 1994). This study was one of the first that presented justification for the need for relational outcomes in buyer-supplier negotiation research. However, the researchers did not extensively define specific relational outcome measures beyond relationship preference (i.e. “I treated my opponent fairly during this negotiation”) and perception of your partner’s concern for the relationship (i.e. “My opponent was concerned with my feelings during this negotiation”) (King and Hinson 1994, p.616).

The concept of relationship preferences (King and Hinson 1994) and relationship orientation (Greenhalgh and Gilkey 1993) has seen some consideration in negotiation research. However, that relational perspective has remained underexplored in negotiation outcomes research. In presenting a model of relational self-construal (RSC) to advance a more relational view of negotiation, Gelfand and colleagues (2006) offer a novel perspective on negotiation outcomes. Whereas King and Hinson (1994) divided negotiation outcomes into overt and covert outcomes, Gelfand et al. (2006) suggests that outcomes should be classified as economic capital or relational capital. Economic and relational capital can be combined to offer an overall capital measure. Consistent with the arguments of King and Hinson (1994), the authors note the dominance of an economic approach to negotiation outcomes, but they do not perceive economic and relational capital goals as being mutually exclusive (Gelfand et al. 2006). However, accruing relational capital is likely a primary goal for negotiators who are high in RSC (Gelfand et al. 2006).

Relational capital is compared to the idea of social capital (Gelfand et al. 2006). They both emphasize social network investments with anticipated returns (Granovetter 1985; Portes 1998). Generally, the theory of social capital focuses on many individuals and the global pattern

of relationships among them (Gelfand et al. 2006). However, the concept of relational capital presented in the model focuses “on the relational assets that accumulate within a specific dyadic negotiation relationship” (Gelfand et al. 2006, p. 437). Thus, the authors define relational capital as including assets of mutual liking, mutual knowledge, mutual trust, and mutual commitment (see Table 4). For negotiators that are focused on the overall buyer-supplier relationship, concerns about accumulating relational capital should be integrated throughout the negotiation process and not just assessed after the negotiation is over (Gelfand et al. 2006).

Table 4: Relational Capital Defined

Relational Capital Assets	How They are Developed*
Mutual Liking	Develop when negotiators develop a mutual attraction to each other
Mutual Knowledge	Develop when negotiators come to an understanding of each other’s perspectives and needs
Mutual Trust	Develop when negotiators come to rely on each other to fulfill promises and see each other as predictable
Mutual Commitment	Develop when negotiators develop a shared desire to continue the relationship into the future

**per Gelfand et al. 2006, p.437*

The relational negotiation model presented predicts a curvilinear relationship between RSC (relational self-construal) and negotiation outcomes. Buyers and suppliers with moderate levels of RSC are anticipated to realize the most overall capital – high levels of both economic and relational (Gelfand et al. 2006). High levels of RSC are predicted to result in a higher focus on relational capital which may result in economic capital sacrifices (Gelfand et al. 2006). Low levels of RSC are predicted to be indicative of more transactional negotiations where an economic capital focus is dominant and the encounters are largely arelational (Gelfand et al. 2006). The model presents an interesting conceptualization of relational negotiations and future empirical studies are needed to further develop and refine the model. The research of both

Gelfand et al. (2006) and King and Hinson (1994) advocate the need for expanded negotiation outcome lenses.

The research of this dissertation seeks to further add to the relational outcome conversation by empirically examining the impact of negotiation strategies on relational negotiation outcomes in ongoing buyer-supplier supply chain relationships. Relational negotiation outcomes were the dependent variables in Study One.

Relationship Between Negotiation Strategies and Negotiation Outcomes

Previous research has provided support that negotiation outcomes are impacted by the type of strategy selected by the negotiator (Rinehart et al. 1988; Krause et al. 2006). A competitive negotiation strategy has been suggested to attain higher monetary outcomes than a collaborative negotiation strategy when the focus is on individual outcomes (Neu et al. 1988; Graham et al. 1994). When joint monetary outcomes are evaluated, collaborative negotiation strategies have resulted in higher outcomes. In buyer-supplier relationships, a collaborative negotiation strategy has been advocated to achieve more beneficial long-term outcomes (Campbell et al. 1988), but research has largely overlooked the impact of negotiation strategy on relational outcomes.

Relational Negotiation Outcome Variables

A review of buyer-supplier relationship and negotiation literature suggested that a vast number of relational variables are likely to be considered as part of relational negotiation outcomes. However, through the literature review process, four relational variables were selected for further study in this dissertation research. The four relational variables used in Study

One are: relationship specific assets, cooperation, trust, and process integration. Each variable will be discussed individually.

Relationship Specific Assets

When building a buyer-supplier relationship, one or both parties may determine that they need to invest in assets that will be unique to that particular relationship (Anderson and Weitz 1992). Relationship specific assets are a frequent practice in business (Cannon and Perrault 1999). For example, a supplier may package or label a product differently to meet the requirements of a specific retailer. These assets can be tangible, intangible, human, or physical and are often challenging to redistribute for use outside of the intended relationship (Xie et al. 2010; Heide and John 1988). By investing in relationship specific assets, buyers and suppliers are signaling their level of commitment to the overall relationship and attempting to protect themselves from potentially opportunistic behaviors of the other organization (Williamson 1975). *Relationship specific assets are defined as investments specific to a buyer-supplier relationship (Anderson and Weitz 1992, p.20).*

In ongoing buyer-supplier relationships, SET would imply that the involved parties would assess the tradeoffs of costs of benefits of investing in relationship specific assets (Thibaut and Kelley 1959). According to the norm of reciprocity (Gouldner 1960), a supplier that proposes to make an investment in a particular relationship specific asset during a negotiation may expect the buyer to offer a reciprocal specific asset investment (Xie et al. 2010; Williamson 1983). Dependence between buyers and suppliers will increase as investments in relationship specific assets increase (Heide and John 1988). Buyers and suppliers who have invested in relationship specific assets are more likely to use a collaborative negotiation strategy because of

the potential economic consequences if the relationship does not continue (Anderson and Weitz 1992).

Cooperation

Given the mutual reliance of the organizations in a relationship, buyers and suppliers desire to work together to achieve their individual organizational goals (Daugherty 2011). Increasingly, buyers and suppliers are attempting to do that by working together cooperatively (Cannon and Perrault 1999). *Cooperation is defined as mutual, coordinated activities performed by firms in a business relationship to produce superior outcomes mutually expected over time* (Min et al. 2007, p.511; Anderson and Narus 1990). Cooperation can encompass a long term perspective as it is not limited to a specific or existing buyer-supplier interaction (Cooper et al. 1997; Mentzer et al. 2001). Buyers and suppliers that operate in a cooperative manner will often be jointly involved in planning and evaluation activities (Cooper et al. 1997; Heide and John 1990). By cooperating, buyers and suppliers may realize reduced inventory levels and quality issues, and increased cost efficiencies and new product development opportunities (Dowst 1988; Treleven 1987; Drozdowski 1986). Ultimately, cooperation among buyers and suppliers should convert into organizational performance outcomes (Min et al. 2007; Gulati 1998).

In buyer-supplier negotiations, cooperation is more likely in buyer-supplier relationships that are highly interdependent and have a long term focus. To realize the benefits of cooperation, the organizations involved must aggressively pursue cooperative behaviors (Min et al. 2007). Utilizing a collaborative, as opposed to a competitive negotiation strategy is more likely to build cooperation among buyers and suppliers. Morgan and Hunt (1994) suggest that cooperation stems from relationship trust, which is the next relational negotiation outcome variable.

Trust

Research has generally reached a consensus that trust is an essential component of successful buyer-supplier relationships (Fawcett et al. 2007; Monczka et al. 1998; Doney and Cannon 1997). *Trust is defined as the willingness to rely on an exchange partner in whom there is confidence in their honesty and benevolence* (Golicic and Mentzer 2006, p. 84). While literature has defined trust in countless ways, honesty and benevolence have most often been utilized to operationalize trust (Wetzels et al. 1998; Doney and Cannon 1997; Andaleeb 1995; Ganesan 1994).

Levels of trust have been indicators for relationship commitment and quality of the buyer-supplier relationship (Achrol 1991). Trust plays a vital role in enabling buyers and suppliers to surmount relational challenges such as power, conflict, and declining financial performance (Dwyer et al. 1987; Sullivan and Peterson 1982). Mutual trust has been conceptualized as one asset of relational capital (Gelfand et al. 2006). This mutual trust “develops when negotiators come to rely on each other to fulfill promises and see each other as predictable” (Gelfand et al. 2006, p. 437). There seems to be a temporal component to trust development as it seems to grow over time as buyers and suppliers share experiences with each other (Zacharia et al. 2009). In ongoing interdependent buyer-supplier relationships, the organizations involved will be less likely to utilize opportunistic approaches, such as a competitive negotiation strategy, if there is trust between the organizations (Mentzer et al. 2001; Morgan and Hunt 1994). As buyers and suppliers exchange information about their goals and needs, trust is likely to improve (Zacharia et al. 2009).

Process Integration

The final relational negotiation outcome variable to be included in Study One is process integration. Supply chain research has supported the importance of integration (Green and Inman 2005; Rodrigues et al. 2004). For successful implementation of the supply chain management concept, organizations are required to integrate processes throughout the supply chain (Mentzer et al. 2001). The integration of processes between buyers and suppliers helps organizations compete in the marketplace and offers opportunities for flexibility between the organizations (Morgan and Monczka 1996). *Process integration is defined as the degree of collaboration and the coordination that takes place across different supply chain processes across organizations* (Omar 2008; Cagliano et al. 2006; Morgan and Monczka 1996).

Consistent with the linkages of the other three relational negotiation outcomes discussed previously, process integration is also linked to other relational negotiation outcomes. For example, cooperation is necessary for buyers and suppliers to implement the integration of interorganizational processes such as product movement (Cagliano et al. 2006; Jaspers and Ende 2006; Narasimhan and Das 2001). By increasing supply chain flexibility, process integration can enable buyers and suppliers to develop a competitive advantage that can be difficult to imitate (Omar 2008; Frohlich and Westbrook 2001). For buyers and suppliers to successfully integrate their processes, they must work very closely together. A collaborative negotiation strategy is more likely to be utilized if process integration is one of the relational outcomes desired from the negotiation.

These three relational negotiation outcome variables were used as dependent variables in the Study One quantitative experiment. The following section will present the research hypotheses based on SET and an extensive review of the literature. Interdependence and

negotiation strategy are the independent variables. Relationship specific assets, cooperation, trust, and process integration are the dependent variables.

Proposed Research Hypotheses for Study One

As discussed previously, buyers and suppliers engage in supply chain relationships in order to reach organizational and relationship objectives. The more important the relationship becomes to those involved, the levels of interdependence between buyers and suppliers tends to increase (Gundlach and Cadotte 1994). If a relationship has high levels of mutual interdependence, buyers and suppliers generally approach the relationship with a long term perspective and are cautious about behaving in a manner that might damage the relationship (Kumar et al. 1995). If the relationship has low levels of mutual interdependence, buyers and suppliers are more likely to have other exchange options and to use behaviors that are opportunistic as the perceived switching costs are low (Jambulingam et al. 2011). Interdependence will serve as an independent variable in Study One.

SET's reciprocity principle proposes that buyers and suppliers will mirror the exchange behaviors of each other (Gouldner 1960). Thus, the reciprocity principle would predict that buyers and suppliers engaged in supply chain relationships with high levels of mutual interdependence would behave in a manner that would increase the levels of relational negotiation outcomes such as relationship specific assets, cooperation, trust, and process integration. From a negative aspect, if buyers and suppliers begin to incorporate opportunistic behaviors into their negotiations, the other supply chain partner will respond with comparable negative responses. These negative responses will decrease the levels of relational negotiation outcomes and may eventually destroy the overall relationship. Building upon the reciprocity

principle of SET, the following hypotheses addressing levels of interdependence in the context of ongoing buyer-supplier relationships are presented.

H1a: An increase in interdependence leads to an increase in relationship specific assets.

H1b: An increase in interdependence leads to an increase in cooperation.

H1c: An increase in interdependence leads to an increase in trust.

H1d: An increase in interdependence leads to an increase in process integration.

The use of a competitive negotiation strategy has been encouraged in more transactional buyer-supplier relationships that possess low levels of interdependence (Zachariassen 2008). However, the tenets of SET (Thibaut and Kelley 1959) would imply that employing a competitive negotiation strategy would have relational costs in ongoing buyer-supplier relationships. Thus, buyers and suppliers using a competitive negotiation strategy are less likely to invest in relationship specific assets, cooperate with or trust the other negotiator, or work together to integrate processes. The reciprocity principle of SET would indicate that buyers and suppliers will imitate the behaviors and actions of their negotiation partner. Therefore, if a buyer utilizes a competitive negotiation strategy, a supplier is likely to retaliate by also using a competitive negotiation strategy which will negatively affect relational negotiation outcomes and future negotiation interactions. Competitive negotiation strategy will serve as an independent variable in Study One. Utilizing previous research and SET, the following hypotheses are presented in the context of ongoing buyer-supplier relationships:

H2a: A competitive negotiation strategy leads to a decrease in relationship specific assets.

H2b: A competitive negotiation strategy leads to a decrease in cooperation.

H2c: A competitive negotiation strategy leads to a decrease in trust.

H2d: A competitive negotiation strategy leads to a decrease in process integration.

Interdependence and negotiation strategy are the independent variables in Study One. The previous hypotheses has proposed a simple main effect between interdependence and negotiation strategy and the relational negotiation outcome dependent variables of relationship specific assets, cooperation, trust, and process integration. The literature reviewed and SET suggest that an interaction might occur between and the level of interdependence in a buyer-supplier relationship and the negotiation strategy selected. The tenets of SET suggest that buyers and suppliers select negotiation strategies based on their evaluation of the rewards of the negotiation minus that costs of the negotiation (Wangenheim 2003; Griffith et al. 2006). Buyer-supplier relationships with diverse levels of interdependence will have different costs and rewards connected to them.

A competitive negotiation strategy may be viewed as less costly in buyer-supplier relationships with low levels of interdependence since the nature of this type of relationship is likely to be more transactional. In this type of relationship, the buyers and suppliers may have low expectations for the relationship and do not rely heavily on the other supply chain member to achieve their goals. Thus, a competitive negotiation strategy is not likely to have a substantial impact on the relational outcomes given the low level of interdependence between the buyers and suppliers. On the other end of the relationship continuum, a competitive negotiation strategy may be very damaging to the ongoing buyer-supplier relationship if the buyers and suppliers involved have high levels of interdependence. For example, if a supplier utilizes a competitive

negotiation strategy in a highly interdependent supply chain relationship, the buyer may perceive this to be a violation of the mutually beneficial nature of the overall relationship. SET would propose that the buyer would perceive the competitive negotiation strategy as an increase in the relational costs of the relationship. Ultimately, this may lead to an analysis that the benefits no longer outweigh the costs, and the buyer begins to search for another supply chain partner willing to invest in a relationship with them. The following hypotheses are proposed based on the previous discussion of the reviewed literature and SET:

H3a: A competitive negotiation strategy decreases relationship specific assets more in highly interdependent relationships than in lower interdependent relationships.

H3b: A competitive negotiation strategy decreases cooperation more in highly interdependent relationships than in lower interdependent relationships.

H3c: A competitive negotiation strategy decreases trust more in highly interdependent relationships than in lower interdependent relationships.

H3d: A competitive negotiation strategy decreases process integration more in highly interdependent relationships than in lower interdependent relationships.

This dissertation chapter has reviewed literature from buyer-supplier relationships, negotiation strategies, and negotiation outcomes. Chapter Three explains the methodology utilized in this dissertation.

CHAPTER 3

METHODOLOGY

A multiple method research approach has been advocated to overcome the limitations of any single method and triangulate data sources (McGrath and Brinberg 1983; Creswell 2003). The purpose of Chapter 3 is to describe the quantitative methodology of Study One and the qualitative methodology of Study Two that was used in this dissertation. In the Study One overview, the quantitative methodology is described. In the Study Two overview, the qualitative research methodology is described.

Study One: Quantitative Research Overview

In order to test the theoretically proposed hypotheses concerning negotiation strategy and interdependent buyer-supplier relationships, a quantitative method was applied. The quantitative method used in the Study One portion of the dissertation was a between subjects, scenario based experiment and follows a format similar to the process used in Thomas et al. (2010). An experimental approach was selected as appropriate for Study One of this dissertation for multiple reasons. First, experimentation is common in negotiation (Buchan et al. 2004; Wolfe and McGinn 2005; Bottom et al. 2006; Krause et al. 2006) and buyer-supplier relationship (Huang et al. 2008; Thomas et al. 2010; Nair et al. 2011) research. Second, experimentation is appropriate for testing theory and cause-and-effect relationships (Thye 2007; Siemsen 2011). Third, experimentation maximizes control and assesses causality (McGrath 1982; Beatty and Ferrell 1998). Fourth, experimentation allows researchers to investigate phenomena like negotiations

and supply chain relationships that are often difficult to study because managers are unwilling to discuss specific details of buyer-supplier relationships (Day and Klein 1987; Pilling et al. 1994; Atkins and Rinehart 2006). Finally, scenario-based experimentation “reduces biases from memory lapses, rationalization tendencies, and consistency factors” (Grewal et al. 2008, p.428). For these reasons, a scenario-based experimental design was utilized for Study One of this research.

A 2 x 2 factorial design led to the development of four different treatment conditions as illustrated in Appendix E. Negotiation strategy and interdependence are the independent variables manipulated in the factorial design. There are two levels of negotiation strategy (collaborative and competitive) and two levels of interdependence (high and low). Relationship specific assets, cooperation, trust, and process integration are the four dependent variables examined in the experiment. SPSS statistical software was used to test the hypothesized simple main and interaction effects.

Sample

The participants for this study were senior undergraduate logistics majors at a large southeastern university. This sample is justified for several reasons. First, student samples are widely accepted and frequently used in behavioral experiments in both negotiation (Miller and Karakowsky 2005; Krause et al. 2006; Bowles and Flynn 2010) and buyer-supplier relationship research (Andaleeb 1995; Srivastava and Chakravarti 2009; Thomas et al. 2011; Tokar et al. 2011). Second, many studies also show that there are no significant differences in experimental results between undergraduate student samples and professional managerial samples (Machuca

and Barajas 2004; Croson and Donohue 2006; Ganesan et al. 2010). Third, over 96% of existing negotiation research utilizes student samples (Buelens et al. 2008). Fourth, given the experimental nature of this research, undergraduate participants serve as a desirable control mechanism due to the consistent classroom delivery setting and the relative homogeneity of the sample (Thomas et al. 2010). Fifth, students are included within the theoretical boundary scope conditions of Social Exchange Theory that informs this study and are therefore subject to theoretically derived hypotheses. Finally, students that participate in this study will be able to understand and respond to the experimental treatment conditions given their prior experiences and/or formal educational training on negotiations, relationship management, and supply chain management. For these reasons, the sample utilized in this experiment is believed to be appropriate and meets guidelines for student sample use in supply chain research (Thomas 2011).

Procedure

The researcher briefly introduced herself and the study. Participants were then randomly assigned to one of the four treatment conditions in the 2 x 2 factorial experimental design. Random assignment is important in order to maximize internal validity of the experiment and to minimize the likelihood of systematic between-group differences (Huang et al. 2008; Webster and Sell 2007). The participants read a set of instructions followed by a scenario that describes a buyer-supplier negotiation in an interdependent relationship. The independent variables (negotiation strategy and interdependence) were manipulated through the scenario. Written scenarios are often used in experimental designs to operationalize the independent variables and to facilitate role playing (Dabholkar and Bagozzi 2002; Pilling et al. 1994). Once the

participants have read the scenario, they were asked to complete a questionnaire to assess possible responses to the negotiation situation described in the scenario. The underlying assumption of using this method is a structured projective technique (Fisher 1993). This method asks participants to project themselves into the hypothetical situation presented to them and respond in a manner that reflects how a buyer or supplier would actually respond in that situation. Due to the anonymous nature of this projective technique, the participants may feel free to respond in a way that is inconsistent with socially desirable responses (Fisher 1993; Haire 1950). A copy of the instructions and experimental scenarios can be found in Appendix F.

Pretest

The readability, validity, reliability, and experimental manipulation treatments were checked via a pretest. Experienced buyers and suppliers, academic subject matter experts on buyer-supplier relationships and negotiations, and grounded theory and experimental methodological experts were asked to evaluate the face validity, readability, and realism of the scenarios and the questionnaire. Doctoral students at a southeastern university were used for the pretest of scales and experimental manipulations.

Instruments and Measures

The questionnaire that the participants read consisted of a short overview, directions, and a brief scenario presenting a buyer-supplier negotiation situation. Participants then responded to

scale items, manipulation check items, realism check items, and finally demographic questions. The individual parts of the questionnaire are explained in detail below and they are located in Appendices F and G. Study One has been assigned research project number H13032 by the Institutional Review Board (IRB).

The purpose of the overview and directions in the questionnaire was to offer some guidance to the participants. At this point, participants were reminded that their participation in the experiment is voluntary, all responses will be anonymous, and there is no right or wrong responses. The participants were instructed to read a brief, two paragraph scenario and circle their responses to questions based on the scenario that was provided.

The scenario that the participants read describes a fictitious buyer and supplier negotiation. The relationship was portrayed as exhibiting high or low levels of mutual symmetric interdependence. The researcher intended to manipulate, through the scenario description, the participant's perception of the level of dependence of the buyers and suppliers. Relationships with mutual symmetric interdependence have an equal amount of dependence between a buyer and supplier (Kumar et al. 1995). Supply chain relationships with higher levels of interdependence rely on each other much more than relationships with low levels of interdependence.

The second paragraph described the type of negotiation strategy that the buyer is using with the supplier. The scenario depicted the negotiation strategy as either collaborative or competitive. In this second paragraph, the researcher intended to manipulate the participant's perception of the type of negotiation strategy used by the buyer in their negotiation with the supplier.

Existing scales were modified for the independent variables manipulated in this experiment. Subject/verb modifications were made so that the items would be consistent with the scenarios used in the experimental treatment, but at the same time keep the item's original intent. Interdependence item measures were adapted from Golicic and Mentzer (2006). Items to measure negotiation strategy were adapted from Graham (1985) and Graham, Mintu, and Rodgers (1994). The questionnaire items were measured on a 7-point Likert scale ranging from "strongly disagree" to "strongly agree." Previous research studies have found these scales to be reliable and valid. However, these modified scales were analyzed again in this study to reconfirm reliability and validity and to determine if the scenario manipulations worked as planned. The researcher also performed a manipulation check to see if there were statistically significant differences in the treatment cells of the independent variables. An unsuccessful manipulation represents a fatal flaw in scenario based experimental research.

The dependent variable item scales were also modified from existing scales. The relationship specific assets measure was adapted from Anderson and Weitz (1992). The cooperation measure was adapted from Min, Mentzer, and Ladd (2007). The trust measure was adapted from Golicic and Mentzer (2006) and Morgan and Hunt (1994). The process integration measure was adapted from Min, Mentzer, and Ladd (2007). All items were measured on a 7-point Likert scale ranging from "strongly disagree" to "strongly agree." The reliability and validity of each item scale was analyzed. Analyses of the hypotheses presented during Chapter 2 were performed using the dependent variable measures.

The researcher performed a realism check given the scenario based method for this experiment. A realism check determines if the research participants believed that the scenario

described is an accurate approximation of a real buyer-supplier negotiation. Realism checks also help determine if the participants were engaged in the experiment. When experimental situations are accurate representations of reality, variable strength is improved and external validity is supported (Kerlinger and Lee 2000). If participants are unable to understand and respond to the tasks assigned in an experiment, scenario based experimental methods are considered to be unreliable (Louviere et al. 2000). Realism check items adapted from Dabholkar (1994) were used by the researcher to if participants believed the scenario based experimental design to be realistic.

Scale Purification

Following procedures outlined by Garver and Mentzer (1999), scale purification was used to evaluate unidimensionality, reliability, internal consistency, convergent validity, and discriminant validity. Unidimensionality and convergent validity was tested by principal components analysis. Factor loadings were not cross-loaded and all values exceeded the 0.50 threshold which is normally accepted for both statistical and practical significance (Hair et al. 2010). Cronbach's coefficient alpha is a commonly used indicator of internal consistency and reliability. An alpha value of 0.70 or higher suggests that the items appropriately capture the intended construct (Churchill 1979; Nunnally and Bernstein 1994). Average variance extracted (AVE) was employed to assess if the constructs exhibited discriminant validity. When the average variance extracted (AVE) estimates are greater than the squared correlation estimates, this indicates support for discriminant validity (Hair et al. 2010). Desired values are also greater than 0.50 (Hair et al. 2010).

Experimental Data Analysis

As previously mentioned, interdependence and negotiation strategy are the manipulated independent variables manipulated in the Study One experiment. The first stage of analysis was to determine the success of the experimental manipulations. Manipulation checks were performed at this stage to determine if there is a statistically significant difference between the 2 interdependence groups and the 2 negotiation strategy groups. Scores for each group were evaluated through one-way ANOVA tests in SPSS looking for significance at $p < 0.05$.

Because the Study One experiment contains more than one dependent variable, multivariate analysis of variance (MANOVA) was utilized to test the hypothesized main and interaction effects that were presented in Chapter Two. The MANOVA analysis progressed through three steps. The first step was to perform an omnibus test to determine if there was an overall significant effect ($p < 0.05$ level) in the experimental model. The second step was to test for the main effects of the two independent variables. The third test employed post-hoc tests to study interaction effects. Tukey's adjustment was used to protect against Type-I errors.

Study Two: Qualitative Research Overview

Qualitative methods are often used for exploratory research, and exploratory studies can be used at any point in the research process (Maholtra and Peterson 2006). Qualitative research methods are used to inquire “into the meaning individuals or groups ascribe to a social or human

problem” (Creswell 2007, p. 37). Several characteristics of qualitative research include: natural setting, researcher as key instrument, inductive data analysis, participants’ meanings, emergent design, interpretive inquiry, and holistic account (Creswell 2007). Due to the complexity of the negotiation process and many of the important nuances that are difficult to capture using empirical data collection methods, numerous researchers have called for the use of qualitative methods in buyer–supplier negotiation research (Rinehart 1989; Hopmann 2002; Ramsay 2004). As many organizations prefer to keep the sensitive details of their negotiations confidential, gaining access to buyers and suppliers with real negotiation experience can be challenging (Faes et al. 2010).

Grounded theory was chosen as an appropriate research method for this study since previous research has not adequately captured how negotiation strategies and outcomes fit in the greater context of buyer-supplier relationships. Based on Strauss and Corbin (1998), grounded theory is defined as theory generated from data systematically obtained and analyzed through the constant comparative method. More recently Corbin and Strauss (2008) have used the term grounded theory more generically to refer to the origination of theoretical constructs from qualitative data (2008).

Given the lack of a theoretical framework that captures the ongoing nature of the buyer-supplier negotiation process and the impact of negotiation strategies on the relational negotiation outcomes in buyer-supplier relationships; grounded theory was chosen as an appropriate method (Flint et al. 2005). To discover, define, and better understand how negotiation strategy relates to the ongoing buyer-supplier relationship, the methods used will involve the analysis of participants’ experiences with the buyer-supplier negotiations, the inductive development of codes, categories, and themes, and the development of a theoretical framework with research

propositions. The dynamics of negotiation strategies and outcomes in the context of ongoing buyer-supplier relationships should emerge through the data collection. The results will be compared with the existing negotiation strategy and outcomes literature to determine the contribution this study makes to the overall body of buyer-supplier negotiation literature.

Grounded Theory Data Collection Procedures

For the purpose of exploring negotiation strategies and relational negotiation outcomes in ongoing buyer-supplier relationships, depth interviews following grounded theory guidelines (Corbin and Strauss 2008; Strauss and Corbin 1990; Glaser and Strauss 1967) were carried out with buyers and suppliers who have negotiation experience. Depth interviews were used in order to elicit a deeper, richer understanding of the experience a participant has with the phenomenon of interest (McCracken 1988). The researcher developed an open-ended, informal interview guide to help the participant focus on the research questions for the study. An interview guide with a sample of questions that each of the participants was asked is included in Appendix H. However, the researcher allowed the interviewees to guide the discussion through their answers as long as the topics related to the phenomenon of interest. As concepts started to emerge from the analysis of the data, the interview guide was modified for subsequent participants. The interviews were audiotaped when possible with the interviews then being transcribed verbatim. If recording was not possible, detailed notes of the interview were taken. Study Two has been assigned research project number H12353 by the Institutional Review Board (IRB).

Data Analysis

Grounded theory procedures were followed for the analysis of the interview transcripts and notes (Corbin and Strauss 2008; Strauss and Corbin 1990; Glaser and Strauss 1967). Unlike other research methods, grounded theory data analysis procedures are concentrated on generating theory through an iterative process where data collection, coding, and data analysis proceed simultaneously (Locke 1996). Interview transcripts were read multiple times prior to beginning the coding process to develop a complete understanding of the interviewee. Paragraphs, sentences, and words from transcripts and notes were coded for concepts that emerge. A constant comparative method was utilized where the researchers shifted back and forth between and within the transcripts so that the conceptual codes can be compared and contrasted (Corbin and Strauss 2008; Strauss and Corbin 1990; Glaser and Strauss 1967). The process continued over and over until the researchers developed an understanding of negotiation strategies and ongoing buyer-supplier relationships that emerged from the interview data. Each subsequent interview was added to the constant comparative process until the researchers developed a richer understanding of negotiations in buyer-supplier relationships. The researchers moved back and forth between coded parts of the transcripts until concepts converged at an abstract level resulting in a theoretical model (Corbin and Strauss 2008). Diagramming was a technique that was used to visually show the concepts and relationships that are emerging and evolving through the analysis process (Corbin and Strauss 2008). The development of diagrams is especially important in theory building research. The concepts and relationships that are linked in a diagram must be based on the data collected, thus grounding the model in the data. Multiple researchers were used for data coding and interpretation to increase the validity and reliability of the results (Stuart et al. 2002; Voss et al. 2002).

Sampling

Grounded theory research techniques support a purposive and theoretical sampling plan (Corbin and Strauss 2008; Strauss and Corbin 1990; Glaser and Strauss 1967). This study followed these techniques as well. Purposive sampling involves the selection of specific individuals or settings that are believed to have the relevant experience or knowledge of the phenomenon being studied. Buyers and suppliers who are responsible for negotiating with other organizations on behalf of their organization were selected initially. The initial participants were identified through previous work experience of one of the researchers. The initial participants may be considered a convenience sample.

Additional participants were selected following theoretical sampling guidelines (Strauss and Corbin 1998). The premise behind theoretical sampling is to collect data from places, people, and events that will maximize opportunities to develop concepts in terms of their properties and dimensions, uncover variations, and identify relationships between concepts” (Corbin and Strauss 2008, p.143). In theoretical sampling, concepts instead of people are being sampled and the entire data set is not collected prior to beginning analysis as data collection and analysis are interwoven (Corbin and Strauss 2008). As concepts and relationships between those concepts start to emerge from the data, additional participants will be added to test the links of the theory being built (Thomas 2008; Flint et al. 2005). Initial participants directed the interviewer to additional participants based on their knowledge of the topic being studied.

In theoretical sampling, there is no magic number of participants. Interviews continued as the researcher followed where the analysis led until saturation was reached. Simply stated, saturation means “when no new categories or relevant themes are emerging” (Corbin and Strauss

2008, p.148). Beyond the number of participants, a researcher has achieved saturation when they have developed an in-depth understanding of the concepts that have emerged and the relationships between those concepts.

Research Trustworthiness

Positivist quantitative research has established four criteria for assessing a study's rigor: internal validity, reliability, objectivity, and external validity (Kaufmann and Denk 2011). Given the interpretivist nature of grounded theory research, the same evaluation criteria are not appropriate. In qualitative research, the trustworthiness of a study is evaluated and four interpretive criteria have been identified to assess a study's trustworthiness: credibility, transferability, dependability, and confirmability (Hirschman 1986; Lincoln and Guba 1985). Each of the four interpretive research criteria has been defined as follows (Flint et al. 2002, p.106):

- *Credibility* is the extent to which the results appear to be acceptable representations of the data.
- *Transferability* is the extent to which findings from one context apply to another context.
- *Dependability* is the extent to which findings are unique to time and place; the stability or consistency of explanations.
- *Confirmability* is the extent to which interpretations are the result of the participants and the phenomenon as opposed to researcher biases.

To establish credibility, the researcher included information about the interviews and used multiple researchers in the analysis process. Credibility was established by asking the interviewees for feedback on the initial summary of findings to determine if the findings are

consistent with the interviewees' perspective of the world (Flint and Mentzer 2000). In order to establish transferability, the reviewer obtained data from individuals on the buying and selling side from a variety of companies (Flint and Mentzer 2000). Dependability was established when an experience or event occurred in different times and situations (Flint and Mentzer 2000). Confirmability was assessed by showing that multiple researchers reviewed and refined the findings (Flint and Mentzer 2000). This grounded theory study was conducted in a manner that met the four criteria of research trustworthiness.

CHAPTER 4

DATA ANALYSIS AND RESULTS

The purpose of this chapter is to present and discuss the findings from Study One and Study Two. The findings from each study will be discussed individually. The findings from the quantitative Study One will provide information regarding the sample, scale purification method, and hypotheses analysis. The findings from the qualitative Study Two will provide information regarding the sample, data collection, data analysis, analysis results, and research trustworthiness.

Study One: Quantitative Research Findings

Sample

The research participants were senior undergraduate logistics majors registered in a senior capstone course at a large southeastern university. During the course, the students had received training on interorganizational negotiations, buyer-supplier relationships, and supply chain management. The total sample size was 86. Per Hair et al. (2010), the minimum sample size requirements are that the number of participants in each cell must be larger than the number of dependent variables. However, as a rule of thumb, twenty participants per cell is a recommended minimum (Hair et al. 2010). This study exceeded the minimum requirements with at least 22 participants per cell. All sample sizes per cell were approximately equal with 22 or 23 participants (Hair et al. 2010).

The sample was 81% male. The average age of the participants was 23.74 years. The average number of years of work experience was self-reported by the participants as 4.3 years. However, over 81% of the participants self-reported at least one year of work experience. Table 5 presents additional information about the sample participants.

Table 5: Sample Characteristics

Gender	Total	Percentage
Male	70	81.4%
Female	16	18.6%
<hr/>		
Age		
21 years	17	19.8%
22 years	33	38.4%
23 years	15	17.4%
24-26 years	9	10.5%
27-29 years	5	5.8%
30+ years	7	8.1%
<hr/>		
Work Experience		
< 1 year	16	18.6%
1-2 years	14	16.3%
3-4 years	11	12.8%
5-6 years	14	16.3%
7-8 years	14	16.3%
9+ years	8	9.3%

Analysis

Scale Purification

Following the guidelines of Garver and Mentzer (1999), the researcher used scale purification techniques to determine unidimensionality, reliability, convergent validity, and discriminant validity. Principal components analysis was used to determine convergent validity and unidimensionality. The appropriateness of using factor analysis was assessed using

Bartlett's test of sphericity ($\text{sig} < .000$) and Kaiser-Meyer-Olkin measure of sampling adequacy (0.871) (Hair et al. 2010). These tests suggested sufficient correlations to apply factor analysis. The factor loadings are shown in Table 6. The factor loadings are not cross-loaded and exceed the 0.50 value that is generally necessary for both statistical and practical significance (Hair et al. 2010). Cronbach's coefficient alpha was utilized to examine internal consistency reliability and indicate that the items portray the constructs studied (Churchill 1979). Per Nunnally and Bernstein (1994), the recommended value for alpha is 0.70, and all of the study constructs exceeded this level (see Table 6). Average variance extracted (AVE) was utilized to determine if the constructs have discriminant validity. It is recommended that the values are > 0.05 , and all AVE values exceeded this suggested threshold (Hair et al. 2010). The AVE values were also compared to the squared correlations for the different pairs of constructs. Per Fornell and Larcker (1981), discriminant validity is also suggested when the AVE values are greater than the squared correlations. This condition was also met. The AVE values and squared correlation values are presented in Table 7. The measures used in the Study One experiment were deemed acceptable based on the results of the previously discussed scale purification procedures.

Table 6: Principal Component Analysis Factor Loadings

Trust $\alpha=0.968$	Relationship Specific Assets $\alpha=0.926$	Cooperation $\alpha=0.881$	Process Integration $\alpha=0.896$
0.911			
0.906			
0.898			
0.884			
0.868			
	0.844		
	0.824		
	0.814		
	0.807		
		0.827	
		0.747	
		0.746	
		0.709	
			0.783
			0.782

Table 7: Average Variance Extracted

	RSA	COOP	TRUST	PI
Relationship Specific Assets	0.67			
Cooperation	0.42	0.61		
Trust	0.24	0.27	0.80	
Process Integration	0.45	0.47	0.28	0.79

Diagonal: Average variance extracted; Lower Matrix: Squared correlations

Manipulation Checks

Experimental research must assess the participant responses for the manipulation in each of the experimental treatment conditions. Manipulation checks are carried out in order to determine that the research participants did respond the way the researcher planned, and the results of the manipulation checks suggest that the experimental manipulations were successful. The interdependence manipulation exhibited a significant effect ($F = 127.14$; $M_{\text{high interdependence}} = 5.28 > M_{\text{low interdependence}} = 1.94$; $p < 0.001$). The manipulation for negotiation strategy was also significant ($F = 157.30$; $M_{\text{collaborative strategy}} = 5.60 > M_{\text{competitive strategy}} = 2.17$; $p < 0.001$). These significant results indicate that the study participants did identify differences between the treatment conditions for the independent variable manipulations.

Confounding Checks

Following the identification of successful manipulations, confounding checks are also executed in order to determine the discriminant validity of the experimental manipulations of the independent variables (Perdue and Summers 1986). Confounding checks determine if one experimental manipulation, such as interdependence, is affected by another experimental manipulation, such as negotiation strategy. The analysis suggested that the experimental manipulations were clean. Therefore, the experiment results can be interpreted in a straightforward manner (Thomas et al. 2013).

Realism Checks

It is important that the scenarios and treatment conditions are perceived to be realistic in behavioral experiments. In an effort to make this experimental study as realistic as possible, the

researcher used multiple approaches to make sure the experiment was as realistic as possible. First, the original draft of the scenarios was built from definitions and descriptions in negotiation and relationship literature. Second, academic experts were asked to comment on the scenarios based on criteria such as length, readability, realism, and credibility (Thomas et al. 2013). Changes were made based on the feedback of the academic experts. Third, three purchasing professionals were asked to review and comment on each of the scenarios. Based on literature insights and the feedback from academic and industry experts, the scenarios were believed to be readable and realistic.

For behavioral experiments to be deemed successful, the participants must understand and react to the treatment conditions as they would in a real situation (Louviere et al. 2000; Colquitt 2008; Rungtusanatham et al. 2011). One method that can be used to assess if this happens is to use a quantitative realism check item. Dabholkar's (1994) two item realism check measure was included at the end of the questionnaire. The first item asked if the participants believed that the "situation described in the scenario was realistic," and the average response was 5.86 on a 7-point Likert scale. The second items asked if the participants could "imagine [themselves] in the described situation," and the average response was 5.47 on a 7-point Likert scale. These results imply that the participants perceived the experimental scenarios to be realistic enough that the desired behavioral responses were evoked. Thus, the researcher believes that the participants' responses do offer insight into the behavioral responses that are elicited by the use of certain types of negotiation strategies.

Main Analysis

A MANOVA was used to determine if a statistically significant main effect of each of the independent variables exists on the dependent variables. As predicted, a main effect of interdependence was observed (Wilks' lambda = 0.661; $F = 10.13$; $p < 0.001$). To yield additional insight, ANOVA tests were conducted to test H1a-d. These univariate tests support that interdependence leads to an increase in relationship specific assets ($F= 39.67$; $p<0.001$), cooperation ($F=8.61$; $p<0.01$), trust ($F=4.65$; $p<0.05$), and process integration ($F=7.38$; $p<0.01$). Thus, H1a-d was supported. Table 6 presents the overall ANOVA results. Table 7 presents the dependent variable cell means.

Table 8: ANOVA Results for Main and Interaction Effects

Effects	Relationship Specific Assets <i>F</i> -statistic	Cooperation <i>F</i> -statistic	Trust <i>F</i> -statistic	Process Integration <i>F</i> -statistic
Interdependence	39.67 ($p<.001$)	8.61 ($p=.004$)	4.65 ($p=.034$)	7.38 ($p=.008$)
Competitive strategy	5.33 ($p=.023$)	8.87 ($p=.004$)	116.37 ($p<.001$)	8.88 ($p=.004$)
Interdependence X Competitive strategy	6.02 ($p=.016$)	4.55 ($p=.036$)	2.41 ($p=.124$)	1.41 ($p=.239$)

Table 9: Dependent Variable Cell Means

Dependent Variable	Interdependence	Negotiation Strategy	Mean	Std Error
Relationship Specific Assets	Low	Competitive	2.464	0.275
		Collaborative	2.425	0.282
	High	Competitive	3.511	0.263
		Collaborative	4.807	0.269
Cooperation	Low	Competitive	3.869	0.261
		Collaborative	4.088	0.268
	High	Competitive	4.076	0.250
		Collaborative	5.398	0.255
Trust	Low	Competitive	2.476	0.251
		Collaborative	4.770	0.257
	High	Competitive	2.626	0.240
		Collaborative	5.691	0.245
Process Integration	Low	Competitive	3.405	0.307
		Collaborative	3.950	0.315
	High	Competitive	3.870	0.293
		Collaborative	5.136	0.300

The MANOVA results also highlighted a main effect of negotiation strategy (Wilks' lambda = 0.394; $F = 30.37$; $p < 0.001$). ANOVA tests were then run to analyze H2a-d. These univariate tests support that a competitive negotiation strategy leads to a decrease in relationship specific assets ($F=8.47$; $p<.05$), cooperation ($F=12.71$; $p<.01$), trust ($F=153.93$; $p<.001$), and process integration ($F=17.60$; $p<.01$). Therefore, H2a-d was supported.

The hypothesized interaction between interdependence and negotiation strategy were not statistically significant with the overall main effects (Wilks' lambda = 0.913; $F = 1.88$; $p=.122$). However, univariate tests supported that a competitive negotiation strategy leads to a greater decrease in relationship specific assets ($F= 6.02$; $p<.05$) and cooperation ($F=4.55$; $p<.05$) in

highly interdependent relationships. These findings offer support for H3a and H3b. H3c and H3d were not supported. The interaction effects of interdependence and negotiation strategy on relationship specific assets, trust, cooperation, and process integration are shown in Figures 4-7. A summary of the hypotheses tests is presented in Table 9.

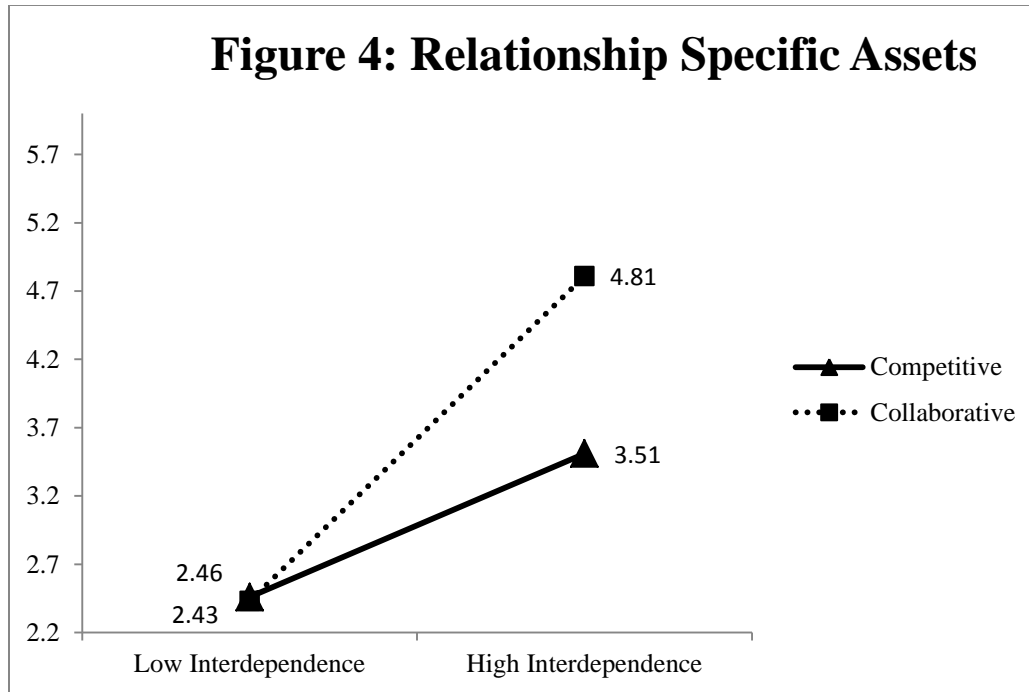


Figure 5: Cooperation

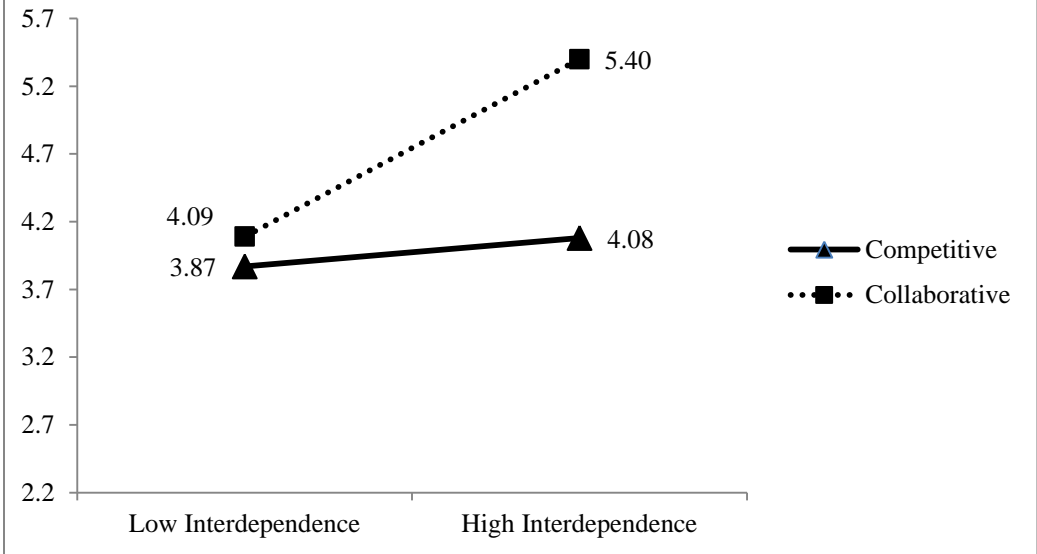
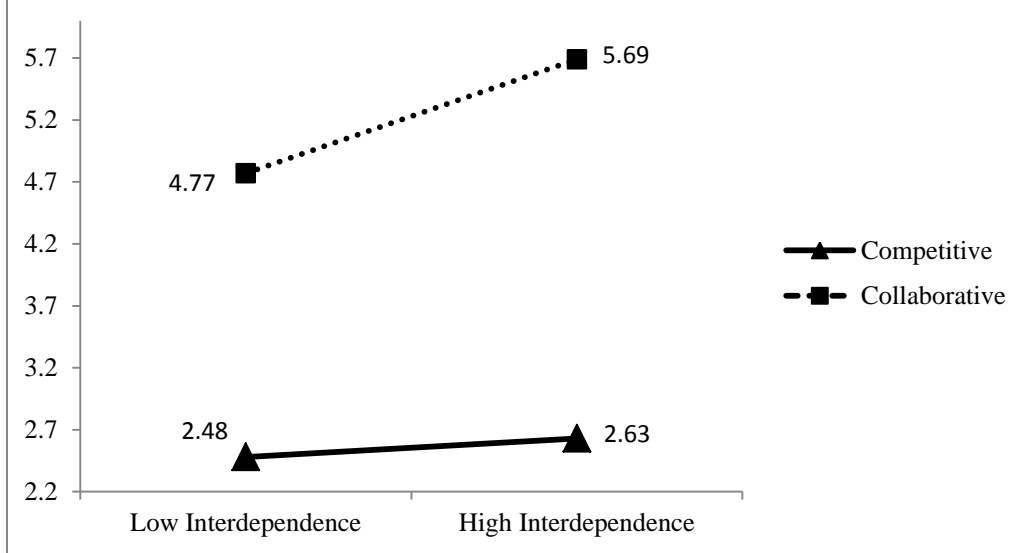


Figure 6: Trust



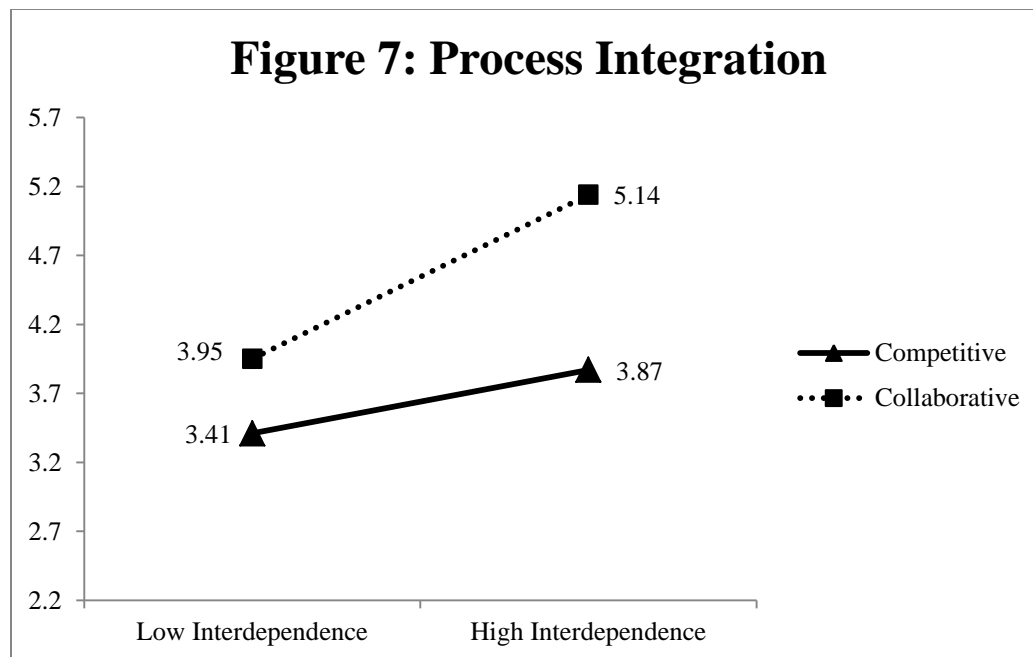


Table 10: Summary Tests of Hypotheses

Hypothesis	Prediction	Finding
H1	An increase in interdependence leads to an increase in: (a) relationship specific assets ($p < .001$) (b) cooperation ($p < .01$) (c) trust ($p < .05$) (d) process integration ($p < .01$)	Supported Supported Supported Supported
H2	A competitive negotiation strategy leads to a decrease in: (a) relationship specific assets trust ($p < .05$) (b) cooperation ($p < .01$) (c) trust ($p < .001$) (d) process integration ($p < .01$)	Supported Supported Supported Supported
H3	A competitive negotiation strategy decreases: (a) relationship specific assets ($p < .05$) (b) cooperation ($p < .05$) (c) trust ($p = .124$) (d) process integration ($p = .239$) ...more in highly interdependent relationships than in lower interdependent relationships.	Supported Supported Not Supported Not Supported

Discussion of Quantitative Study One Results

Quantitative Study One was designed to theoretically test the effects of collaborative and competitive negotiation strategies on the relational negotiation outcome variables – relationship specific assets, trust, cooperation, and process integration. As predicted, negotiation strategy was shown to impact relational outcomes. Social exchange theory suggests that the outcomes of individual negotiation encounters will influence the future of the ongoing buyer-supplier relationship (Thibaut and Kelley 1959). Overall, the experimental results support the purpose of this research to broaden the scope of negotiation research beyond discrete event outcomes to better understand the way negotiations fit into ongoing buyer-supplier relationships.

Study One's experimental data implies that negotiation strategies and interdependence are related to several important relational negotiation outcomes. Per Hypothesis One, as interdependence increases, relationship specific assets, trust, cooperation, and process integration also increase. Previous research has supported this finding suggesting that buyers and suppliers view the relationship as more important as levels of interdependence increase (Gundlach and Cadotte 1994). Thus, buyers and suppliers will behave in ways that build a long-term relationship (Kumar et al. 1995). In contrast, as suggested by Hypothesis Two, the use of competitive negotiation strategies decreases the amount of relationship specific assets, trust, cooperation, and process integration in buyer-supplier relationships. Previous research has suggested that a competitive negotiation strategy is appropriate in more transactional supply chain relationships (Zachariassen 2008). Consistent with SET, the choice of using a competitive strategy means that the relational costs of this strategy are less than the perceived benefits (Thibaut and Kelley 1959). As a result, empirical support is provided for the claim that

monetary negotiation outcomes such as profit and psychological negotiation outcomes such as satisfaction do not adequately capture the relational impact of different negotiation strategies. Discrete negotiation encounters seem to have a broader effect on the ongoing buyer-supplier relationship than is generally captured in the literature. From a theoretical perspective, the findings from this behavioral experiment offer further empirical support for the principles of Social Exchange theory and its reciprocity tenet.

While the overall interaction (Hypothesis 3) between interdependence, negotiation strategy, and the relational outcome variables was not significant, there were significant interactions with two of the dependent variables, relationship specific assets and cooperation. Thus, in a highly interdependent buyer-supplier relationship, a competitive negotiation strategy will lead to less investment in relationship specific assets (H3a) and less cooperation (H3b) than if negotiators use a collaborative strategy. Therefore, the experimental results suggest that a competitive negotiation strategy is less damaging in relationships that are less interdependent, but in close, highly interdependent buyer-supplier relationships, the use of a competitive negotiation strategy reduces the amount of investment and willingness to work together among supply chain members. Consistent with SET, buyers-supplier relationships with different levels of interdependence will require different cost-benefit tradeoff evaluations for the selection and use of certain negotiation strategies (Griffith et al. 2006).

While H3c and H3d were not significant, the dependent variables without significant interactions also provide interesting insight into the effects of a competitive negotiation strategy. Trust and process integration exhibited significant simple main effects with a competitive negotiation strategy. This finding suggests that a competitive negotiation strategy has a negative impact on trust and process integration regardless of the level of interdependence between the

buyer and supplier. Trust has been accepted as a critical component of buyer-supplier relationships (Fawcett et al. 2007; Doney and Cannon 1997). This finding implies that the use of a competitive negotiation strategy damages the buyer-supplier relationship, even if the parties involved are not heavily reliant on each other. Relationship specific assets and cooperation may be able to withstand the harmful effects of a competitive negotiation strategy in relationships with low levels of interdependence, but a competitive negotiation strategy seems to threaten the amount of trust and process integration.

The results of Study One emphasize several important issues, managerial and theoretical, that are vital to the study, understanding, and management of negotiations in ongoing buyer-supplier relationships. Relationships are at the core of supply chains (Mentzer, et al. 2001; Cooper et al. 1997) and given the importance of interorganizational negotiations in achieving performance goals (Herbst et al. 2011), the results of this portion of this dissertation research are indeed practical and timely. The managerial and theoretical implications will be discussed further in the final chapter.

Study Two: Qualitative Research Findings

Sample

In order to learn more about the negotiations in ongoing buyer-supplier relationships, managers at a variety of different organizations in different industries were sampled. In total, twelve individuals contributed to this study. Six of the participants are currently in buying roles, and six participants are currently in supplying roles. However, several participants have previous experience on both sides of the buying relationship. Participants' years of buying or

selling experience ranged from 5 to 24 years. Table 11 presents additional information about each of the research participants.

Table 11: Qualitative Research Participants

“Name”	Buyer or Supplier	Years of Experience	Title	Industry
Allie	Buyer	11	Merchandising Director	Retail
Anna Kate	Supplier	21	VP Global Operations	Manufacturer – Patio Furniture
Ben	Buyer	5	Senior Manager - Procurement Services	Manufacturer – Apparel
Bo	Buyer	24	Director of Competitive Intelligence	Specialty Retailer
Charles	Buyer	7	VP Corporate Sourcing	Health Insurance
Harry	Supplier	15	General Manage - Sales	Transportation
Joe	Supplier	20	Sales Engineer	Manufacturer - Automotive
Luke	Supplier	13	Director of Sales for National Accounts	Manufacturer – Hardware
Mark	Buyer	9	Merchandising Director	Retail
Rick	Buyer	5	VP of Inventory and Transportation	Specialty Retail
Sam	Supplier	9	President and Sales Manager	Manufacturer – Automotive
Susie	Supplier	11	Senior Merchandise Manager	Manufacturer – Apparel

Data Collection

An interview guide was initially used to ensure focus on the phenomenon of interest, but the conversations were open and flexible enough to allow the participant to steer the discussion in any direction pertaining to negotiations and interorganizational relationships. Participants were encouraged to draw from actual experiences.

Data was collected through discovery-oriented depth interviews (McCracken 1988) with buyers and suppliers who have experience negotiating with other organizations. The preliminary interview guide can be found in Appendix H. The interviews were conducted in person or via

telephone. The interviews lasted between 30 and 75 minutes. Each of the participants gave their consent for the taping of the interviews. All interviews were transcribed verbatim for further analysis. This resulted in 171 pages of transcribed interviews.

Purposive and theoretical sampling techniques were used to guide the data collection process. Purposive sampling involves the selection of participants based on their negotiation experience in a buying and/or selling role that is not obtainable from other potential participants (Maxwell 1996). Several initial interviews were collected, analyzed, and coded. The researchers then determined the next research participant based on the ideas developing from the data, which is consistent with theoretical sampling (Strauss and Corbin 1990, Mello and Flint 2009). In grounded theory, data collection is supposed to proceed until the researchers determine that theoretical saturation had been reached. Theoretical saturation means that no new information is being acquired with each additional interview. It is not unusual for theoretical saturation to be reached in less than eight interviews (McCracken 1988). After nine interviews, the researchers believed that they were reaching theoretical saturation, but they collected three additional interviews from other industrial contexts to increase confidence in their findings.

Data Coding and Analysis

Data coding and analysis proceeded consistent with grounded theory procedures (Creswell 2007; Strauss and Corbin 2008). Each transcript was read multiple times by two researchers in order to understand the stories and experiences of the participants. The researchers would then meet and discuss their individual analysis to see where similarities and differences in analysis existed. The researchers then coded words, sentences, and paragraphs to

begin to identify emerging concepts. The constant comparative method (Strauss and Corbin 1998) was applied where the researchers worked within and between transcripts to compare and contrast the conceptual codes. This method is especially beneficial in determining how new transcript data fits with previous analysis.

Research Trustworthiness

The rigor of qualitative studies is evaluated on different criteria than quantitative studies (Pratt 2008, 2009). Two types of criteria have been applied to grounded theory studies. Table 12 identifies and defines each of the criteria and indicates each was dealt with in this study. Given the perceived trustworthiness of the research process and findings, this grounded theory study was believed to be considered rigorous in its data collection, analysis, and interpretation.

Table 12: Evaluating the Research Trustworthiness of Study Two

Trustworthiness Criteria*	Definition*	Applied in this Study
Credibility	Extent to which results appear to be acceptable representations of the data	<ul style="list-style-type: none"> • Interviews were conducted over 18 months with continued data analysis • Several participants were provided with data interpretations and asked for feedback
Transferability	Extent to which the findings may transfer to other contexts	<ul style="list-style-type: none"> • Used theoretical sampling techniques • A variety of buyers and suppliers in different industries, firm sizes, and years of experience
Dependability	Extent to which findings are unique to time and place; the stability of the explanations	<ul style="list-style-type: none"> • Participants discussed recent negotiations and relationships as well as previous experiences that occurred several years prior
Confirmability	Extent to which interpretations are the result of the participants and phenomenon and not to researcher bias	<ul style="list-style-type: none"> • Multiple researchers were involved in the interpretation of the over 170 pages of transcript data plus additional notes pages • Other researchers were asked to review and assess the findings
Integrity	Extent to which findings are the result of misinformation or evasion by participants	<ul style="list-style-type: none"> • The interviewer conducted the interviews in a professional and nonthreatening way following accepted procedures • Participants were assigned a pseudonym to ensure anonymity
Fit	Extent to which findings fit substantive area	<ul style="list-style-type: none"> • This was addressed by the researchers methods of addressing credibility, dependability, and confirmability
Understanding	Extent to which theory makes sense to participants	<ul style="list-style-type: none"> • A summary of findings was presented to participants to determine if the interpretations are realistic
Generality	Comprehensiveness of construct and theory development	<ul style="list-style-type: none"> • The length of the interviews was long and open enough to allow the emergence of many facets of negotiations and buyer-supplier relationships to emerge
Control	Extent to which aspects of the theory can be influenced	<ul style="list-style-type: none"> • Some of the variables that emerged in the theory were variables that participants have some degree of control over

* Criteria and definitions adapted from Flint et al. 2002, p.106; Flint and Mentzer 2000; Strauss and Corbin 1990; Hirschman 1986; and Lincoln and Guba 1985

Study Two Qualitative Findings

Previous studies of buyer-supplier negotiations have largely approached the research from a discrete event focus that ignores the existing, ongoing relationship between the involved parties (Greenhalgh and Chapman 1998; Gelfand et al. 2006; Daugherty 2011). The findings from this grounded theory study that will be discussed explored two main research ideas. First, while Social Exchange Theory would suggest that current negotiation encounters would impact future buyer-supplier interactions (Thibaut and Kelley 1959), empirical evidence on how actual buyers and suppliers view negotiations in the context of the ongoing relationship is lacking. Next, previous negotiation strategy research has endeavored to identify an optimal strategy and studied discrete event outcomes like profit and buyer satisfaction. Study Two explored how buyers and suppliers view the use of specific negotiation strategies and how those strategies ultimately impact the future of the supply chain relationship.

The Negotiation – Relationship Link

Relationship literature suggests how buyers and suppliers in ongoing supply chain relationships view negotiations, but empirical evidence to support this is lacking. Three main themes emerged addressing the negotiation-relationship link: negotiations are part of the overall relationship, they are frequent, and buyers and suppliers approach them with an eye on the future. Joe, a sales manager, summed it up when he said, “*we believe that with any customer, it’s a relationship building opportunity.*” This provides support for the need for negotiation research to be more relational and less transactional in nature. From a personal perspective, Harry, another sales manager, shared why he approaches negotiations with a relational perspective: “*no, I never focus short term because I’m in it long term. That’s why when you’re*

negotiating and you have different issues, you know, I've got another 25 years to put into this business.”

Several managers indicated that they are constantly negotiating and that it's hard to separate the negotiation from the relationship. For example, Charles, vice president of sourcing, says, *“my personal belief is that every communication you have with a third party is a negotiation, whether you think so or not”* and Rick, vice president of inventory and transportation, states *“[we're negotiating] pretty much all the time.”* Allie, merchandise director of a major retailer, says:

I think about every day there is something to negotiate. It doesn't necessarily mean we are negotiating items and products or anything like that. But we might be negotiating space in a tab or we might be negotiating space online, we might be negotiating special values or promotions. Things like that. So, we literally, almost every day, there is something that we talk about.

Luke, director of sales, also shares a similar perspective with Allie:

It could be as often as daily. It's pretty... I don't know if it's a consistent frequency that I could tell you. I'd say it's kind of an ongoing negotiation that I kind of look at it as the relationship between the buyer, in my case the people that I'm calling on, and the seller, me, is really an ongoing negotiation in some regards. So I don't know that there's.. there's obviously some specific instances where I have a proposal to present and that's an on purpose negotiation, but I think you're continuously cognizant of what you are doing on a day in and day out basis just from an activity level or support level and how that ultimately translates into the relationship is part of the ongoing negotiation process.

In this final example, Bo shares how intimately related negotiations and relationships are and how they link to the future:

It's a little more difficult to say that there's a specific negotiation that you put your hands around. You follow what I mean? It's more day to day long-term relationship building as opposed to this year I'm going to buy from this guy and next year I'm going to buy from that guy because he's got the better price or the better quality, whatever you're looking for.

The managers interviewed indicated that there is a relational component to buyer-supplier negotiations and that individual negotiation encounters are often viewed as opportunities to build

on the existing relationship. As a result, these findings contribute to the limited empirical research on negotiations from a buyer-supplier relationship perspective and address the concerns of “arelationally biased” negotiation research (Gelfand et al. 2006).

Common Negotiation Strategies

Negotiation research has commonly identified two dominant negotiation strategies that buyers and suppliers are believed to use (Krause et al. 2006). During the interviews, the participants were asked to describe the negotiation style that they are more likely to use and then they were asked to discuss what strategy their buying or supplying counterparts are more likely to utilize. The interesting findings came from the participants’ thoughts on their negotiation counterpart’s use of certain strategies. Consistent with negotiation strategy literature, the contrasting collaborative and competitive strategies will be addressed. After discussing the effects of using certain strategies, the relational outcomes that are affected by these strategies will be discussed.

The Collaborative, Win-Win Approach

A large number of the participants indicated that a collaborative approach is the strategy that they prefer to use in buyer-supplier negotiations. For example, Allie describes her preferred strategy this way:

I would kind of say that my negotiation style is, I tend to be more of a, I listen a lot and then try to find a common ground. I’m not one that goes in as a dictator or it’s my way or the highway type... I tend to negotiate collaboratively... I always want to find something mutually beneficial. It needs to work for me, but it needs to work for the vendor as well.

Bo has worked for a number of different retailers in a buying role and he discussed the strategic approach that the specialty retailer that he currently works for utilizes:

You know, we have a basic philosophy here of trying to have a win-win. We're not a, we're not the kind of retailer, like some of my past retailers, that it's all about the retailer getting as much money as then can. They don't really care what it does to the supplier. We try and make sure it's a long term relationship and it's something that will benefit both of us.

Bo went on to describe a specific example of how negotiating collaboratively benefited both his company and one of their suppliers:

With most of our large vendors, we have a pretty good understanding of the win-win approach... For example, there's a company that I've mentioned that we've had a pretty good relationship with for about ten years. We've basically helped them grow their business from nothing to where they sold it, and it was collaboration. It wasn't just us or it wasn't just them. We worked together on a lot of pretty big promotions over the years. The guy that started the company wrote a bunch of books and did speaking tours and stuff like that. You know, we promoted his books, gave away his books in stores to help sell the product. We did a lot to help them grow and in turn, they did a lot for us.

Both of these examples are consistent with how negotiation literature defines a collaborative as trying to find outcomes that are mutually beneficial and are focused on working together in the long-term (Mintu-Wimsatt and Graham 2004).

Anna Kate offers her perspective on the choice of negotiation strategy: “*it has to be win-win. Say your business is here. It's at X and we expect it to go to Y because we're going to put your product into a thousand more stores, but we need you to pay for the reset, etc. In that case, it is a win-win.*”

Rick links his organization's choice of using a collaborative strategy with the desire for building and maintaining a long-term relationship. He also discusses why a contrary strategy is not desirable.

I think we're always thinking about the future of the relationship. Part of the reason we don't try to have a lot of contentious negotiations is because if you have a negotiation, it's really rough. You go back and forth and even if you end up in an okay place, both

sides tend to feel a little bit, I don't want to say bitter, but don't have a great taste in their mouth. Then, you have to do business with each other for a year or two years or three years or however long that contract is for...so, you have to keep in mind while that while you're negotiating, not only are you trying to negotiate a contract, but you're also trying to negotiate a relationship that you're going to have to work with these people for the next several years so you want it to feel good when everyone gets done with it.

These findings provide support that buyers and suppliers in a variety of different organizations in different parts of a supply chain are utilizing collaborative, win-win negotiation strategies to help build their overall relationships. While research has advocated the use of a collaborative strategy in buyer-supplier negotiations (Zachariassen 2008; Graham et al. 1994), some researchers have suggested that negotiators aren't actually practicing this type of mutually beneficial approach (Ramsey 2004) or are going to be exploited if they do (Zachariassen 2008).

Interestingly, the previous qualitative data presented the perspective of the use of a collaborative strategy by the participant. More insight is gained by examining the reaction of the participants when organizations employ a win-win approach when interacting with them. Bo says of the vendors that he and his company work with that *"more and more are moving towards the collaboration [strategy]."* Sam works for a manufacturer in the automotive industry he acknowledges the challenges of trying to negotiate collaboratively in this competitive environment:

Well, from our perspective, we want to be more of a collaborative style. We really want to develop a relationship that's trusting and feel like it is a partnership so to speak. The majority of our customers really try to flex it. They're more of the, I would say, almost competitive style. They are trying to gain everything that they can. I mean, at the end of the day, it feels like, especially these larger organizations, maybe some of the layoffs that they've had in the past couple years have basically shown those that are still left that the only way that you're going to have job security is if you are a total performer and a lot of time, unfortunately, those that have stayed are very cutthroat, you know, they're just forced into it just because of some of the recent decisions they've seen in the company around them. So, again, collaborative on our side, we're looking to be a partner. Those guys are still pretty competitive. They may use words like partnership and relationship but the word doesn't match the deed... Where it's a commodity as an example, you better

be ready for it. Take your body armor into the negotiations because it's going to be pretty much a power play. They're going to beat you up on every aspect.

The Competitive, Win-Lose Approach

The tone of many interviews changed when the discussion turned to a competitive negotiation strategy. It was evident that most participants had experienced a competitive negotiation and as evidenced by the emotion and tone of the participants' voices, being on the receiving end of a win-lose negotiation had far-reaching effects. Mark recalled a past approach that buyers in his company frequently utilized and how it was not the way his company wished to do business any more:

We could have done the old shoot out process where you keep suppliers in the hotel lobby all night long and call in one and rape them for their lowest cost and then call the next guy in and rape them for theirs and just go back and forth until finally you just give it back to the incumbent at a much, much lower cost and that actually is a strategy we specifically are avoiding because we believe that has long term impact to our supplier relationships that are negative. Extraordinarily negative... Year one works great. Year two, if I'm the non-incumbent why would I come give you my lowest cost? Why would I show up at all?

Anna Kate discussed how challenging it is to work with a customer that is looking out only of their best interests:

They won't take cost increases so I mean, that's hard. When you're making the product that we do and it's a commodity item and you have fluctuations in currency and labor costs more and the basics of production, you know, supplies, products, and materials go up. It's tough because they won't accept cost increases. If you can actually give them one, you pray to God that they don't find somebody else willing to make a cheaper good.

Allie offers a perspective that several other participant shared as well. The use of a competitive negotiation strategy is often corporately influenced. She shared this with the interviewer:

My experience, honestly, with this company is that the folks that are defensive and that are competitive. That is normally corporately driven. It's not, because the folks that face us day to day, I mean, it is just stupid for any company to put somebody in front of us that

is not going to try to do what we want. That doesn't do something mutually beneficial for both of us. In my experience, there are certainly people you are going to cross like that and they are not going to be around very long and that is the honest truth. It is really stupid for companies to put someone like that in front of us. Not daily.

Bo offered a complimentary perspective to Allie's on a supplier counterpart using a competitive strategy: *"yeah, that's more company attitude. I don't think that's necessarily a sales rep trying to make his goals for the month. It's more that they're pushing the corporate line."*

Rick also shared his experience with a specific supplier that employs a more competitive negotiation strategy:

Really the only ones we always have contentious negotiations with and it's just because of how their company is structured is Company X. Company X is not fun to negotiate with. They tend to only look at things from the Company X perspective. They tend not to want to partner. You don't really walk away from that with a bad feeling because you understand that's how Company X is but if you had another partner in the business and you had that type of relationship you would tend to walk away and not feel real good about it and that you've got to work with them.

Several others echoed Rick's sentiments that you don't "feel" as bad about a competitive negotiation when you know that is part of their corporate strategy. Luke shares his experience with this example:

I think it's definitely organizationally influenced without a doubt. There's a mandate that is, hey, you need to go get the best price, period. No ifs, ands, or buts about it, or I don't care about price, you need to go improve your margin right now. Or I don't care about price, margin, or top line, you need to go reduce your inventory right now. Those mandates definitely influence purchasing behavior.

As the researchers further explored the competitive negotiation strategy, two additional concepts emerged. The first is that an unexpected strategy switch from collaborative to competitive can be extremely damaging. Surprisingly, if the organizations are in a committed, ongoing relationship, they are unlikely to end the relationship, despite the violation of strategy expectations. Luke offered his perspective on a switch from a collaborative strategy:

The people that you've got relationships with are the folks that you've got a vested interest with, right? You put a lot of your blood, sweat, equity into those relationships. It's like anything else. The people that you care about the most or you know the most are the ones that professionally or personally cause you the most disruption or the most heartache... We've been collaborating on this for six months and now all of the sudden you change direction in the eleventh hour. This is going to cause major heartache in our organization. We've got inventory invested in this program. We made those bets on you as a customer based on our relationship and we took a risk and now you're leaving us high and dry... let me make sure everybody understands what the impact to our organization really is and what our alternatives really are. Are we going to absorb this impact of change? It may be a negligible impact or it may be a substantial impact. There will be repercussions to the business relationship and that may be in the form of pricing or it may be in the form of availability or it may be in the form of the next time you ask me to do something, I'm going to say no. You can't just arbitrarily tell us, you can't arbitrarily agree to things and then change direction without collaboration. If we establish ourselves as a collaborative relationship, it needs to be collaborative. If we're going to gamble that the entire process is going to be collaborative, that means believing you guys, trusting you guys, and making decisions based on what you've told us. If it's not a two-way collaboration or you're not going to live up to your end of the collaboration, then we need to take a different approach to this whole thing. There's definitely a significant impact when there's a material shift in direction.

Rick also discussed how the future of a relationship can be negatively impacted by a switch to a competitive negotiation strategy:

When a partner comes back and uses that approach to a situation, I think it it's a negative on the future view of that organization and how you look at it. It makes you think harder about how much you're willing to partner with them and how much you're willing to do with them because you always have in the back of your mind that they could come back at any point and say I'm not interested in doing this or I need to pass you this increase. I know we didn't talk about it because I wasn't thoughtful enough to think about this and how much it would cost me going forward. So, it absolutely impacts how we think about them. The future doesn't mean that we'll make a change or not make a change, but it certainly would make us question any proposals they would give us a lot more.

It is important to notice the insinuation of the possibility of ending the relationship. The interview data revealed a variety of ways that a competitive approach can damage a relationship, particularly if the win-lose strategy is not the usual way that negotiations are handled. However, most participants made it clear that terminating the relationship may not be the ultimate outcome.

For some, as Sam presents, the business is too important to walk away from:

At this particular point, we just need to turn the other cheek and take it and say, okay, given this economy and the alternative options out there; we need to do whatever it takes to win the business. I think we'd all like to get to a point where we could tell some of our high maintenance customers, thanks, but no thanks. I'm looking forward to that day to be honest with you. I don't see that any time soon.

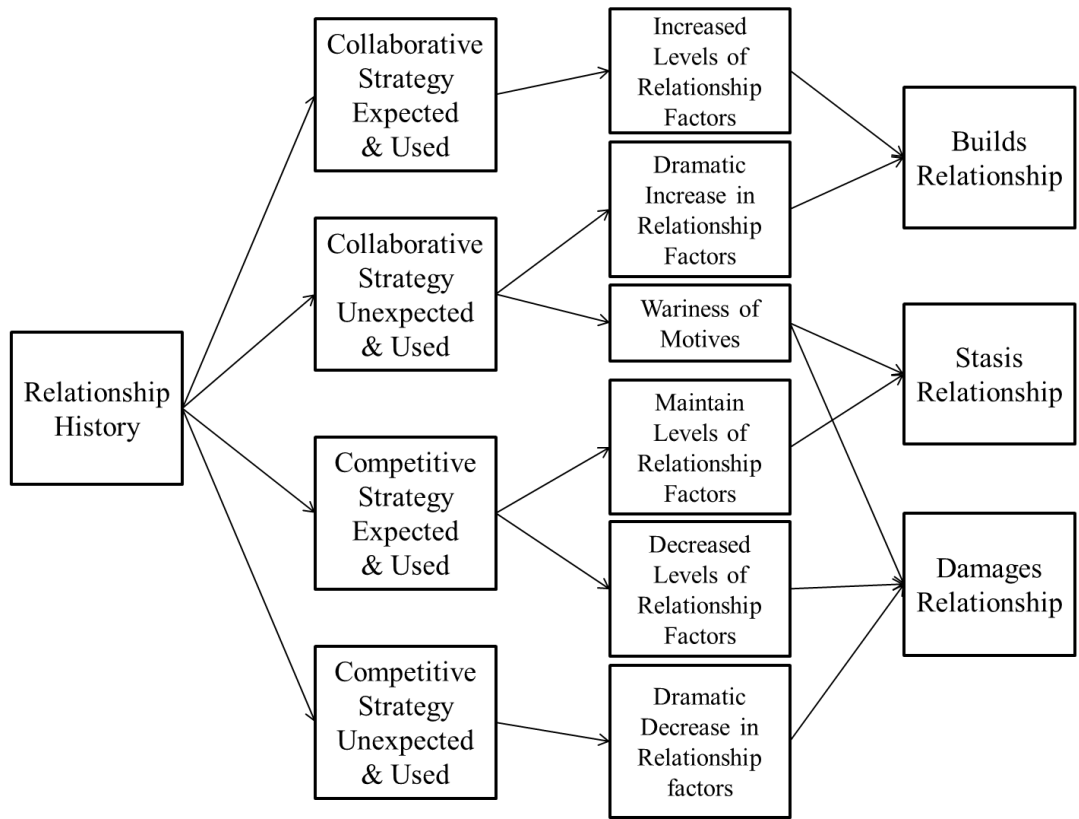
Anna Kate shared about a company that uses a competitive approach and is very difficult to do business with, but she is trying to keep a long-term perspective about their relationship:

I look at how my company gets annoyed at Retailer X because Retailer X can honestly be a pain in the neck and they are very, very tough to deal with. However, they also have stores in the US, Taiwan, Korea. They are a huge, huge account so they can be really difficult to work with and I know sometimes my boss would just as soon not even do business with them, but you have to. To me, it's a long term thing and say, okay, it may be painful right now, but they are a huge company and they are growing and doing well. They're expanding into even more countries so I guess that's a big part of it too, looking at it as a long-term relationship.

The interview data showed that once an organization gets into a long-term committed relationship with another organization, it can be very difficult to end that relationship because of the resources invested, importance of the business, or the future potential.

Figure 8 provides a model of the impact of negotiation strategy choice on ongoing buyer-supplier relationships that was derived from the qualitative data. The model starts with the history of the relationship that the buyer and supplier are bringing into a negotiation. As a result of that history, buyers and suppliers have expectations of how they anticipate their negotiation counterpart to act. The negotiator will either use a competitive or a collaborative negotiation strategy, and this strategy choice will either be expected or unexpected by the negotiation partner. The combination of negotiation strategy used and expectations impacts factors that are important to the overall buyer-supplier relationship. The impact on the relationship factors will then either build on the existing relationship, damage the existing relationship, or have no impact on the overall relationship (stasis).

Figure 8: Model of the Impact of Negotiation Strategy Choice on Relationship Factors



The remainder of this discussion is going to move from focusing on the entire theoretical model presented to discussing the important relational factors that emerged from the interviews and how they can be affected by negotiation strategy use in buyer-supplier negotiations.

Identifying the Important Relational Factors

As the researchers analyzed the qualitative data, five leading factors emerged as being of importance to the overall buyer-supplier relationships and subject to fluctuate based on the use of different negotiation strategies. The five factors identified were: trust, investment, information, collaboration, and integration. Each of these factors will be discussed in detail.

Trust

Trust is often identified as a critical component of buyer-supplier relationships (Fawcett et al. 2007; Doney and Cannon 1997). All of the participants mentioned the importance of trust during the course of their interviews. *“The goal is to have suppliers that we learn to trust, that we learn to grow together, that we learn to depend on, but who depend on us”* (Allie). As Susie explains, mutual trust has been part of their success in some long-term relationships:

Some of our contracts we’ve had for like thirty years and they’ve never gone out to bid. Some of these businesses we’ve had and maintained. It’s just unbelievable, but it’s because of the service that we provide and the trust that the company is great that we work with and they trust us.

Trust was also linked back to the personal relationships that develop between buyers and suppliers which exist even if one or the other moves to a different organization. Anna Kate shared her experience with that:

That goes back to the relationship with Bob at Retailer Q. I’m still working with him and there’s definitely a trust factor there. It goes back to relationships. It helped us get our foot in the door with Retailer Q as we had done business at another company. That personal relationship was a big part of it and obviously trust goes hand in hand with that... That doesn’t mean they’re going to add business with you because they know, but there is, it all goes back to that trust factor. It gets your foot in the door and they know we’re not going to screw them over.

As Harry suggests, difficult discussions, such as negotiating additional charges for an extenuating circumstance, are likely to result in better outcomes when there is a level of trust:

I said, hey, our normal rate is \$500. In order to get these there in a timely fashion like you need we’ve got to send a local truck in there to pick them up. I’m going to need an additional \$65 in order to compensate my driver to do that. A lot of times like that if you explain, you know, they have to trust in you. I mean, if you know them, and they have trust in you, you explain what’s going on. They realize you’re not trying to gouge them.

As important as trust is suggested to be by the research findings, it is also clear that a lack of trust or a violation of trust changes the way that buyers and suppliers negotiate with each

other. Allie discussed how a supplier can break her trust when they make exclusive agreements with a competing retailer or demand a price increase after they've won business because of new pricing. The impact has lasting effects on her relationship with them as she explains below:

The relationship sours right away. It is not a good relationship from then on. There is very little information shared back and forth at that point. Personally, I do not tell that supplier anything more than I have to to keep the business running. There are no insights into my strategy and into my plans, into my advertising ideas, nothing. I would not feel comfortable telling them much of anything. At that point, we are just selling their product. There is not strategic plan together to grow the business and that is never the way we want to work...when the trust is broken it is very hard to build back... if I can't trust a supplier, I certainly don't want to have them. I don't want them around long because who knows what they are going to do. Who know is they will stop doing business with me. Who knows if they are in trouble. You have to have trust.

While most of the participants talked of working hard to build trust with their buyers and suppliers, Sam talked about his lack of trust of his customers given the highly competitive environment he works in:

So, what they [his customers] don't know is that we're negotiating directly with the OEM [original equipment manufacturer] which is going to make us a directed source and therefore, it's going to take some power away from our customers. When that happens, I guess I'm waiting to play the card that you know back when you said we were partners and then you spit in my face. I've got Mike over here that I'm trying to build a better relationship with. It sounds vindictive and in a way, it kind of is, but that's kind of our current strategy because I don't trust my customers now. They kick me to the curb as quick as they can.

Bo talked about how his company will shift to a negative perspective of an organization if their trust is broken:

There's definitely an element of trust that we definitely believe, you know the old adage, excuse the phrase, screw me one, shame on you. Screw me twice, shame on me. We definitely abide by that. We don't like to be promised stuff and then it not come through. We can hold a grudge, if you will, be we don't like to. We certainly will work harder with those companies that work with us.

Trust was overwhelmingly considered an important part of buyer-supplier relationships.

The participants also indicated that switching to a competitive negotiation strategy has a long-

term impact. The buyers and suppliers discussed several different behaviors that they change when a competitive negotiation strategy breaks the previously established trust. They will withhold information, promote other suppliers, remove from advertisements, and so forth.

Relationship Investments

The second relationship factor that will be discussed has been labeled investment. There are a variety of different types of investment that were discussed: assets, inventory, equipment, people, processes, and intangibles (Xie et al. 2010; John and Heide 1988). Different types of investments may be part of the buyer-supplier negotiations, or they may be differentiators that are brought to the negotiation table. Ultimately, buyers and suppliers are more likely to make investments in long-term relationships than in transactional purchases. As Joe points out, his organization keeps an open mind about future opportunities and how they might meet the needs of their customers:

We are not limiting ourselves just to the products that we may have developed at this point in time. We are open to similar products and have put in equipment to supply those.

Joe provides an example of investments in assets that may be specific to a certain relationship. He went on to talk about how this willingness to be open to new products has allowed them to explore and negotiate new opportunities than would otherwise have been possible.

As an apparel manufacturer, Susie's organization helps some of their customers take advantage of new technologies:

If we have a customer who is sophisticated and they're tracking RFID through their whole laundry process or their distribution process, we will attach it [RFID tags].

She also talks about how her company is invested in adding value for their customers through a variety of different techniques:

We do a lot of things to help our customers grow their business, with marketing support, with merchandising support. We design programs for our customers. We help them build their catalog. We give them our catalog and let them wrap it with their picture, their information on the front. We provide leads. If we're out in the market and we hear something, we call distributor ABC and say, hey, we've got this lead for you. I really try to look at a customer and where we can add value.

From the buying side, Mark talked about how the investments by a supplier have enabled them to win the category business in annual product line review negotiations:

In one commodity category, we recently went with a higher cost supplier who has historically been dedicated to servicing our company and that kind of thing. But it really came down to, when we talk about flexibility, their willingness to go out on this commodity, move upstream in the supply chain in terms of how they procure their own raw materials and some other things. Literally, they're doing the forward looking kind of effort to ensure that they can service us for the long term. We actually pay more to insure that our long term supply is never disrupted, that they own their raw materials, that they can control pricing better and that kind of thing. So, while that feels and could be judged as intangible, it is actually, obviously from the business impact, is very much tangible and material.

Participants solely talked about relationship investments in collaborative, long-term relationships. Use of a competitive negotiation strategy, especially an unanticipated use, results in a decline in relationship investments. If buyers and suppliers are making significant investments into a relationship, they are more likely to use a collaborative negotiation strategy because the financial consequences of a failed relationship are too great (Anderson and Weitz 1992). Previous research has supported that investing in specific supply chain relationships is a common business practice (Cannon and Perrault 1999).

Information Communication

A third relational factor that participants discussed was the movement of information in buyer-supplier relationships. The way that information is shared seems to be influenced by the side of the negotiation table and the level of the relationship. First, the data suggests that a traditional information role for a supplier is often as an information gatherer. When suppliers are preparing for a negotiation, they are trying to sponge up as much information as possible. As Susie says, *“we try to gain all of the intelligence around that piece of business that we could and you know, most of the time those companies have set budgetary or fiduciary parameters where they are only going to pay this much for this apparel program.”* Sam reiterates *“we’re trying to get as much information from the customer as we can... our guys do a good job of listening and they’ll come back and they compile market research and they know kind of the price points of our customers, if it’s a decision to be made on pricing.”*

On the other side of the negotiation table, the buyers are often information givers. The suppliers are trained to listen and soak up all the information that they can and the buyer has often fulfilled the role of telling the supplier what they want or need them to do. Mark shares how his organization gives information to their suppliers before product line review negotiations:

Ahead of those meetings, you’re actually sending information to your suppliers that prepares them for what you want to talk about. The discussions and frankly negotiations are shaped much more than they may have been in the past in terms of them knowing where we’re headed with the business and trying to insert themselves into our overall strategic direction, as opposed to kind of letting them set their own product line up or marketing spin.

These more traditional buyer and supplier information communication roles seem to disappear as the relationships become closer. The roles of information gatherers and givers evolve into a more open exchange of information. A collaborative negotiation strategy is necessary for this type of information sharing. Rick views this type of information

communication as “*both parties are bringing opportunities to the table and talking about ways to improve the business, both from a service and a cost perspective.*”

Charles has worked a several different organizations of different sizes and he discusses how the exchange of information and ideas with suppliers and customers has enabled the different companies that he has worked for to tap into valuable resources that are not on their payroll:

The thought was that you’ve got a lot of smart people, but there’s a lot of smart people with everybody that you interact with and let’s tap into that as opposed to just within the four walls of [former company name] ... We kind of use that, as a smaller company, because in a lot of cases the business owners may not know a better way to do it. So, one of the groups that I manage now is our copy center and we’ve got a lady there who’s a great lady and she’s been running copy centers for twenty years and all she knows is how to run a copy center. When you talk about support for production scanning and how do you make processes better by getting rid of the paper, her eyes kind of gloss over, because you know, all she knows is how to print, bind, and ship. We have to use a lot of that outside experience because internally we don’t have that knowledge or that expertise.

Interestingly, certain participants, from industries that use more competitive negotiation techniques and are traditionally less focused on developing supply chain relationships, talked about hiding instead of sharing information. The flow of information is one of the key components of supply chain management (Thomas et al. 2010; Mentzer et al. 2000) so it is interesting that individuals knowingly hide information. The reasons are often due to the fear of retaliation from the information. As Sam shares, he does not want to provide any reason for his customer to take their business elsewhere:

Most of the time, I don’t let the customer know there’s a capacity constraint... I’m trying to keep any kind of negative from the conversation that I can. Anything that might be misinterpreted as risk in doing business with us is typically not highlighted.

Joe talks about how he’ll keep cost reductions to himself unless he is required to cut costs during a negotiation:

I'm not going to tell the customer that I've been actively engaged in reducing costs. I'm going to take that and be more profitable. If I buy a piece of equipment that means I can generate that product for 500 pieces per hour instead of 200 and that's my personal management of the business and that has nothing to do with the price that's charged. Now, granted if I get into a negotiation and hear those famous words that I'm sure most salespeople do not hear very often, your prices are too high, we have some latitude to come back and say let's look at this situation, what can we do? You explore that with the customer. Hey, do you want us to do the freight for you? Do you want us to supply a raw material? Let's say we package it a little bit different, maybe it's 100 in a box and it's a smaller box and makes it more convenient going on their manufacturing line. These are the things you start exploring and negotiating and getting that price down.

Notice that Joe talks about working with the customer to find ways to make changes that will save money, but he never mentions telling the customer that he is more profitable because of some cost reductions he's negotiated on the supply side. Both Sam and Joe were the participants that were most vocal, as discussed previously, about a lack of loyalty from their customers and that their negotiations are often very difficult. The data supports that the use of a competitive strategy will result in a decrease in the amount of information shared.

Collaboration

The next relationship factor that emerged from the qualitative data was labeled as collaboration. The main finding that came across was that many people want high levels of collaboration in their buyer-supplier relationships, but not many believe they have achieved this yet. Previous research has suggested that a high level of trust is needed in order to have collaboration (Mentzer et al. 2000). The idea of collaboration really encompasses all the previously discussed relationship factors. One can't have true collaboration without trust, the open communication and exchange of information, and making investments in the relationship. Collaboration is a term that is often designated as a strategic component of the broad concept of

supply chain management (SCM) (Frankel et al. 2008). Buyers and suppliers often collaborate to fix a problem that has arisen or to generate new ideas for growing the mutual business.

For Rick, metrics are very important for his organization and for gauging the success of their suppliers, so they collaborate to define success for both sides:

We both have an understanding of the metrics that are important to each other, and we work to drive improvements that are important for both organizations.

The metrics are not just for Rick's company. They also work together to improve the metrics that are important for their suppliers as well.

Mark talks about working collaboratively with vendors to ultimately meet the needs of the end consumer:

A little bit more collaboration around the vendor and the buyer literally together coming up with the strategy for executing whatever that special buy opportunity may be or an upcoming promotional buy of some kind. It's less about specking an item and literally just getting cost sheets on it versus collaborating and trying to do things that are going to be meaningful to customers in the marketplace.

Luke describes how he builds levels of collaboration with his customers in the following way:

It's the development of trust you know collaboration over time. It's not that transactional function of me knocking on the door and trying to sell them what I think they want, right? It's the customer that I deal with on a weekly basis, that I understand their pain points. I understand how they need to present internally. I understand the obstacles they're going to face and, you know, just getting a new set of eyes on what they think their goals and objectives are.

A collaborative negotiation strategy is necessary for buyers and suppliers to come together and cooperate. A competitive strategy has a negative impact that makes relationship collaboration virtually impossible, but it may be selected as a more appropriate strategy if one side does not uphold the collaborative commitment. Going back to Luke, he states:

You can't just arbitrarily tell us, you can't arbitrarily agree to things and then change direction without collaboration. If we establish ourselves as a collaborative relationship,

it needs to be collaborative. If we're going to gamble that the entire process is going to be collaborative, that means believing you guys, trusting you guys, and making decisions based on what you've told us. So, if it's not a two-way collaboration or you're not going to live up to your end of the collaboration, then we need to take a different approach to this whole thing.

Anna Kate also explains that collaboration does not necessarily guarantee fair treatment:

I can look at an example with Retailer X, where it's just like, what the hell with the some specific items. We agreed to sell them their opening price point chair and they buy thousands and thousands of them and have for years, but here's an instance where they wanted lower pricing. We negotiated an agreement where they were also going to bring in a couple more items that we made a little money on, but when push came to shove and they actually wrote orders, they didn't bring those in. So, yeah, nice, but what are you going to do? Did you forget about, you know, because that was part of why we said we'd meet their pricing because they said they'd bring in these other items from this assortment so we can make some of that money up. That's why I can see where sometimes people just say, we're done, we can't, we're done when you're dealing with companies that do that.

This is an example where Anna Kate's company worked with the retailer to come up with a mutually beneficial agreement, but the retailer violated that agreement.

Collaboration is an important part of building ongoing buyer-supplier relationships (Golicic et al. 2003), and a collaborative negotiation strategy helps make that possible.

However, collaboration can be costly if one side or the other talks about collaboration, but acts in a manner that is harmful to the other side's business.

Alignment

The final relational factor was labeled as alignment. When buyers and suppliers are aligned, they desire to learn from each other and acquire skills and knowledge that other organizations such as competitors may not have access to (Lei et al. 1997). Per the qualitative data, alignment may be realized in a variety of forms. The first type of alignment discussed was goal alignment. The need for mutually beneficial goals or objectives for ongoing buyer-supplier

relationships was well supported by the research participants. Allie shares how her organizational goals are important, but she cannot ignore the goals of her suppliers:

My goal, always, is to do the right thing for my company, but at the same time, if it doesn't benefit my supplier and they are forced to do something that is way outside of their comfort zone, then first of all, they might not be good and they might fail. Second of all, it could cost them more than it will benefit them and then in the long run they are not going to be able to help me in the future.

Mark discusses that goal alignment needs to extend beyond just the buyer and supplier involved in the negotiation. He suggests that alignment with the goals and expectations of the end consumer should ultimately be the goals of the buyer and supplier:

There's still and the question that we get asked in this process repeatedly is, so what, you don't think there's any value for our brand? You don't think there's any value for our innovation? Answer that clearly. We still believe there's value in some brands, but that value is determined by our customers and not by us. They're willing to pay only what they're willing to pay. And innovation is the same way. We certainly give value to that and expect to pay more for meaningful brands. There are a lot of categories where we call brands meaningful, where frankly our customers don't believe that. So, we're trying to align that with our customer expectations... what matters is if their goals are aligned with the customers and if their goals are misaligned with where the customers are at then I'll tell you, they are going to have difficulty in this environment, especially with us.

Another type of alignment is organizational alignment. This type of alignment may come in the form of aligning corporate structure to make it easy for buyers and suppliers to be in touch with the right people in the organization: “we're going to see organizational alignment as it relates to their organization being aligned with ours in the way that they structure themselves to more fully support our business” (Mark).

A final type of alignments is process or system alignment. Allie talks about an experience she had with low inventory levels. By sharing access to the reporting system of her company, both sides were able to work together to use the data to make adjustments to the ordering process:

I have this one vendor who we were having a really hard time keeping the shelves stocked and keep product on the shelves. We decided to work together. We have all of this access through our reporting system that they could have. They were in here every other day with our logistics team pouring over all this data trying to figure out what it was that was driving the system to do what it was doing, the ordering system. They started working through all the reporting and it was very, very clear that the system was not generating enough product, not generating enough orders. When we started looking deeper, it was a lot of system settings we could tweak... it was a very simple fix, but it took an entire team to work through it.

Alignment is an important relationship factor that involves buyers and suppliers working together to make the processes and flows between the organization move as efficiently and effectively as possible (Sahin and Robinson 2002). When organizations are not aligned, the consequences can lead to an overall decline in the relationship (Anderson and Weitz 1992). Table 13 presents a summary of the impact of different negotiation strategies on the five identified relationship factors.

Table 13: Negotiation Strategy Impact on Specific Relationship Factors

Impact of Competitive Strategy	Ongoing Buyer-Supplier Relationship Factors	Impact of Collaborative Strategy
Less	1. Trust	More
Less	2. Relationship Investments <ul style="list-style-type: none"> • Inventory • People • Processes • Intangibles 	More
Less	3. Information Communication <ul style="list-style-type: none"> • Gatherers • Givers • Sharers 	More
Less	4. Collaboration	More
Less	5. Alignment <ul style="list-style-type: none"> • Goal • Organizational • Process or System 	More

Summary of Qualitative Study Two Results

Study Two offers some interesting perspectives on the importance of negotiations in ongoing buyer-supplier relationships. One of the key themes was how tightly interwoven negotiations are within the ongoing buyer-supplier relationships. Per the voice of the research participants, negotiations are part of the relationship building process and their effects are far-reaching. The second key theme was the importance of understanding how one's negotiating counterpart views one's choice of strategy. The negative emotions and destructive nature of a competitive negotiation strategy was widely discussed. However, the impact is somewhat lessened when the other negotiator believes that the competitive strategy is part of an organizational philosophy. On the contrary, buyers and suppliers who switch to a competitive strategy from a commonly used collaborative strategy end up dramatically harming the overall relationship. A theoretical model was developed to help link these concepts. The third key theme involved the emergence of specific relational factors that were important to the study participants. The five factors were: trust, relationship investment, information, communication, collaboration, and alignment. Further managerial and theoretical implications will be discussed in the final chapter.

CHAPTER 5

CONCLUSIONS AND IMPLICATIONS

Chapter Outline

This purpose of this last dissertation chapter is to discuss the implications and future research direction of the results from Study One and Study Two. The second section revisits the dissertation contributions presented in Chapter One and contends that the dissertation reaches each of those contributions. The third section summarizes the quantitative Study One experimental findings and how they relate to the relevant dissertation research questions. Theoretical and managerial implications of Study One are also discussed. The third section summarizes the qualitative Study Two findings and how they answered the relevant dissertation research questions. Theoretical and managerial implications of Study Two are also addressed. A final section will identify the research limitations and revisits the holistic cyclical negotiation process model from Chapter 2 (Figure 3) in order to propose some future research opportunities.

Overall Dissertation Contributions

As discussed in Chapter 1, this dissertation sought to make six contributions to the overall body of knowledge in negotiations and ongoing buyer-supplier relationships. First, research on negotiations has been sparse in supply chain literature so this dissertation contributes to that knowledge and will hopefully generate additional research in the future. Second, negotiation outcomes have been limited to mainly monetary and social-psychological variables, which are most appropriate for discrete, transactional negotiations. Third, given the interdependent nature of buyer-supplier negotiations, the identification and use of relationship

variables is another contribution of this dissertation. Fourth, both studies also contribute to the broadening of the discrete event lens of previous buyer-supplier negotiation research. Fifth, by utilizing two research methods that are not widely employed; this dissertation makes a methodological contribution to supply chain relationship research. Sixth, this dissertation theoretically tested Social Exchange Theory and its reciprocity tenet which makes an academic contribution towards a better understanding of the context and boundary conditions of this theory. Seventh, both studies suggest that a competitive negotiation strategy should be used carefully. Eighth, Study Two developed a theoretical model of the impact of negotiation strategy choice on buyer-supplier relationships. These contributions should benefit both academics and managers.

One final area where this research has the potential to make a contribution is pedagogically. As negotiations are often part of classroom teachings in a variety of different business areas, a more relational perspective of negotiations may help train the managers of tomorrow to better understand the importance of negotiation strategy selection and the potential relational consequences. Hopefully, this dissertation will serve as the beginning of a fruitful and relevant stream of research for academics, practitioners, and students. Table 14 lists the perceived contributions of the research from this dissertation.

Table 14: Research Contributions

Contribution	Study
1. Adds to limited negotiation research in supply chain literature	Study One Study Two
2. Expands scope of outcome research beyond discrete, transactional variables	Study One Study Two
3. Identifies and tests relationship outcome variables	Study One (identifies & tests) Study Two (identifies)
4. Broadens the discrete event lens of previous buyer-supplier negotiation research	Study One Study Two
5. Utilizes two research methods not common in supply chain relationship research	Study One (lab experiment) Study Two (grounded theory)
6. Theoretically tests Social Exchange Theory and its reciprocity tenet	Study One
7. Highlights the relational impact of using a competitive negotiation strategy	Study One Study Two
8. Presents a theoretical model of the relational impact of negotiation strategy choice	Study Two
9. May contribute pedagogically by influencing faculty to focus on the relational side of negotiations in classroom lectures and activities	Study One Study Two

Study One Research Contribution and Implications

A review of negotiation literature from a variety of different disciplines revealed that negotiation outcome research has largely focused on discrete event variables like economic profitability or buyer satisfaction (Mintu-Wimsatt and Graham 2004). This narrow focus seems problematic for negotiations in ongoing buyer-supplier relationships. The identification of this gap in buyer-supplier negotiation research led to the development of the following research question: how are collaborative behaviors and relational negotiation outcomes impacted by the negotiation strategy? Study One of this dissertation research offers some needed insight on

calculating the impact of different negotiation strategies on the overall ongoing supply chain relationship. The results of the behavioral experiment extend the body of knowledge by indicating that the outcomes of a negotiation are not limited to a specific encounter. It also supports the assumption that competitive and collaborative negotiation strategies have distinct effects on a variety of relational outcome variables. Thus, individual negotiations have an important impact on the broader buyer-supplier relationship. As a result, more research is needed to address the interface between negotiations and buyer-supplier relationships. This research offers valuable theoretical and managerial insights.

Theoretical Implications

Social Exchange Theory (Thibaut and Kelley 1959; Emerson 1976) and its reciprocity bias (Gouldner 1960) were used to inform the experimental hypotheses. The Study One findings provide support further support for the tenets of Social Exchange Theory. As predicted, a competitive negotiation strategy resulted in a reduction in relational outcome variables, and a collaborative negotiation strategy increased the levels of relational outcome variables. Therefore, Social Exchange Theory and its reciprocity principle continue to be appropriate theoretical lenses to use for negotiation and buyer-supplier relationship research.

Managerial Implications

Buyers and suppliers continue to widely utilize negotiations to reach agreements on activities such as pricing, product selection, carrier selection, and quality standards (Herbst et al. 2011). In addition, they are constantly pressured to improve performance and successful negotiations are one way to impact their business (Herbst et al. 2011). Given the widespread use

and importance of negotiations to buyers and suppliers in supply chain relationships, research that provides a fresh perspective has the potential to be useful to managers. Buyers and suppliers who may be inclined to adopt a competitive negotiation strategy need to recognize the potential relational costs of decreases in trust, relationship specific assets, cooperation, and process integration. This finding is particularly important as some research has suggested that competitive negotiators “win” by obtaining larger monetary benefits than the collaborative counterparts (Graham et al. 1994). While that might be true for an individual negotiation encounter, this research suggests that future encounters will be negatively impacted by outcomes of the previous encounter. Therefore, use of a competitive negotiation strategy may not be appropriate for any buyer-supplier relationship that desires to continue to work together in the future. Managers should ponder the short and long-term impact of their negotiation strategy decisions.

Study Two Research Contribution and Implications

As discussed in the previous section, a review of appropriate literature that negotiation outcome research has narrowly focused on discrete event variables like economic profitability or buyer satisfaction (Graham et al. 1994; Barley 1991; Herbst et al. 2011). The qualitative portion of this dissertation sought to explore the following research questions: do buyers and suppliers treat negotiations as discrete events or as part of the overall supply chain relationship and how are collaborative behaviors and relational negotiation outcomes impacted by the negotiation strategy and do buyers and supplier? Study Two of this dissertation research offers some needed insight on how negotiations fit within the overall ongoing supply chain relationship.

Theoretical Implications

Study Two presents a theoretical model that suggests how a negotiating partner perceives the use of a competitive or a collaborative strategy based on the previous history of the relationship. Unlike previous negotiation process models that the researchers have studied, this model incorporates the history of the relationship to move beyond looking at a negotiation as a discrete, transactional event. It offers some insight into how the strategy of a buyer or supplier is perceived based on whether it is behavioral consistent to previous negotiations or if it violates the expectations. Ultimately, the model shows how a competitive or collaborative strategy choice may potentially impact the overall buyer-supplier relationship. The qualitative data that lead to the development of this model supported the link between negotiation strategy choice and the future nature of the relationship.

Managerial Implications

Study Two offers several important insights for managers. First, managers need to be aware of the relational benefits and costs associated with their choice of negotiation strategy. The findings indicate that relational behaviors like trust, collaboration, and sharing information are likely to increase or decrease based on the negotiation strategy used. Managers can evaluate their short or long-term goals for a given supply chain relationship, and the study findings support the use of a collaborative strategy if the continuation of the relationship is desired. Second, consistency is important. Buyers and suppliers who perceived the use of a competitive negotiation approach as an overall organizational strategy exhibited less negative emotions towards the negotiation process and doing business with their counterpart than if they expected a collaborative approach and experienced a competitive approach. When the expectations of the

buyers or supplier were violated, they were far more likely to alter their behaviors moving forward. Their trust was broken and they withheld information and explored ways to minimize the amount of interaction. However, a switch from a more competitive to a more collaborative was not necessarily perceived as a positive. Managers who understand how strategy changes might be perceived by the other organization can evaluate the risks of switching strategies to see if they will produce the desired outcomes in the long run.

Combined Research Implications

Davis and colleagues (2011) identified four categories of multi-method research approaches based on the timing and weight of the studies. The multi-method approach used in this dissertation would be classified as “complementarity.” The purpose of using a complementarity research approach is “to examine different, but complementary, aspects of the same phenomenon” (Davis, et al. 2011, p. 469). Study One and Study Two were conducted concurrently, and the methods were equally weighted. Therefore, they were not meant to specifically build upon each other. However, when the findings of both are analyzed together, a more holistic understanding of buyer-supplier negotiations can emerge. While taking care not to overstate the results of the dissertation research as a whole, several overall implications can be considered.

Both studies support the movement of negotiation research beyond discrete event studies with monetary outcomes as the ultimate goal. Study One used a scenario-based experiment to manipulate the reactions of the participants depending on different levels of interdependence. Common relational variables were used to determine the impact of interdependence and

negotiation strategy use. Study Two allowed participants to talk freely about many previous negotiation experiences and how they related to the ongoing relationship between the organizations. Based on the two studies, it seems that an ongoing buyer-supplier relationship will influence and impact what happens before, during, and after a negotiation. Removing the history of the relationship from most buyer-supplier negotiation research seems to have oversimplified a very complex phenomenon (Gelfand et al. 2006). As a result, managers may have made strategic behavioral decisions and not understood why the outcomes did not match their overall goals and expectations.

The Study One dependent variables of relationships specific assets, cooperation, trust, and process integration were selected from supply chain relationship literature (Daugherty 2011; Mentzer et al. 2001; Cannon and Perrault 1999). However, many of the same relational variables emerged from the Study Two data. Trust emerged as an important variable when studying negotiation strategies in both studies. Investment in the relationship was also determined to be important. Study Two encompassed that investment more broadly than Study One, but both lend support to the notion that close supply chain relationships receive more resources, time, and finances to help them grow and develop. Working together through cooperation (Study One) and collaboration (Study Two) also received support. While insights can be gained from combining the results of the two dissertation studies, it is important to focus on the strengths of both methods and not make too many broad generalizations.

A final implication of both studies is that buyers and suppliers should take care when determining to utilize a competitive negotiation strategy. Study One suggests that use of a competitive strategy has relational costs. Depending on the level of closeness of the relationship, a competitive strategy may not be an appropriate strategy to select. Study One also found that

relationship variables such as trust are decreased when a competitive strategy is used, regardless of how close the relationship is. The coding of the transcripts from Study Two left the researchers with the impression that the participants had far-reaching emotions from previous encounters with competitive negotiators. The participants talked about how they consciously adjusted their relational behaviors as the result of negotiating with a competitive supply chain counterpart. They also talked about their desire to sever relational ties to protect themselves from being exploited. Research has encouraged the use of a competitive strategy to achieve more profitable individual outcomes (Calhoun and Smith 1999; Graham et al. 1994), but the multi-method approach from this dissertation suggests that buyers and suppliers should not solely consider economic costs. The relational costs of using a competitive negotiation strategy must also be considered. This information should provide valuable insight for buyers and suppliers seeking to negotiate effectively and build stronger supply chain relationships.

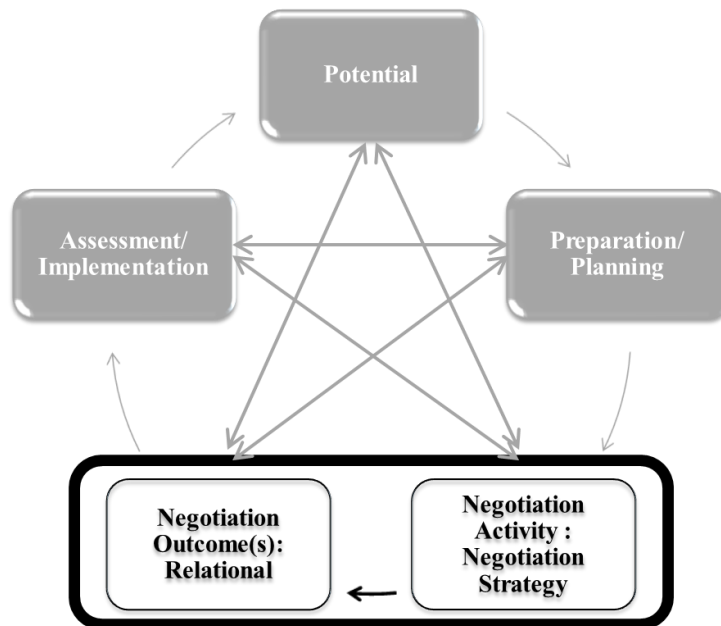
Research Limitations

All research methods have strengths and limitations relative to internal and external validity. McGrath (1982) called this the three-horned dilemma. Researchers select methods that either maximizes generalizability, precision/control, or realism (McGrath 1982). By utilizing a mixed methods approach, this dissertation research was able to address precision and control using the behavioral experiment and realism using the grounded theory method. This offers a more holistic view (Creswell 2003) of the impact of negotiations and strategies used on ongoing buyer-supplier relationships than a single method. However, both methods are limited with regards to generalizability. This limitation provides an opportunity for future research using a method, such as survey, which is better suited for offering generalizable results.

Study One’s experiment utilized a student sample of mainly students from the U.S. The results may not be as realistic as an experiment of actual buyers and suppliers. Study Two’s sample was typically focused on U.S. buying relationships as well. However, several participants mentioned differences in the nature of negotiations and buying relationships with their counterparts in other countries. Given the global nature of many buyer-supplier relationships, future research is needed that goes beyond American buyer-supplier relationships in order to help managers better understand the consequences, both positive and negative, of negotiation strategies.

The research participants from Study Two represented several different industries and incorporated individuals on both sides of the purchasing dyad. However, the results are not generalizable to all industries or all buyers or all suppliers. Given the intricate nature of supply chain relationships, future research opportunities exist for examination of additional industries and for dyadic research.

Figure 3: The Focal Relationship – Negotiation Strategy & Negotiation Outcomes



Future Research Directions

Beyond methodological limitations, this dissertation research provides the foundation for a variety of potential future studies. As discussed in detail in Chapter 2, negotiations consist of a complex, multi-step process. By referring back to the negotiation process model (Figure 3), viable research opportunities can be identified.

First, the primary focus of the dissertation was to explore the link between two polar opposite negotiation strategies, used in the negotiation activity stage, and the ongoing buyer-supplier relationship. While the competitive and the collaborative approaches are the most common in the literature and in this dissertation, other strategies exist that have been sparsely examined in the literature. Study One identifies potential causal relationships and Study Two data collection suggests some more nuanced strategies. Future research might explore other aspects of negotiations such as negotiator age, training, gender, nationality, culture, or self-confidence levels. Study Two data suggested several of these different aspects. For example, Anna Kate's experience suggests cultural differences: *I think personal relationships are a big factor in it. I look back at things in the US versus things in China. Looking at countries and how they negotiate, I think Chinese tend to be far more short term in my opinion, so I guess that's something else you can add.*

A series of experiments could be used to examine these characteristics, as independent variables, in order to see how they impact the ongoing buyer-supplier relationship. The impact of negotiation strategies could also be tested with Gelfand and colleagues (2006) conceptualization of negotiation outcomes as relational (defined as mutual liking, mutual knowledge, mutual trust, and mutual commitment) and economic capital. This dissertation

focused solely on exploring relational outcomes, but future research combining economic and relational outcomes may offer the most holistic and realistic perspective of negotiation outcomes.

Further study on the use and impact of competitive negotiation strategies is warranted. This dissertation is an important step in helping managers to learn more about the potentially negative and long-standing relational consequences of utilizing a competitive strategy. While the results suggest potential decreases in relational variables like trust and cooperation, little is known about how this progresses over time. Closer examination might also suggest if a competitive negotiation strategy has greater possible relational consequences for either buyers or suppliers. A future longitudinal study might offer insight as to how previous uses of a competitive strategy impact the future negotiations.

The theoretical model of the impact of negotiation strategy choice on relationship factors from Study Two should be empirically tested. The model might be tested using a scenario survey methodology similar to Vitell et al. (1991) and Eastman et al. (2001). Buyers and suppliers would be presented with scenarios that set up each of the four possibilities outlined in the model (collaborative strategy expected and used, collaborative strategy unexpected and used, etc.). They would then respond to questions about each scenario.

Another future study possibility emerged from the Study Two qualitative data. Several participants mentioned the challenges of intraorganizational negotiations. Buyer-supplier relationship research focuses on interorganizational negotiations, but actual managers suggest that negotiations among departments within their organizations are often more difficult than external negotiations. As Charles shared in his interview, *“I feel like we negotiate more with internal people than we do with external. There are many, many times I’d rather deal with a supplier than some departments around here.”* Future research has the potential to offer insight

into what makes these internal negotiations so challenging. Research participants talked about how some companies corporately use a competitive negotiation strategy in external negotiations. An interesting future study could examine if that same competitive strategy is used during internal negotiations and if that poses challenges for internal relationships.

Referring back to the holistic negotiation process model (Figure 3), additional research beyond the negotiation strategy-negotiation outcomes relationship is needed. This dissertation research examines ongoing buyer-supplier relationships, but very little research has explored how the relationships begin in the first stage. A future study could explore how buyers and suppliers evaluate the potential of negotiating and doing business with someone new. It might also study how buyers and suppliers choose negotiation strategies when they do not already have a history with an organization and what factors they assess as they evaluate the feasibility of a future relationship before they reach the negotiation table. Given the lack of previous research in this area, a qualitative approach may be the most appropriate methodology.

There is another opportunity to explore what happens after the negotiation has ended. Once a buyer and supplier come to an agreement and reach an outcome, research has been relatively silent on what happens next. The completion and fulfillment of the negotiation agreement is part of the process and should be considered in the context of the overall relationship. A survey might be appropriate to ask a variety of buyers and suppliers questions about the execution of negotiation agreements. Are negotiated terms generally met or does the agreement sometimes fall apart in the implementation stage? Social Exchange Theory would suggest that the success or failure of what happens after the negotiation will influence the next negotiation encounter. This gap in our understanding has the potential to become another fruitful area of future research. Thus, this dissertation addressed the impact of competitive versus

collaborative negotiation strategies on relational negotiation outcomes in ongoing buyer-supplier relationships, and hopes to spur further discussion on the interorganizational negotiation process.

REFERENCES

- Achrol, R.S. 1991. "Evolution of the Marketing Organization: New Forms for Turbulent Environments." *Journal of Marketing* 55(4):77-93.
- Adams, F.G. 1965. "Prediction with Consumer Attitudes: The Time Series-Cross Section Paradox." *Review of Economics and Statistics* 47(4):367-379.
- Alexander, J. F., Schul, P.L., and McCorkle, D.E. 1994. "An Assessment of Selected Relationships in a Model of the Industrial Marketing Negotiation Process." *Journal of Personal Selling and Sales Management* 14(Summer):25-41.
- Allred, K.G., Mallozzi, J.S., Matsui, F. and Raia, C.P. 1997. "The Influence of Anger and Compassion on Negotiation Performance." *Organizational Behavior and Human Decision Processes* 70(3):175-187.
- Andaleeb, S.S. 1995. "Dependence Relations and the Moderating Role of Trust: Implications for Behavioral Intentions in Marketing Channels." *International Journal of Research in Marketing* 12(2):157-172.
- Anderson, J.C. and Narus, J.A. 1990. "A Model of Distributor Firm and Manufacturing Firm Working Partnerships." *Journal of Marketing* 54(1):42-58.
- Anderson, E. and Weitz, B. 1992. "The Use of Pledges to Build and Sustain Commitment in Distribution Channels." *Journal of Marketing Research* 29(1):18-34.
- Atkins, T.S. and Rinehart, L.M. 2006. "The Effect of Negotiation Practices on the Relationship between Suppliers and Customers." *Negotiation Journal* 22(3):47-65.
- Autry, C. and Golicic, S. 2010. "Evaluating Buyer-Supplier Relationship-Performance Spirals: A Longitudinal Study." *Journal of Operations Management* 28(2):87-100.
- Bacharach, S.B. and Lawler, E.J. 1981. *Bargaining: Power, Tactics, and Outcomes*, San Francisco, CA: Jossey-Bass Inc.
- Bagozzi, R.P. 1979. "Toward of Formal Theory of Marketing Exchanges." in *Conceptual and Theoretical Developments in Marketing* O.C. Ferrell, S.W. Brown, and C.W. Lamb, eds., Chicago: American Marketing Association 431-447.
- Bagozzi, R.P. 1975. "Marketing as Exchange." *Journal of Marketing* 39(4):32-39.
- Bandura, A. 1969. *Principles of Behavior Modification*. New York: Holt, Rinehart, and Winston.
- Barley, S.R. 1991. "Contextualizing Conflict: Notes on the Anthropology of Disputes and Negotiation." in *Research on Negotiation in Organizations*, vol. 3. JAI Press: Greenwich, CT, 165-199.

- Barry, B. and Oliver, R. 1996. "Affect in Dyadic Negotiation: A Model and Propositions." *Organizational Behavior and Human Decision Processes* 67(2):127-143.
- Bazerman, M.H. and Carroll, J.S. 1987. "Negotiator Cognition." *Research in Organizational Behavior* 9:247-289.
- Beatty, S.E., and Ferrell, M.E. 1998. "Impulse Buying: Modeling its Precursors." *Journal of Retailing* 74(2):169-191.
- Blau, P.M. 1955. *Dynamics of Bureaucracy*. Chicago, IL: University of Chicago Press.
- Blau, P.M. 1964. *Exchange and Power in Social Life*. New York: J Wiley & Sons.
- Bloom, H. 1984. "Principles and Techniques of Negotiation." in *Guide to Purchasing*, National Association of Purchasing Management.
- Bottom, W.P., Holloway, J., Miller, G.J., Mislin, A., and Whitford, A. 2006. "Building a Pathway to Cooperation: Negotiation and Social Exchange between Principal and Agent." *Administrative Science Quarterly* 51(March):29-58.
- Bowles, H.R., Babcock, L., and Lai, L. "Social Incentives for Gender Differences in the Propensity to Initiate Negotiations: Sometimes it Does Hurt to Ask," *Organizational Behavior and Human Decision Processes*, (103:1), 2007, pp. 84-103.
- Bowles, H. R., and Flynn, F. 2010. "Gender and Persistence in Negotiation: A Dyadic Perspective." *Academy of Management Journal* 53(4):769-787.
- Boyer, K.K., and Swink, M.L. 2008. "Empirical Elephants-Why Multiple Methods are Essential to Quality Research in Operations and Supply Chain Management." *Journal of Operations Management* 26(3):338-344.
- Buchan, N. R., Croson, R. T. A., and Johnson, E. J. 2004. "When Do Fair Beliefs Influence Bargaining Behavior? Experimental Bargaining in Japan and the United States." *Journal of Consumer Research* 31(1):181-190.
- Buchanan, L. 1992. "Vertical Trade Relationships: The Role of Dependence and Symmetry in Attaining Organizational Goals." *Journal of Marketing Research* 29(1):65-75.
- Buelens, M., van de Woestyne, M., Mestdagh, S. and Bouckennooghe, D. 2008. "Methodological Issues in Negotiation Research: A State-of-the-Art Review." *Group Decision and Negotiation* 17(4):321-345.
- Cagliano, R., Caniato, F. and Spina, G. 2006. "The Linkage Between Supply Chain Integration and Manufacturing Improvement Programmes." *Journal of Operations and Production Management* 26(3):282-299.

- Cahill, D.L., Goldsby, T.J., Knemeyer, A.M., and Wallenburg, C.M. 2010. "Customer Loyalty in Logistics Outsourcing Relationships: An Examination of The Moderating Effects of Conflict Frequency." *Journal of Business Logistics* 31(2):253-277.
- Calhoun, P.S., and Smith, W.P. 1999. "Integrative Bargaining: Does Gender Make a Difference." *International Journal of Conflict Management* 10(3):203-224.
- Campbell, N.C., Graham, J.L., Jolibert, A., and Meissner, H.G. 1988. "Marketing Negotiations in France, Germany, the United Kingdom, and the United States." *Journal of Marketing* 52(April):49-62.
- Cannon, J.P. and Perreault, W.D. 1999. "Buyer-Seller Relationships in Business Markets." *Journal of Marketing Research* 36(November):439-460.
- Carnevale, P.J. and Isen, A.M. 1986. "The Influence of Positive Affect and Visual Access on the Discovery of Integrative Solutions." *Organizational Behavior and Human Decision Processes* 37(1):1.
- Churchill, G.A. 1979. "A Paradigm for Developing Better Measures of Marketing Constructs." *Journal of Marketing Research* 16(1):64-73.
- Colquitt, J.A. 2008. "Publishing Laboratory Research in AMJ: A Question of When, Not If." *Academy of Management Journal* 51(4):616-620.
- Cooper, M.C., Lambert, D.M., and Pagh, J.D. 1997. "Supply Chain Management: More than a New Name for Logistics." *International Journal of Logistics Management* 8(1):1-14.
- Corbin, J. and Strauss, A. 2008. *Basics of Qualitative Research, 3rd edition*. Thousand Oaks, CA: Sage Publications.
- Corfman, K.P. and Lehmann, D.R. 1993. "The Importance of Others' Welfare in Evaluating Bargaining Outcomes." *Journal of Consumer Research* 20(1):124-137.
- Creswell, J.W. 2003. *Research Design: Qualitative, Quantitative, and Mixed Method Approaches* Thousand Oaks: Sage Publications.
- Creswell, J.W. 2007. *Qualitative Inquiry and Research Design: Choosing Among Five Approaches, 2nd edition*, Thousand Oaks, CA: Sage Publications.
- Croson, R.K. and Donohue, K. 2006. "Behavioral Causes of the Bullwhip Effect and the Observed Value of Inventory Information." *Management Science* 52(3):323-336.
- Dabholkar, P.A. 1994. "Incorporating Choice into an Attitudinal Framework: Analyzing Models of Mental Comparison Process." *Journal of Consumer Research* 21(1):100-118.

- Dabholkar, P., Johnston, W. and Cathey, A. 1994. "The Dynamics of Long-Term Business-to-Business Exchange Relationships." *Journal of the Academy of Marketing Science* 22(2):130-145.
- Dabholkar, P. A. and Bagozzi, R.P. 2002. "An Attitudinal Model of Technology-Based Self-Service: Moderating Effects of Consumer Traits and Situational Factors." *Journal of Academy of Marketing Sciences* 30(3):184-201.
- Dahl, R.A. 1957. "Administration Behavior: A Study of Decision-Making Processes in Administrative Organization/Models of Man, Social and Rational." *Administrative Science Quarterly* 2(2):244-248.
- Davis, D.F., Golicic, S.L. and Boerstler, C.N. 2011. "Benefits and Challenges of Conducting Multiple Methods Research in Marketing." *Journal of the Academy of Marketing Science* (39):467-479.
- Dant, R.P. and Schul, P.L. 1992. "Conflict Resolution Processes in Contractual Channels of Distribution." *Journal of Marketing* 56(1):38-54.
- Daugherty, P.J. 2011. "Review of Logistics and Supply Chain Relationship Literature and Suggested Research Agenda." *International Journal of Physical Distribution and Logistics Management* 41(1):16-31.
- Day, G.S., and Klein, S. 1987. "Cooperative Behavior in Vertical Markets: The Influence of Transaction Costs and Competitive Strategies." In *Review of Marketing*, edited by M.J. Houston. Chicago: American Marketing Association.
- Deck, C. and Smith, V. 2013. "Using Laboratory Experiments in Logistics and Supply Chain Research." *Journal of Business Logistics* 34(1):6-14.
- Dommermuth, W.P. 1976. "Profiting from Distribution Conflicts," *Business Horizons* 19(6):4-13.
- Doney, P.M. and Cannon, J.P. 1997. "An Examination of the Nature of Trust in Buyer-Seller Relationships." *Journal of Marketing* 61(2):35-52.
- Dowst, S. 1988. "Quality Suppliers: The Search Goes On." *Purchasing* (January):94A4-12.
- Drozdzowski, T.E. 1986. "At BOC They Start With the Product." *Purchasing*, (March 13):62B5-11.
- Dwyer, F.R., Schurr, P.H., and Oh, S. 1987. "Developing Buyer-Seller Relationships." *Journal of Marketing* 51(2):11-27.
- Dwyer, F.R. and Walker, O.C. 1981. "Bargaining in an Asymmetrical Power Structure." *Journal of Marketing* 45(1):104-115.

- Eastman, J.K., Eastman, K.L., and Tolson, M.A. 2001. "The Relationship Between Ethical Ideology and Ethical Behavioral Intentions: An Exploratory Look at Physicians' Responses to Managed Care Dilemmas." *Journal of Business Ethics* 31:209-224.
- Eckerd, S., and Bendoly, E. 2011. "Introduction to the Discussion Forum on Using Experiments in Supply Chain Management Research." *Journal of Supply Chain Management* 47(3):3-4.
- Eliashberg, J., LaTour, A.S., Rangaswamy, A. and Stern, W. 1986. "Assessing the Predictive Accuracy of Two Utility-Based Theories in a Marketing Channel Negotiation Context." *Journal of Marketing Research* 23(2):101-110.
- Emerson, R.M. 1962. "Power-Dependence Relations." *American Sociological Review* 27(February):31-41.
- Emerson, R.M. 1976. "Social Exchange Theory." *Annual Review of Sociology*. 2(1):335-362.
- Evans, K.R. and Beltramini, R.F. 1987. "A Theoretical Model of Consumer Negotiated Pricing: An Orientation Perspective." *Journal of Marketing* 51(2):58-73.
- Faes, W., Swinnen, G. and Snellinx, R. 2010. "Gender Influences on Purchasing Negotiation Objectives, Outcomes and Communication Patterns." *Journal of Purchasing and Supply Management* (16):88-98.
- Fawcett, S.E., Osterhaus, P., Magnan, G.E., Brau, J.C. and McCarter, M.W. 2007. "Information Sharing and Supply Chain Performance: The Role of Connectivity and Willingness." *Supply Chain Management* 12(5):358-368.
- Fawcett, S. and Waller, M. 2011. "Making Sense out of Chaos: Why Theory is Relevant to Supply Chain Research." *Journal of Business Logistics* 32(1):1-5.
- Fisher, R., Ury, W.L. and Patton, B. 1991. *Getting to Yes* New York: Pelican Books.
- Fisher, R.J. 1993. "Social Desirability Bias and the Validity of Indirect Questioning." *Journal of Consumer Research* 20(September):303-315.
- Flint, D.J. and Mentzer, J.T. 2000. "Logisticians as Marketers: Their Role When Customers' Desired Value Changes." *Journal of Business Logistics* 21(2):19-45.
- Flint, D. J., Woodruff, R. B., and Gardial, S.F. 2002. "Exploring the Phenomenon of Customers' Desired Value Change in a Business-to-Business Context." *Journal of Marketing* 66(October):102-117.
- Flint, D. J., Larsson, E., Gammelgaard, B. and Mentzer, J. T. 2005. "Logistics Innovation: A Customer Value-Oriented Social Process." *Journal of Business Logistics* 26(1):113-147.

- Fornell, C., and Larcker, D.F. 1981. "Structural Equation Models with Unobservable Variables and Measurement Error: Algebra and Statistics." *Journal of Marketing Research* 18(3):382-388.
- Frankel, R., Bolumole, Y., Eltantawy, R., and Paulraj, A. 2008. "The Domain and Scope of SCM's Foundational Disciplines – Insights and Issues to Advance Research." *Journal of Business Logistics* 29(1):1-30.
- Frazier, G.L. 1983. "Interorganizational Exchange Behavior in Marketing Channels: A Broadened Perspective." *Journal of Marketing* 47(4):68-78.
- Frazier, G.L. and Rody, R.C. 1991. "The Use of Influence Strategies in Interfirm Relationships in Industrial Product Channels." *Journal of Marketing* 55(1):52-70.
- Frohlich, M.T. and Westbrook, R. 2001. "Arcs of Integration: An International Study of Supply Chain Strategies." *Journal of Operations Management* (19):185-200.
- Ganesan, S. 1993. "Negotiation Strategies and the Nature of Channel Relationships." *Journal of Marketing Research* 30(2):183-203.
- Ganesan, S. 1994. "Determinants of Long-Term Orientation in Buyer-Seller Relationships." *Journal of Marketing* 58(2):1-19.
- Ganesan, S., Brown, S.P., Mariadoss, B.J., and Ho, H.D. 2010. "Buffering and Amplifying Effects of Relationship Commitment in Business-to-Business Relationships." *Journal of Marketing Research* 47(April):361-373.
- Garver, M.S. and Mentzer, J.T. 1999. "Logistics Research Methods: Employing Structural Equation Modeling to Test for Construct Validity." *Journal of Business Logistics* 20(1):33-57.
- Gassenheimer, J.B., Calantone, R.J., Schmitz, J.M, and Robicheaux, R.A. 1994. "Models of Channel Maintenance: What is the Weaker Party to Do?" *Journal of Business Research* 30(3):225-236.
- Gelfand, M.J., Major, V.S., Raver, J.L., Nishii, L.H., and O'Brien, K. 2006. "Negotiating Relationally: The Dynamics of the Relational Self in Negotiations." *Academy of Management Review* 31(2):427-451.
- Gephart Jr, R.P. 2004. "Qualitative Research and the Academy of Management Journal." *Academy of Management Journal* 47(4):454-462.
- Glaser, B. and Strauss, A. 1967. *The Discovery of Grounded Theory*. Chicago: Aldine.
- Golicic, S.L., Foggin, J.H., and Mentzer, J.T. 2003. "Relationship Magnitude and its Role in Interorganizational Relationship Structure." *Journal of Business Logistics* 24(1):57-75.

- Golicic, S.L., and Mentzer, J.T. 2006. "An Empirical Examination of Relationship Magnitude." *Journal of Business Logistics* 27(1):81-108.
- Gouldner, A.W. 1960. "The Norm of Reciprocity: A Preliminary Statement." *American Sociological Review* 25(2):161-178.
- Graham, J.L. 1985. "Cross-Cultural Marketing Negotiations: A Laboratory Experiment." *Marketing Science* 4(Spring):130-146.
- Graham, J. L., Mintu, A.T., and Rodgers, W. 1994. "Explorations of Negotiation Behaviors in Ten Foreign Cultures Using a Model Developed in the United States." *Management Science* 40(1):72-95.
- Granovetter, M. 1985. "Economic and Social Structure: the Problem of Embeddedness." *American Journal of Sociology* (91):481-510.
- Green, P., Gross, I., and Robinson, P. 1967. "Behavioral Experiment in Two-Person Bargaining." *Journal of Marketing Research* 4(4):374-379.
- Greenhalgh, L. and Chapman, D. 1998. "Negotiator Relationships: Construct Measurement, and Demonstration of Their Impact on the Process and Outcomes in Negotiation." *Group Decision and Negotiation* (7):465-489.
- Greenhalgh, L. and Chapman, D. 1993. "The Influence of Negotiator Relationships on the Process and Outcomes of Business Transactions." *Academy of Management Journal*.
- Greenhalgh, L. and Gilkey, R. 1993. "The Effect of Relationship Orientation on Negotiators' Cognitions and Tactics." *Group Decision and Negotiation* (2):167-186.
- Green, K.W. and Inman, R.A. 2005. "Using a Just-in-Time Selling Strategy to Strengthen Supply Chain Linkages." *International Journal of Production Research* 43(16):3437-3453.
- Grewel, D., Roggeveen, A.L., and Tsiros, M. 2008. "The Effect of Compensation on Repurchase Intentions in Service Recovery." *Journal of Retailing* 84(4):424-434.
- Griffith, D.A., Harvey, M.G., and Lusch, R.F. 2006. "Social Exchange in Supply Chain Relationships: The Resulting Benefits of Procedural and Distributive Justice." *Journal of Operations Management* 24(2):85-98.
- Gulati, R. 1998. "Alliances and Networks." *Strategic Management Journal* 19(4):293-317.
- Gummesson, E. 1999. *Total Relationship Marketing*, Boston, MA: Butterworth-Heinemann.
- Gundlach, G. T., and Cadotte, E. R. 1994. "Exchange Interdependence and Interfirm Interaction: Research in a Simulated Channel Setting." *Journal of Marketing Research* 31(4):516-532.

- Gupta, S. and Livne, Z. 1989. "Testing the Emergence and Effect of the Reference Outcome in an Integrative Bargaining Situation." *Marketing Letters* 1(2):103-112.
- Hair, J.F., Black, W.C., Babin, B.J., and Anderson, R.E. 2010. *Multivariate Data Analysis, Seventh Edition*, Upper Saddle River, NJ: Prentice Hall.
- Haire, M. "Projective Techniques in Marketing Research." *Journal of Marketing* 14(5):649-656.
- Heide, J.B. and John, G. 1988. "Alliances in Industrial Purchasing: The Determinants of Joint Action in Buyer-Supplier Relationships." *Journal of Marketing Research* (27):24-36.
- Herbst, U., Voeth, M., and Meister, C. 2011. "What Do We Know About Buyer-Supplier Negotiations in Marketing Research? A Status Quo Analysis." *Industrial Marketing Management* 40(6):967-978.
- Hirschman, E.C. 1986. "Humanistic Inquiry in Marketing Research: Philosophy, Method, and Criteria." *Journal of Marketing Research* 23(August):237-249.
- Homans, G.C. 1958. "Social Behavior as Exchange." *American Journal of Sociology* 63(6):597-606.
- Hopmann, P. T. 2002. "Negotiating Data: Reflections on the Qualitative and Quantitative Analysis of Negotiation Processes." *International Negotiation* (7):67-85.
- Huang, X., Gattiker, T.F., and Schwarz, J.L. 2008. "Interpersonal Trust Formation during the Supplier Selection Process: The Role of the Communication Channel." *Journal of Supply Chain Management* 44(3):53-75.
- Hult, G.T., Ketchen, D.J. and Slater, S.F. 2004. "Information Processing, Knowledge Development, and Strategic Supply Chain Performance." *Academy of Management Journal* 47(2):241-253.
- Jambulingam, T., Kathuria, R., and Nevin, J.R. 2011. "Fairness-Trust-Loyalty Relationship Under Varying Conditions of Supplier-Buyer Interdependence." *Journal of Marketing Theory and Practice* 19(1):39-56.
- Jaspers, F. and van den Ende, J. 2006. "The Organizational Form of Vertical Relationships: Dimensions of Integration." *Industrial Marketing Management* 35(7):819-828.
- Jones, E.E. 1964. *Ingratiation* East Norwalk, CT: Appleton-Century-Crofts.
- Kaufmann, L. and Carter, C. 2004. "Deciding on the Mode of Negotiation: To Auction or Not to Auction Electronically." *Journal of Supply Chain Management* 40(2):15-26.

- Kaufmann, L. and Denk, N. 2011. "How to Demonstrate Rigor When Presenting Grounded Theory Research in the Supply Chain Management Literature." *Journal of Supply Chain Management* 47(4):64-72.
- Kerlinger, F.N. and Lee, H.B. 2000. *Foundations of Behavioral Research* United States: Thomson Learning.
- King, W.C., and Hinson, T.D. 1994. "The Influence of Sex and Equity Sensitivity on Relationship Preferences, Assessment of Opponent, and Outcomes in a Negotiation Experiment." *Journal of Management* 20(3):605-624.
- Knemeyer, A. M., and Naylor, R. W. 2011. "Using Behavioral Experiments to Expand our Horizons and Deepen our Understanding of Logistics and Supply Chain Decision Making." *Journal of Business Logistics* 32(4):296–302.
- Kotler, P. and Keller, K. 2011. *Marketing Management*, 14th edition, Prentice Hall.
- Krause, D.R., Terpend, R., and Petersen, K.J. 2006. "Bargaining Stances and Outcomes in Buyer-Seller Negotiations: Experimental Results." *Journal of Supply Chain Management* 42(3):4-15.
- Krause, D.R., Handfield, R.B., and Tyler, B.B. 2007. "The Relationships Between Supplier Development, Commitment, Social Capital Accumulation and Performance Improvement." *Journal of Operations Management* 25(2):528-545.
- Kray, L.J., Galinsky, A.D., and Thompson, L. 2002. "Reversing the Gender Gap in Negotiations: An Exploration of Stereotype Regeneration." *Organizational Behavior and Human Decision Processes* 87(2):386-410.
- Kumar, N., Scheer, L.K., and Steenkamp, J.B.E.M. 1995. "The Effects of Perceived Interdependence on Dealer Attitudes." *Journal of Marketing Research* 32(August):348-356.
- Larson, D.W. 1998. "Exchange and Reciprocity in International Negotiations." *International Negotiations* 3(2):121-138.
- Lau, J., Huang, G., Mak, K., and Liang, L. 2005. "Distributed Project Scheduling with Information Sharing in Supply Chains: Part 1 – An Agent-Based Negotiation Model." *International Journal of Production Research* 43(22):4813-4838.
- Lei, D., Slocum, J.A. Jr., and Pitts, R.A. 1997. "Building Cooperative Advantage: Managing Strategic Alliances to Promote Organizational Learning." *Journal of World Business* 32(3):202-223.
- Levitt, T. 1983. *The Marketing Imagination*, New York: The Free Press.

- Lewicki, R.J., Saunders, D.M., Minton, J.W. 2001. *Essentials of Negotiation* Boston, MA: McGraw-Hill.
- Lewicki, R. and Stevenson, M. 1997. "Trust Development in Negotiation: Proposed Actions and a Research Agenda." *Business and Professional Ethics Journal* (16):99-132.
- Lincoln, Y.S. and Guba, E.G. 1985. *Naturalistic Inquiry* Newbury Park, CA: Sage Publications.
- Locke, K. 1996. "Rewriting the Discovery of Grounded Theory After 25 Years?" *Journal of Management Inquiry* 5(3):239-245.
- Louviere, J.J., Hensher, D.A., and Swait, J.D. 2000. *Stated Choice Methods: Analysis and Application*, Cambridge, UK: Cambridge University Press.
- Lusch, R.F., and Brown, J.R. 1996. "Interdependency, Contracting, and Relational Behavior in Marketing Channels." *Journal of Marketing* 60(4):19-38.
- Machuca, J.A. and Barajas, R.P. 2004. "The Impact of Electronic Data Interchange on Reducing Bullwhip Effect and Supply Chain Inventory Costs." *Transportation Research: Part E* 40(3):209-228.
- Macneil, I. 1980. *The New Social Contract, An Inquiry into Modern Contractual Relations*, New Haven, CT: Yale University Press.
- Mahapatra, S.K., Narasimhan, R., and Barbieri, P. 2010. "Strategic Interdependence, Governance Effectiveness and Supplier Performance: A Dyadic Case Study Investigation and Theory Development." *Journal of Operations Management* 28(6):537-552.
- Maholtra, N.K. and Peterson, M. 2006. *Basic Marketing Research: A Decision-Making Approach* 2nd edition, Upper Saddle River, NJ: Pearson Prentice Hall.
- Maxwell, J.A. 1996. *Qualitative Research Design: An Interactive Approach* Thousand Oaks, CA: Sage Publications.
- McAlister, L., Bazerman, M.H. and Fader, P. 1986. "Power and Goal Setting in Channel Negotiations." *Journal of Marketing Research* 23(3):228-236.
- McCracken, G. 1988. *The Long Interview* Beverly Hills, CA: Sage Publications.
- McDonald, G.W. 1981. "Structural Exchange and Marital Interaction." *Journal of Marriage and the Family* 43(4):825-839.
- McGrath, J.E. 1982. "Dilemmatics: The Study of Research Choice and Dilemmas." *In Judgment Calls in Research*. Sage Publications, 69-100.

- McGrath, J.E. and Brinberg, D. 1983. "External Validity and the Research Process: A Comment on the Calder/Lynch Dialogue." *Journal of Consumer Research* 10(June):115-24.
- McKenna, R. 1991. *Relationship Marketing*, Reading, MA: Addison-Wesley.
- Mello, J. and Flint, D. 2009. "A Refined View of Grounded Theory and its Application to Logistics Research." *Journal of Business Logistics* 30(1):107-125.
- Menasco, M. and Roy, A. 1997. "Simulated Negotiations in the Hiring of a Salesforce Manager: Test of Two-Person Bargaining Solutions." *Marketing Letters* 8(4):381-392.
- Mentzer, J. T., Dewitt, W., Keebler, J. S., Min, S., Nix, N. W., Smith, C. D., and Zacharia, Z. G. 2001. "Defining Supply Chain Management." *Journal of Business Logistics* 22(2):1-25.
- Mentzer, J.T., Foggin, J. and Golicic, S. 2000. "Supply Chain Collaboration: Enablers, Impediments, and Benefits." *Supply Chain Management Review* 4(September-October):52-58.
- Mestdagh, S. and Buelens, M. 2003. "Thinking Back on Where We're Going: A Methodological Assessment of Five Decades of Research in Negotiation Behaviour." *Vlerick Leuven Gent Working Paper Series*, No. 2003:21.
- Miller, D.L., and Karakowsky, L. 2005. "Gender Influences as an Impediment to Knowledge Sharing: When Men and Women Fail to Seek Peer Feedback." *Journal of Psychology* 139(2):101-118.
- Min, H., LaTour, M.S., and Jones, M.A. 1995. "Negotiation Outcomes: The Impact of the Initial Offer, Time, Gender, and Team Size." *International Journal of Purchasing and Materials Management* 31(4):19-24.
- Min, S., Mentzer, J.T. and Ladd, R.T. 2007. "A Market Orientation in Supply Chain Management." *Journal of the Academy of Marketing Science* 35(4):507-522.
- Mintu-Wimsatt, A., and Gassenheimer, J.B. 2000. "The Moderating Effects of Cultural Context in Buyer-Seller Negotiation." *Journal of Personal Selling and Sales Management* 20(Winter):1-9.
- Mintu-Wimsatt, A., Garci, R. and Calantone, R. 2005. "Risk, Trust, and the Problem Solving Approach: A Cross-Cultural Negotiation Study." *Journal of Marketing Theory and Practice* 13(1):52-60.
- Mintu-Wimsatt, A., and Graham, J.L. 2004. "Testing a Negotiation Model on Canadian Anglophone and Mexican Exporters." *Journal of the Academy of Marketing Science* 32(3):345-356.

- Monczka, R.M., Petersen, K.J., Handfield, R.B. and Ragatz, G.L. 1998. "Success Factors in Strategic Supplier Alliances: The Buying Company Perspective." *Decision Sciences* 29(3):553-577.
- Morgan, R.M. and Hunt, S.D. 1994. "The Commitment-Trust Theory of Relationship Marketing." *Journal of Marketing* 58(3):20-39.
- Morgan, J.P. and Monczka, R.M. 1996. "Supplier Integration: A New Level of Supply Chain Management." *Purchasing* 120(1):110-113.
- Murfield, M.L. 2012. *Investigating Supplier Accommodation of Customers*, Doctoral Dissertation, University of Tennessee, Knoxville pp. 244.
- Nair, A., Narasimhan, R., and Bendoly, E. 2011. "Coopetitive Buyer-Supplier Relationship: An Investigation of Bargaining Power, Relational Context, and Investment Strategies." *Decision Sciences* 42(1):93-127.
- Narasimhan, R. and Das, A. 2001. "The Impact of Purchasing Integration and Practices on Manufacturing Performance." *Journal of Operations Management* 19(5):593-609.
- Narasimhan, R., Nair, A., Griffith, D. A., Arlbju, J. S., and Bendoly, E. 2009. "Lock-in Situations in Supply Chains: A Social Exchange theoretic Study of Sourcing Arrangements in Buyer-Supplier Relationships." *Journal of Operations Management* 27(5):374-389.
- Nash, J.F. 1950. "The Bargaining Problem." *Econometrica* 18(2):155-162.
- Nash, J.F. 1953. "Two-Person Cooperative Games." *Econometrica* 21(1):128-140.
- Neale, M.A. and Northcraft, G.B. 1991. "Behavioral Negotiation Theory: A Framework for Conceptualizing Dyadic Bargaining." *Research in Organizational Behavior* (13):147-191.
- Neslin, S.A. and Greenhalgh, L. 1983. "Nash's Theory of Cooperative Games as a Predictor of the Outcomes of Buyer-Seller Negotiations: An Experiment in Media Purchasing." *Journal of Marketing Research* 20(4):368-379.
- Neu, J., Graham, J.L., and Gilly, M.C. 1988. "The Influence of Gender on Behaviors and Outcomes in Retail Buyer-Seller Negotiation Simulation." *Journal of Retailing* 64(4):427-451.
- Nunnally, J.C., and Bernstein, I.H. 1994. *Psychometric Theory*, 3rd ed. New York: McGraw-Hill.
- Nyaga, G.N., Whipple, J.M., and Lynch, D.F. 2010. "Examining Supply Chain Relationships: Do Buyer and Supplier Perspectives on Collaborative Relationships Differ?" *Journal of Operations Management* 28(2):101-114.

Oliver, R., Balakrishnan, P.V. and Barry, B. 1994. "Outcome Satisfaction in Negotiation: A Test of Expectancy Disconfirmation." *Organizational Behavior and Human Decision Processes* 60(2):252-275.

Omar, A.A. 2008. *Antecedents and Consequences of Global Supply Chain Process Integration* Doctoral Dissertation, University of Tennessee, Knoxville pp. 190.

Palmatier, R.W., Jarvis, C.B., Bechhoff, J.R. and Kardes, F.R. 2009. "The Role of Customer Gratitude in Relationship Marketing." *Journal of Marketing* 73(September):1-18.

Perdue, B.C., and Summers, J.O. 1986. "Checking the Success of Manipulations in Marketing Experiments." *Journal of Marketing Research* 23(4):317-326.

Peterson, R.M. and Shepherd, C.D. 2010. "Preparing to Negotiate: An Exploratory Analysis of the Activities Comprising the Pre-Negotiation Process in a Buyer-Seller Interaction." *Marketing Management Journal* 20(1):66-75.

Pfeffer, J., and Salancik, G.R. 1978. *The External Control of Organizations: A Resource Dependence Perspective* NY: Harper and Row.

Pilling, B.K., Crosby, L.A., and Jackson, D.W. 1994. "Relational Bonds in Industrial Exchange: An Experimental Test of the Transaction Cost Economic Framework." *Journal of Business Research* 30(3):237-251.

Porter, L.W. and Lawler, E.E. 1968. *Managerial Attitudes and Performance*, Homewood, IL: Dorsey Press.

Portes, A. 1998. "Social Capital: Its Origins and Applications in Modern Sociology." *Annual Review of Sociology* (37):1-24.

Pratt, M.G. 2008. "Fitting Oval Pegs into Round Holes: Tensions in Evaluating and Publishing Qualitative Research in Top-Tier North American Journals." *Organizational Research Methods* 11(3):481-509.

Pratt, M.G. 2009. "From the Editors: For the Lack of a Boilerplate: Tips on Writing Up (and Reviewing) Qualitative Research." *Academy of Management Journal* 52(5):856-862.

Pruitt, D.G. 1981. *Strategy in Negotiation* San Francisco, CA: Jossey-Bass.

Pruitt, D.G., and Carnevale, P. 1993. *Negotiation in Social Conflict* Pacific Grove, CA: Brooks Cole.

Pruitt, D.G. 1998. "Social Conflict." In D. Gilbert, S. T. Fiske, and G. Lindzey (Editors). *Handbook of Social Psychology* (4th edition) New York: McGraw-Hill, 89-150.

- Ramsay, J. 2004. "Serendipity and the Realpolitik Of Negotiations in Supply Chains." *Supply Chain Management: An International Journal* 9(3):219-229.
- Rinehart, L.M., Cadotte, E.R., and Langley, C.J. 1988. "Shipper-Carrier Contract Negotiation: A Conceptual Foundation for Logistics Managers." *International Journal of Physical Distribution and Logistics Management* 18(6):43-51.
- Rinehart, L. M. 1989. "Organizational and Personal Factors Influencing the Negotiation of Motor Carrier Contracts: A Survey of Shippers and Motor Carriers." *Transportation Journal* 29(2):4-14.
- Rinehart, L. and Closs, D. 1991. "Implications of Organizational Relationships, Negotiator Personalities, and Contract Issues on Outcomes in Logistics Negotiations." *Journal of Business Logistics* 12(1):123-144.
- Rinehart, L. and Page, T. 1992. "The Development and Test of a Model of Transaction Negotiation." *Journal of Marketing* 56(4):18-32.
- Rinehart, L. and Zou, S. 1992. "Modeling Customer Behavior in Negotiations for Motor Carrier Contracts." *Transportation Journal* 31(3):39-45.
- Rinehart, L.M., Eckert, J.A., Handfield, R.B., Page, T.J., and Atkin, T. 2004. "An Assessment of Supplier-Customer Relationships." *Journal of Business Logistics* 25(1):25-62.
- Robrecht, L.C. 1995. "Grounded Theory: Evolving Methods." *Qualitative Health Research* 5(2):169-177.
- Rognes, J. 1995. "Negotiating Cooperative Supplier Relationships: A Planning Framework." *International Journal of Purchasing and Materials Management* 31(4):12-18.
- Rodrigues, A.M., Stank, T.P. and Lynch, D.F. 2004. "Linking Strategy, Structure, Process, and Performance in Integrated Logistics." *Journal of Business Logistics* 25(2):65-94.
- Roseira, C., Brito, C. and Henneberg, S.C. 2010. "Innovation-based Nets as Collective Actors: A Heterarchization Case Study from the Automotive Industry." *FEP Working Papers*, 392.
- Roth, S., Woratschek, H., and Pastowski, S. 2006. "Negotiating Prices for Customized Services." *Journal of Service Research* 8(4):316-329.
- Rubin, J.Z. and Brown, B.R. 1975. *The Social Psychology of Bargaining and Negotiation*, Academic Press.
- Rungtusanatham, M., Wallin, C. and Eckerd, S. 2011. "The Vignette in a Scenario-Based Role-Playing Experiment." *Journal of Supply Chain Management* 47(3):9-16.

- Sahin, F. and Robinson, P.E. 2002. "Flow Coordination and Information Sharing in Supply Chains: Review, Implications, and Direction for Future Research." *Decision Sciences* 33(4):505-536.
- Sawyer, J. and Guetzkow, H.R. 1965. *Bargaining and Negotiation in International Relations*, New York, Holt, Rinehart, and Winston.
- Shin, M. and Jung, M. 2005. "Bid Generation and Evaluation for MANPro-based Real Time Scheduling." *International Journal of Production Research* 43(18):3821-3836.
- Siemens, E. 2011. "The Usefulness of Behavioral Laboratory Experiments in Supply Chain Management Research." *Journal of Supply Chain Management* 47(3):17-18.
- Skinner, B.F. 1953. *Science and Human Behavior*, New York, Macmillan.
- Small, D.A., Babcock, L., Gelfand, M., and Gettman, H. 2007. "Who Goes to the Bargaining Table? The Influence of Gender and Framing on the Initiation of Negotiation." *Journal of Personality and Social Psychology* 93(4):600-613.
- Smeltzer, L.R., Manship, J.A., and Rosetti, C.L. 2003. "An Analysis of the Integration of Strategic Sourcing and Negotiation Planning." *Journal of Supply Chain Management* 39(4):16-25.
- Smith, A. 1776. *The Wealth of Nations*, New York, Modern Library.
- Srivastava, J., and Chakravarti, D. 2009. "Channel Negotiations with Information Asymmetries: Contingent Influences of Communication and Trustworthiness Reputations." *Journal of Marketing Research* 46(August):557-572.
- Stank, T.P. and Daugherty, P.J. 1997. "The Impact of the Operating Environment on the Formation of Cooperative Logistics Relationships." *Transportation Research: Part E* 33(1):53-66.
- Stank, T.P., Crum, M. and Arango, M. 1999. "Benefits of Interfirm Coordination in Food Industry Supply Chains." *Journal of Business Logistics* 20(2):21-41.
- Stern, L.W. and Heskett, J.L. 1969. *Conflict Management in Interorganization Relations: A Conceptual Framework*, New York, NY, Houghton Mifflin Company.
- Stern, L., El-Ansary, A., and Coughlin, A. 2001. *Marketing Channels* 6th ed., Upper Saddle River, NJ: Prentice Hall.
- Stevens, C.K., Bavetta, A.G., and Gist, M.E. 1993. "Gender Differences in the Acquisition of Salary Negotiation Skills: The Role of Goals, Self-Efficacy, and Perceived Control." *Journal of Applied Psychology* 78(5):723-735.

- Strauss, A. and Corbin, J. 1998. *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*, Thousand Oaks, CA: Sage Publications.
- Strauss, A. and Corbin, J. 1990. *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*, Newbury Park, CA: Sage Publications.
- Stuart, I., McCutcheon, D., Handfield, R., McLachin, R. and Samson, D. 2002. "Effective Case Research in Operations Management: A Process Perspective." *Journal of Operations Management* (20):419-433.
- Stuhlmacher, A.F. and Walters, A.E. 1999. "Gender Differences in Negotiation Outcome: A Meta-Analysis." *Personnel Psychology* (52):653-677.
- Sullivan, J. and Peterson, R.B. 1982. "The Relationship Between Conflict Resolution Approaches and Trust – A Cross-Cultural Study." *International Executive* 24(2):8-11.
- Talluri, S., Vickery, S.K., and Narayanan, S. 2008. "Optimization Models for Buyer-Supplier Negotiations." *International Journal of Physical Distribution and Logistics Management* 38(7):551-561.
- Tangpong, C., Michalisin, M.D. and Melcher, A..J. 2008. "Toward a Typology of Buyer-Supplier Relationships: A Study of the Computer Industry." *Decision Sciences* 39(3):571-593.
- Thibaut, J. W. and Kelley, H. 1959. *The Social Psychology of Groups*, NY: Wiley.
- Thomas, R.W. 2008. *Exploring Relational Aspects of Time-Based Competition in Supply Chains*, Doctoral Dissertation, University of Tennessee, Knoxville, 178 pages.
- Thomas, R.W. 2008. "Exploring Relational Aspects of Time-Based Competition." *International Journal of Physical Distribution and Logistics Management* 38(7):540-550.
- Thomas, R.W., Esper, T.L., and Stank, T.P. 2010. "Testing the Negative Effects of Time Pressure in Retail Supply Chain Relationships." *Journal of Retailing* 86(4):386-400.
- Thomas, R.W. 2011. "When Student Samples Make Sense in Logistics Research." *Journal of Business Logistics* 32(3):286-289.
- Thomas, S.P., Thomas, R.W., Manrodt, K.B. and Rutner, S.M. forthcoming 2013. "An Experimental Test of Negotiation Strategy Effects on Knowledge Sharing Intentions in Buyer-Supplier Relationships." *Journal of Supply Chain Management*.
- Thompson, L. 1990. "Negotiation Behavior and Outcomes: Empirical Evidence and Theoretical Issues." *Psychological Bulletin* 108(3):515.
- Thompson, L. and Hastie, R. 1990. "Social Perception in Negotiation." *Organizational Behavior and Human Decision Processes* 47(1):98-124.

Thompson, L., Wang, J. and Gunia, B.C. 2010. "Negotiation." *Annual Review of Psychology* 61(1):491-515.

Thye, S.R. 2007. "Logical and Philosophical Foundations of Experimental Research in the Social Sciences." *Laboratory Experiments in the Social Sciences* 1st ed. Academic Press.

Tokar, T., Aloysius, J.A., Waller, M.A., and Williams, B.D. 2011. "Retail Promotions and Information Sharing in the Supply Chain: A Controlled Experiment." *International Journal of Logistics Management* 22(1):5-25.

Treleven, M. 1987. "Single Sourcing: A Management Tool for the Quality Supplier." *Journal of Purchasing and Materials Management* 23(1):19-24.

Vitell, S.J., Rawwas, M.Y.A., and Festervand, T. 1991. "The Business Ethics of Pharmacists: Conflicts, Practices, and Beliefs." *Journal of Business Ethics*, 10(4):295-301.

Voss, C., Tsikriktsis, N. and Frohlich, M. 2002. "Case Research in Operations Management." *International Journal of Operations and Production Management* 22(2):195-219.

Vroom, V.H. 1964. *Work and Motivation*.

Wagner, S.M., Coley, L.S. and Lindemann, E. 2011. "Effects of Suppliers' Reputation on the Future of Buyer-Supplier Relationships: The Mediating Role of Outcome Fairness and Trust." *Journal of Supply Chain Management* 47(2):29-48.

Waller, M.A. and Fawcett, S. 2011. "Switching Our Lenses for New Perspectives: A Prescription for Writing and Reviewing Out of Your Comfort Zone." *Journal of Business Logistics* 32(3):209-213.

Walters, A. E., Stuhlmacher, A.F. and Meyer, L. 1998. "Gender and Negotiator Competitiveness: A Meta-Analysis." *Organizational Behavior and Human Decision Processes* (76):1-29.

Walton, R.E. and McKersie, R.B. 1965. *A Behavioral Theory of Labor Negotiations: An Analysis of a Social Interaction System*, New York: McGraw-Hill.

Wangenheim, Florian V. 2003. "Situational Characteristics As Moderators Of The Satisfaction-Loyalty Link: An Investigation In A Business-To-Business Context." *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior* (16):145-56.

Weber, C.A., Current, J.R., and Desai, A. 2000. "VendOR: A Structured Approach to Vendor Selection and Negotiation." *Journal of Business Logistics* 21(1):135-167.

Webster Jr., M. and Sell, J. 2007. "Why Do Experiments?" in *Laboratory Experiments in the Social Sciences*, Murray Webster Jr. and Jane Sell, eds. Burlington, MA: Elsevier.

- Weitz, B.A. 1981. "Effectiveness in Sales Interactions: A Contingency Framework." *Journal of Marketing* 45(1):85-103.
- Westbrook, K.W. 1996. "Risk Coordinative Maneuvers During Buyer-Seller Negotiations." *Industrial Marketing Management* 25(4):283-292.
- Wetzels, M., de Ruyter, K. and van Birgelen, M. 1998. "Marketing Service Relationships: The Role of Commitment." *Journal of Business and Industrial Marketing* 13(4/5):406-423.
- Williamson, O.E. 1975. *Markets and Hierarchies: Analysis and Antitrust Implications*, New York, NY: Free Press.
- Williamson, O.E. 1983. "Credible Commitments Using Hostages to Support Supplier-Buyer." *American Economic Review* (73):519-540.
- Wolfe, R. and McGinn, K. 2005. "Perceived Relative Power and its Influence on Negotiations." *Group Decision and Negotiation* 14(1):3-20.
- Xie, Y.H., Suh, T. and Kwon, I. 2010. "Does the Magnitude and Asymmetry of Specific Asset Investments Matter in the Supplier-Buyer Relationships?" *Journal of Marketing Management* 26(9/10):858-877.
- Xu, L., and Beamon, B. M. 2006. "Supply Chain Coordination and Cooperation Mechanisms: An Attribute-Based Approach." *Journal of Supply Chain Management* 42(1):4-12.
- Zacharia, Z.G., Nix, N.W. and Lusch, R.F. 2009. "An Analysis of Supply Chain Collaborations and Their Effect on Performance Outcomes." *Journal of Business Logistics* 30(2):101-124.
- Zachariassen, F. 2008. "Negotiation Strategies in Supply Chain Management." *International Journal of Physical Distribution and Logistics Management* 38(10):764-781.

**APPENDIX A:
Economic Negotiation Outcomes (page 1)**

Author(s)/Source	Measures	Methodology & Sample	Key Economic Negotiation Outcome Takeaway
Gelfand et al. (2006)/AMR	Economic capital	Conceptual - presents a Negotiating Relationally Framework	Traditional negotiation research has focused on arelational economic outcomes. Negotiators should desire to achieve economic capital as the result of building relational capital, but relational capital may not result in economic capital. Future research should test.
King & Hinson (1994)/JM	Settlement amount	Lab experiment with business students	One of the contributions of this study is the broadening of the outcome definition to include overt and covert dimension so that the importance of the relationship between the negotiators is encompassed in outcome measures.
Calhoun & Smith (1999)/IJCM	Joint benefit - total joint profit and profit achieved by the less successful bargainer	2x2x2 lab experiment with psychology students	Women engaged in problem solving and obtained high joint benefit when they were motivated to have concern for their own outcomes. Men achieved high joint profits regardless of the treatment condition.
Stuhlmacher & Waters (1999)/PP	Operationalization of settlement: Points, Dollars, Profit measure - individual or joint	Meta-analysis	This meta-analysis focused on the relationship between gender and objective negotiation outcomes. A statistically significant gender difference in negotiation outcomes was found, but the authors question the practical significance.
Neu et al. (1998)/JR	Source's profits	Lab experiment with 100 business professionals	Men tended to achieve higher individual profits than women.
Ganesan (1993)/JMR	Total concession made by each party on all issues	Survey of retail buyers from 6 regional department stores	A problem-solving strategy reduces the concessions made by the retailer. Aggressive and compromise strategies increase retailer's concessions.
Balakrishnan & Eliashberg (1995)/MS	Static outcomes of math models	Analytical math model	Most analytical models have focused on outcomes in a static fashion. This study focused on trying to explain and predict conditions under which an agreement will be reached, will not be reached, and patterns of offers and counteroffers.

**APPENDIX A:
Economic Negotiation Outcomes (page 2)**

Author(s)/Source	Measures	Methodology & Sample	Key Economic Negotiation Outcome Takeaway
Min et al. (1995)/IJPMM	Final agreed price	Students & purchasing professionals simulation experiments	The experimental findings indicate that the size of a negotiation team had little impact on the negotiation outcome.
Graham et al. (1994)/MS	Negotiators' Individual Profits	700 businesspeople from 11 cultural groups; negotiation simulation	The article discusses the widespread use of economic outcomes in negotiations and why the addition of satisfaction helps give a more meaningful outcome measure
Campbell et al. (1988)/JM	Profit (seller)	International businesspeople who have all been part of executive ed or graduate business courses; simulation	Study findings suggest that a sellers' behavior has no direct effect on profit. Profit seems to depend on a buyers' reciprocating a cooperative approach to the negotiation
Herbst et al. (2011)/IMM	Game theory & behavioral research roots	Content analysis	Two streams of negotiation outcome research: game-theoretical and behavioral-scientific. Much of the focus has been on achieving individual company success and optimal results. An economic/game-theory approach is too abstract to be practical.
Green et al. (1967)/JMR	Individual and joint payoffs; rigid-flexible, flexible-rigid, rigid-rigid, flexible-flexible	6-2 person bargaining games; 24 Wharton finance grad students	Test Schelling's Prominence Principle and find support that delays in agreement result in opportunity losses that may not be symmetrical.
Eliashberg et al. (1986)/JMR	Individual and dyadic outcomes	Executives and MBA students	Group decision theory and Nash's bargaining solution performed well in predicting the negotiation outcomes in all the conditions. Utility-based theories were found to be robust even in circumstances that threatened their application. Nash's theory predicted outcomes more accurately than they group utility functions. The theories predicted outcomes better for buyers than sellers.

**APPENDIX A:
Economic Negotiation Outcomes (page 3)**

Author(s)/Source	Measures	Methodology & Sample	Key Economic Negotiation Outcome Takeaway
Gupta & Livne (1989)/ML	Final outcome/agreement, looks at reference points	Simulated manufacturer-retailer negotiation with 59 pairs of grad. Business students	The experiment suggests that reference outcomes are important factors in collaborative bargaining and that the Gupta-Livne model, which was originally an axiomatic model, may also be an acceptable descriptive model.
Menasco & Roy (1997)/ML	Central vs. extreme solutions Reference point	2x2x2; 90 pairs; undergrad, MBA, & exec MBA students at 2 universities	The study examines the success of predicting bargaining outcomes of Nash, Kalai-Smorodinsky, and Gupta-Livne models. The study results suggest some preferences in selecting attribute or utility spaces when conducting negotiation. Expert and non-expert negotiators may prefer different approaches
Roth et al. (2006)/JSR	Profits and prices	Math model	A gap exists in price negotiations research with a focus on predictive power instead of the impact on strategic decision making. The results suggest that service providers can benefit from posting prices for standardized services and negotiating prices for customized services.
Srivastava & Oza (2006)/JCR	Final monetary outcomes	3 studies; all 3 experiments used undergraduate samples	Perceptions of bargaining outcomes could have an inverse relationship with actual outcomes. Negotiators make social comparison judgments even when monetary outcomes are equivalent
Perkins et al. (1996)/JSCM	Joint outcomes	Lab simulation of an industrial buyer/seller situation	By using a negotiation support system, higher joint outcomes can be achieved.
Kaufmann & Carter (2004)/JSCM	Prices	Interviews	Electronic auctions can lead to process improvement and improved prices.
Krause et al. (2006)/JSCM	Reference points affect outcomes	Simulation	The results suggest that both buyer's reservation price and seller's aspiration price are accurate predictors of settlement price. Bargaining stance also appears to be linked to settlement price

APPENDIX B:
Theories and Models that Have Influenced Negotiation Outcome Research

Author(s)	Outcome Type*	Theory/Model
Green et al. (1967)/JMR	E	Schelling's prominence principle
Neslin & Greenhalgh (1983)/JMR	E	Outcome theories based on game theory
Eliashberg et al. (1986)/JMR	E	Nash's theory; group decision theory
Campbell et al. (1988)/JM	E, S	Social Exchange theory; Norm of Reciprocity
Gupta and Livne (1989).ML	E	Gupta-Livne model; Nash's theory
Rinehart & Page (1992)/JMR	S	Proposes a Model of Transaction Negotiation Outcome theories (Gupta & Livne 1988; Kalai & Smorodinsky 1975; Nash 1950, 1953) Process theories (Bartos 1977; Bush & Mosteller 1955; Chamberlain & Kuhn 1965; Hicks 1932; Richardson 1960; Zeuthen 1930)
Corfman & Lehmann (1993)/JCR	E, R	Norm of Reciprocity
Alexander et al. (1994)/JPSSM	S	Norm of Reciprocity
Graham et al. (1994)/MS	E,S	Proposes a Model of Business Negotiations Skinner reinforcement theory; Expectancy theory; Equity theory
King & Hinson (1994)/JM	E,S	
Balakrishnan & Eliashberg (1995)/MS	E	Cooperative-game theory
Menasco & Roy (1997)/ML	E	Game theory
Calhoun & Smith (1999)/IJCM	E	Pruitt's Dual Concern Model
Kray et al. (2002)/OBHDP	S	Steele's theory of stereotype threat
Mintu-Wimsatt & Graham (2004)/JAMS	S	Reciprocity Theory
Eckert & Rinehart (2005)/MMJ	R	Social conflict theory
Atkins & Rinehart (2006)/NJ	E,S	Proposes a Model of Negotiation Satisfaction Assessment
Gelfand et al. (2006)/AMR	E,R	Theory of RSC (Relational Self-Construal) and Negotiations
Krause et al. (2006)/JSCM	E	Nash's equilibrium theory
Roth et al. (2006)/JSR	E	Game theory
Srivastava & Oza (2006)/JCR	E,S	Attribution theory
Herbst et al. (2011)/IMM	E,S,R	Game theory; behavioral theories

* E - economic outcomes study, P - psychological outcomes study, R - relational outcomes study

**APPENDIX C:
Psychological Negotiation Outcomes (page 1)**

Author(s)/Source	Measures	Methodology	Key Psychological Negotiation Outcome Takeaway
King & Hinson (1994)/JM	Satisfaction w/outcome (1 item)	Lab experiment with business students	The findings indicate a lack of significance between the hypothesized correlation of satisfaction and equity sensitivity.
Neu et al. (1988)/JR	Target's satisfaction	Lab experiment with 100 business professionals	No gender differences were found in target satisfaction levels.
Ganesan (1993)/JMR	Retailer's satisfaction - 2 item	Survey of retail buyers from 6 regional department stores	A problem-solving strategy is positively linked with a retailer's satisfaction
Atkins & Rinehart (2006)/NJ	Satisfaction assessment; 3 items for satisfaction	Purchasing class simulation at MSU	Findings support a link between using coercive negative practices and negotiation outcome dissatisfaction.
Graham et al. (1994)/MS	Partners' Satisfaction	700 businesspeople from 11 cultural groups; negotiation simulation	Negotiators attractiveness positively influences partner's satisfaction in 11 cultures. However, cultural differences can impact satisfaction
Rinehart & Page (1992)/JMR	Perceived success of the negotiation	Survey of motor carrier services	The findings suggest that as a negotiator perceives their influence increases, their perception of success of the negotiation increases
Campbell et al. (1988)/JM	Satisfaction (buyer)	International businesspeople who have all been part of executive ed or graduate business courses; simulation	The findings from the study suggest that sellers' attractiveness may enhance buyer satisfaction
Alexander et al. (1994)/JPSSM	Satisfaction - 4 items	60 executives negotiation simulation	The simulation findings offer empirical support for the relationship between coordinative tactics and the other party's satisfaction.
Mintu-Wimsatt & Graham (2004)/JAMS	Expressed satisfaction	Mexican and Canadian industrial exporters; survey	The negotiation strategies and behaviors of the negotiators influenced the expressed satisfaction with outcomes

**APPENDIX C:
Psychological Negotiation Outcomes (page 2)**

Author(s)/Source	Measures	Methodology	Key Psychological Negotiation Outcome Takeaway
Rinehart & Zou (1992)/TJ	Perceived success	Mail survey	A customer's perceived success of the negotiation outcome is significantly influenced by the perception of the motor carrier's dependence, the trust level in the motor carrier, and confidence
Herbst et al. (2011)/IMM	Game theory & behavioral research roots	Content analysis	Two streams of negotiation outcome research: game-theoretical and behavioral-scientific. Much of the focus has been on achieving individual company success and optimal results. Outcome satisfaction has been a critical factor of behavioral research since a negotiator needs to be satisfied with the outcome of a negotiation to desire to establish a long-term buyer-seller relationship
Srivastava & Oza (2006)/JCR	Perception of bargaining outcomes, typicality, opponent competitiveness, happiness, time delay	3 studies; all 3 experiments used undergraduate samples	Findings suggest that negotiators were more satisfied with an outcome when there was a delay prior to the acceptance of the offer.
Corfman & Lehmann (1993)/JCR	Satisfaction	2 studies; Study 1: MBA marketing students (78) doing a negotiation; Study 2: pretested on undergrads, MBA, and exec MBA; 147 undergrads for a computer simulation experiment	Individuals systematically consider the payoffs of their bargaining partner in determining their own satisfaction with potential settlements. Satisfaction decreased as opponent's payoffs increased.
Krawczyk-Brylka & Piotrowski 2008)/IJPR	Satisfaction	Math model, simulation, experiment	A computational model is presented that tries to incorporate human activities into the model.

**APPENDIX D:
Relational Negotiation Outcomes**

Author(s)/Source	Measures	Methodology	Key Relational Negotiation Outcome Takeaway
Gelfand et al. (2006)/AMR	Relational capital	Conceptual	Traditional negotiation research has largely been arelational, which is inconsistent with the continued integration of organizations. A relational negotiation framework presents negotiation outcomes as comprising economic and relational capital. Relational capital is similar to the concept of social capital and is defined as including assets of mutual liking, knowledge, trust, and commitment to continuing the relationship (p. 437). Future research needs to test.
King & Hinson (1994)/JM	Subjects' relationship preferences (4 items) Opponents concern for relationship (3 items)	Lab experiment with business students	The authors broaden their definition and measurement of outcomes to include relationship and interaction outcomes (p.610). Females are more concerned with the relationship dimension of the negotiation than males
Rinehart & Zou (1992)/TJ	Dependence Trust Perceived success	Mail survey	A customer's perceived success of the negotiation outcome is significantly influenced by his perception of the motor carrier's dependence, his level of trust in the motor carrier, and his confidence
Corfman & Lehmann (1993)/JCR	Liking Expectations Settlement History Likelihood of Future Negotiations Power Orientation	2 studies; Study 1: MBA marketing students (78) doing a negotiation; Study 2: pretested on undergrads, MBA, and exec MBA; 147 undergrads for a computer simulation experiment	Greater satisfaction with positive differences and greater dissatisfaction with negative differences between the parties' profits were associated with disliking the other negotiator, having higher expectations, being dissatisfied with past settlements, and anticipating no future interaction. The findings support that knowing the other negotiator well can be beneficial in anticipating his or her negotiation behavior.

**APPENDIX E:
2x2 Experimental Research Design**

		Negotiation Strategy	
		Competitive Strategy	Collaborative Strategy
Interdependence	High		
	Low		

**Dependent Variables: Relationship Specific Assets, Cooperation, Trust,
And Process Integration**

APPENDIX F:
Study One Directions and Scenarios
(adapted from Thomas et al. 2010)

Directions

Imagine that The Eagle Company (TEC) is a manufacturer that supplies products to a specific retailer. The business interactions of TEC and the retailer are described below. Assume all scenario descriptions are accurate and trustworthy. After reading the scenario, please answer each question. As you answer each question, predict how TEC would work with the retailer in the future based on the scenario. Please do not base your answers on how you think TEC *should* work with the retailer, but rather on how they actually *would* work with the retailer.

Interdependence scenario manipulations

High interdependence

TEC and the retailer have been doing business with each other for several years. The retailer is one of TEC's larger customers and represents a meaningful portion of TEC's overall sales volume. Likewise, TEC is one of the retailer's larger suppliers and a meaningful portion of the retailer's overall revenue comes from selling TEC products. Obtaining TEC's products from another supplier would be somewhat difficult for the retailer. Replacing the retailer's sales volume would also be somewhat difficult for TEC.

Low interdependence

TEC and the retailer have been doing business with each other for less than a year. The retailer is one of TEC's smaller customers and represents an insignificant portion of TEC's overall sales volume. Likewise, TEC is one of the retailer's smaller suppliers and an insignificant portion of the retailer's overall revenue comes from selling TEC products. Obtaining TEC's products from another supplier would not be difficult for the retailer. Replacing the retailer's sales volume would also not be difficult for TEC.

Negotiation strategy scenario manipulations

Collaborative negotiation strategy

The retailer and TEC recently conducted their annual negotiation in order to determine what TEC products the retailer would carry in their stores over the next year. During these negotiations, the retailer shared information, communicated clearly, and focused on achieving mutually acceptable goals. The retailer was not aggressive and did not attempt to threaten or intimidate TEC. The retailer was also open to making concessions in order to solve problems.

Competitive negotiation strategy

The retailer and TEC recently conducted their annual negotiation in order to determine what TEC products the retailer would carry in their stores over the next year. During these negotiations, the retailer did not share information, communicated deceptively, and focused on achieving their own goals. The retailer was aggressive and attempted to threaten and intimidate TEC. The retailer was not open to making concessions in order to solve problems.

APPENDIX G:
Study One Measurement of Dependent and Manipulation Check Variables

Relationship Specific Assets (Anderson and Weitz 1992)

Cronbach's $\alpha = 0.926$

- TEC would be willing to make substantial investments in personnel dedicated to the relationship with the retailer.
- TEC would be willing to make significant investments in capital assets dedicated to the relationship with the retailer.
- TEC would be willing to tailor their operating processes to meet retailer's requirements.
- TEC would be willing to spend substantial time and money to train the retailer.

Cooperation (Min, Mentzer, and Ladd 2007)

Cronbach's $\alpha = 0.881$

- TEC would share the results of performance measures with the retailer to improve the efficiency and effectiveness of their joint supply chain processes.
- TEC would collaborate with the retailer to improve the quality of products and services for consumers.
- TEC would actively propose and implement cost reduction ideas with the retailer.
- TEC would jointly manage logistics and inventory with the retailer.

Trust (Golicic and Mentzer 2006; Morgan and Hunt 1994)

Cronbach's $\alpha = 0.968$

- TEC would think the retailer has high integrity.
- TEC would think the retailer can be counted on to do what is right.
- TEC would think the retailer is sincere in their promises.
- The retailer treats TEC fairly and justly.
- The retailer is a firm that TEC can trust completely.

Process Integration (Min, Mentzer, and Ladd 2007)

Cronbach's $\alpha = 0.896$

- TEC would be willing to have meetings with the retailer to figure out how to serve mutual customers better.
- TEC would be willing to integrate operations with the retailer by developing interlocking programs and activities.

Negotiation Strategy (Graham 1985; Graham, Mintu and Rodgers 1994)

Cronbach's $\alpha = 0.874$

- The retailer had a "winner take all" approach to their negotiation with TEC and focused only on their own self interests.
- The retailer utilized a "win-win" negotiation style with TEC and focused on joint problem solving.

Interdependence (Golicic and Mentzer 2006)

Cronbach's $\alpha = 0.962$

- TEC and the retailer could not easily replace each other.
- TEC and the retailer are dependent upon each other.
- TEC and the retailer believe they are crucial to each other's success.

Realism Checks (Dabholkar 1994, p.116)

- The situation described in the scenario was realistic.
- I can imagine myself in the described situation.

APPENDIX H:
Study Two Negotiation Interview Guide

Begin the interview by introducing yourself and giving a brief overview of the study. Give the interviewee assurance of your confidentiality, make sure they have received and signed the informed consent form, and offer to sign a confidentiality agreement if necessary. Ask permission to audiotape.

1. To get started, please share a little background.
 - a. Company, Title, Division, Years in Current Position, Years with Company, Years as Buyer/Supplier
 - b. How often do you negotiate with your buyers/suppliers?
 - c. What are you most likely to negotiate? – contracts, products, service, special buys, financial terms
 - d. Are your interactions covered by a mutually agreed upon contract or do negotiations arise for things that fall outside the contract guidelines?
2. Please think about a recent negotiation and describe in as much detail as possible the process that you go prior to the actual negotiation.
3. Thinking about that same experience, please tell me about the actual negotiation.
 - a. Describe the strategy that you use in the negotiation.
 - b. What goals did you have for the negotiation?
 - c. Tell me about how the behaviors of the supplier/customer affect your negotiation strategies or behaviors.
 - d. What happens after the negotiation is finished?
4. Tell me when you start thinking about your likelihood of negotiating with this supplier/customer in the future.
5. Is there anything that we haven't covered that you believe would be important to our understanding of buyer-supplier negotiations?
6. Overall, what are your goals when you negotiate with buyers/suppliers?
7. What outcomes of the negotiation are important to you or your company?
8. Can you tell me about any strategies you have to enable you to achieve those desired outcomes?
9. How does the relationship you have with the other organization impact the negotiation?

After the interview is finished, thank the interviewee for the time and help with this project. Ask if they would like to review a transcript of the interview to make sure everything is represented correctly. Also ask if they would be willing to answer any follow-up questions that might come up as more interviews take place. Finally, offer to provide them with either a copy of the research results or a results presentation if they are interested in finding out what we learned from the research.