

Likeability and its effect on outcomes of interpersonal interaction



Niels J. Pulles^{a,*}, Paul Hartman^b

^a University of Twente, School of Management and Governance, Department of Business Administration, P. O. Box 217, 7500 AE Enschede, The Netherlands

^b Air Force Institute of Technology, Graduate School of Engineering and Management, Dayton, United States

ARTICLE INFO

Keywords:

Likeability
Interpersonal interaction
Social exchange theory

ABSTRACT

Interpersonal interactions between boundary spanning individuals have a fundamental role in how inter-organizational interactions develop. This study examines interpersonal interaction and the effects of likeability on two attributes that are central to many organizations: commodity prices as negotiation outcomes and a partner's willingness to engage in collaboration. Specifically, we aim to answer: how does interpersonal likeability impact negotiation outcomes in terms of commodity prices and how does it affect a partner's willingness to engage in collaboration? Based on social exchange theory we draw hypotheses that are tested using data gathered from experiments with 220 participants. The findings indicate that likeability significantly influences a partner's willingness to engage in collaboration but does not significantly influence negotiation profits. The implications of these findings for research and practice are discussed.

1. Introduction

The importance of effective interorganizational interaction has been well-documented in the literature. The way in which partners perceive each other in these interactions, has been argued to be an important predictor for the performance benefits of both parties (e.g., McCarter & Northcraft, 2007). Concepts such as trust, power, attractiveness and satisfaction (Cox, 2001; Ireland & Webb, 2007; Pulles, Schiele, Veldman, & Hüttinger, 2016) play a crucial role in how organizations interact. However, business relationships tend to be conceptualized on an organization-to-organization level (Hald, 2012; Haytko, 2004) in which the role of interpersonal interaction is often neglected.

Personal relationships and interactions between “boundary spanners” are argued to have a fundamental role in the interaction between organizations (Ellegaard, 2012; Gligor & Autry, 2012; Haytko, 2004). Indeed, earlier work addressed how economic exchanges are embedded in social systems (Granovetter, 1985) and how social ties can influence economic outcomes both positively and negatively (Uzzi, 1997). During negotiations, for example, representatives from each organization seek agreement on items such as pricing and delivery terms which influence the organization-level profits. Therefore, to increase our understanding of interorganizational relationships, it is important to understand the human behavior in interpersonal interaction (Bendoly, Donohue, & Schultz, 2006). Studies that do focus on the effects of interpersonal interactions in a business setting mainly focused on basic negotiation strategies (Krause, Terpend, & Petersen, 2006; Thomas,

Thomas, Manrodt, & Rutner, 2013), the effects of gender (Faes, Swinnen, & Snellinx, 2010), trust (Huang, Gattiker, & Schwarz, 2008) or cultural differences (Ribbink & Grimm, 2014). However, what seems to be missing is an examination of more nuanced aspects such as personal characteristics (similarly observed by Thomas et al., 2013).

Intuitively, personal liking can be expected to have an important influence on how individuals interact. Indeed, anecdotally likeability is often raised as a substantial factor in business related interactions (Ellegaard, 2012; Mandják, Szalkai, Neumann-Bódi, Magyar, & Simon, 2016). However, with few exceptions (Abosag & Naudé, 2014; Doney & Cannon, 1997; Tellefsen & Thomas, 2005) the question of how likeability influences the outcomes of interpersonal interaction in a business context remains unaddressed. What is specifically missing is an examination into the effects of likeability on two attributes that are central to many organizations: commodity prices as negotiation outcomes and a partner's willingness to engage in collaboration. Therefore, this paper's main research question is: How does interpersonal likeability impact negotiation outcomes in terms of commodity prices and how does it affect a partner's willingness to engage in collaboration? We aim to answer this question by building on social exchange theory to theorize on likeability and its effects in an exchange interaction. We test our hypotheses using an experimental design to simulate an interaction between buyer and supplier.

In the following, we first discuss current studies on interpersonal interaction and conceptualize the likeability construct. Then, we discuss social exchange theory and our hypotheses. The methodology section describes the experimental design and the adopted negotiation

* Corresponding author.

E-mail addresses: n.j.pulles@utwente.nl (N.J. Pulles), paul.hartman@afit.edu (P. Hartman).

simulation. Finally, after detailing this study's results, we end with a discussion of our contributions, the managerial implications of our findings, the limitations and potential directions for future research.

2. Literature background

2.1. Interpersonal and interorganizational interaction

Interorganizational relations involve various levels of analysis (Bergenholtz & Waldström, 2011) which offers many opportunities for research (Geiger & Guenzi, 2009). Particularly interpersonal relationships appear to play an important role in the way interorganizational relationships develop (Hohenschwert & Geiger, 2015). For instance, Hutt, Stafford, Walker, and Reingen (2000) argue that many alliances fail because little attention is given to fostering personal relationships between boundary spanners that shape and modify the evolving partnership. They discuss how “cultivating strong interpersonal ties unites managers in the partnering organizations, and continuing boundary spanning activities at multiple managerial levels helps the relationship develop” (Hutt et al., 2000, p. 61). Interpersonal factors also affect a partner's intention to switch to alternative partners. Although Wathne, Biong, and Heide (2001) found that interpersonal relationships do not play an important role as switching barrier, Bolton, Smith, and Wagner (2003) discuss that switching intentions might be reduced when a partner has made substantial investments in building interpersonal relationships. In the advertising industry, Haytko (2004) identified personnel turnover as one of the main reasons that clients change agencies. Business relations are contingent of personal interaction. The behavioral dynamics that emerge from the individuals' perceptions influence the organizational dynamics (Andersen & Kumar, 2006).

Many of the above studies refer to the work of Granovetter (1985) and Uzzi (1997). These authors stress the importance of interpersonal relationships in business relationships. Granovetter (1985) argues that, departing from pure economic motives, economic relations are often overlaid with social content that carries expectations of trust and abstention of opportunism and in this way reduces transaction costs. At the same time, social ties can also stifle effective economic interaction if the social aspects of exchange surpass the economic objectives. Feelings of obligation to reciprocate and friendship may create inefficient allocation of resources to weaker business partners (Uzzi, 1997). Similar to these works, social exchange theory suggests that exchanges are not limited to material goods but also include intangible value (Blau, 1964; Thibaut & Kelley, 1959). Partners adjust their behavior and actions towards each other not only based on economic motives, but also on relational benefits. This rationale implies that interpersonal and social interactions between boundary spanners have an important role in how interorganizational interactions develop. In Section 3, we build on social exchange theory to theorize on the impact of likeability in an exchange interaction.

Boundary spanners can be seen as agents representing their organizations contractually to achieve specific goals (Hald, 2012). Arguably, interaction between boundary spanners is particularly relevant in a negotiation setting. The outcome of negotiations is important as the exchange conditions that are negotiated (e.g., price, delivery arrangements, guaranteed warranties) largely determine the benefits that a partner gains from the engagement (Herbst, Voeth, & Meister, 2011). The boundary spanners that engage in these negotiations therefore have an important role in negotiating their organization a good deal. At the same time, negotiators need to cooperate to secure some joint benefits (Graham, Mintu, & Rodgers, 1994). Because a negotiation is an inherently interpersonal interaction, personal characteristics of the negotiators can have a major influence on the negotiation outcomes (Maddux, Mullen, & Galinsky, 2008). For example, physical appearances of negotiators showed to influence offers and demands negotiators make (Solnick & Schweitzer, 1999). Similarly, the influence of gender on both the strategy and outcome of negotiations has been

widely discussed in the literature (Faes et al., 2010). Yet, as observed by Thomas et al. (2013), more nuanced aspects of negotiations such as personal likeability remain under examined.

2.2. Likeability

Likeability of an individual can be seen as the degree to which this person is perceived as friendly, nice, polite and pleasant to be around (Doney & Cannon, 1997; Ellegaard, 2012; Tellefsen & Thomas, 2005). People who are likeable are naturally more pleasant to be around. Although several studies have related likeability to concepts as similarity, familiarity, attractiveness and friendship (e.g., Hogg, CooperShaw, & Holzworth, 1993; Jayanti & Whipple, 2008), likeability should be seen as a distinct construct with different implications than related concepts. For example, although close friends typically like each other, people that like each other are not necessarily close friends. In their discussion on commercial friendship, for instance, Price and Arnould (1999) discuss that, although friendship positively relates to trust and perceptions of similarity, it is important to distinguish between these related yet different characteristics. Similarly, likeability has often been associated with attractiveness. Yet again, two individuals that like each other are not necessarily attracted to each other. Hence, likeability is conceptually different from concepts such as friendship, similarity and attractiveness.

Doney and Cannon (1997) discuss the concept of likeability in buyer-supplier interaction and argue that partner likeability influences a person's confidence in predicting this partner's future behavior. Social psychology studies have examined the effects of likeability on interpersonal interaction. For instance, Chaiken and Eagly (1983, p. 253) found a positive relations between likeability and persuasiveness “as people generally agree with persons they like”. In a meta-analysis Collins and Miller (1994) found that likeability is related to the extent that people disclose information. They argue that people disclose information in an effort to let others know they like them.

Even though the above studies imply that likeability has an important influence in interpersonal interaction, it is unclear how the concept of likeability influences the outcomes in interactions in a business setting. Studies that do refer to likeability in business interactions mention the potential relevance of the concept in social transactions (Urda & Loch, 2013), or refer to likeability as an attribute of attractiveness (Ellegaard, 2012). Yet, little studies on business interactions explicitly examine the impact of likeability. Exceptions are the studies of Tellefsen and Thomas (2005), who found that likeability is strongly related to personal commitment and Abosag and Naudé (2014) who found a positive link between likeability and the development of a Guanxi relationship.

3. Social exchange theory

To theorize on the effects of likeability, we build on social exchange theory (SET). SET postulates that exchange interactions between individuals involve both economic and social outcomes (Lambe, Wittmann, & Spekman, 2001). According to SET, individuals are argued to enter into new relationships, and maintain old ones, based on the expectations and perceptions that these relationships are rewarding (Blau, 1964; Thibaut & Kelley, 1959). Initial interactions are crucial in determining how relationships will develop. Exchange partners evaluate both the economic as well as the social outcomes from their (future) transactions and compare them to their expectations as well as to the value provided by other potential partners (Dwyer, Schurr, & Oh, 1987; Lambe et al., 2001).

Central to SET are norms of reciprocity that influence interactions between partners based on the expectation of giving and receiving relational benefits (Blau, 1964; Lambe et al., 2001). Below we theorize how likeability can influence the outcomes of an interaction (negotiation). We argue that likeability of an individual influences interpersonal

interaction because it relates to the social benefits of an exchange partner. This social value that is perceived in an interaction with a likeable partner, can influence the extent to which a person is willing to accept certain economic outcomes. Also, perceived social value influences the expected benefits of potential future interactions. In a positive sense, behavior that is perceived as rewarding can be reciprocated. In a negative sense, reciprocity can include sentiments of retaliation when a partner perceives behavior as opportunistic (Thomas et al., 2013).

4. Hypotheses

In our daily lives, we do things for the people we like. Haytko (2004) observed how the similar is true for business relationships. She found that personal relationships between boundary spanners relate to many benefits that facilitate better working relationships (Haytko, 2004). Initial liking between persons creates positive expectations of future interactions. Likeability induces a partner's interest by showing potential social value which incentivizes the partner to engage into (closer) collaboration. In this way, SET stipulates that individuals who have positive expectations of future interactions are willing to continue or expand these interactions (Thibaut & Kelley, 1959). Liking in the initiation of a relationship can therefore be an important predictor of future collaboration. The opposite may hold as well, as is demonstrated by a quote from an alliance manager in a study of Hutt et al. (2000, p. 59): "How do you go from being a negotiator having no trust, commitment, or compatibility to being a partner who needs all of those things?" The reciprocity principle of SET implies that negotiators will mirror the actions of their partners. For instance, aggressive negotiation strategies that mostly aim for own profits will likely invoke similar sentiments which limit the option for future collaborative interaction (Thomas et al., 2013). Yet, when partners like each other, this can be expected to form the foundation of a more enduring relationship. Likeable behavior is likely to be reciprocated resulting in interactions that run more smoothly.

Empirical observations show that likeability positively influences interaction. For example, Tellefsen and Thomas (2005) found that a person's likeability is positively related to the personal commitment of its partner. In an examination of likeability and competence in working relationships, Casciaro and Sousa Lobo (2005) observed that if someone is strongly disliked, the competence of this person almost becomes irrelevant and people do not want to work with this person. On the contrary, they observed that "a little extra lik[e]ability goes a longer way than a little extra competence in making someone desirable to work with" (Casciaro & Sousa Lobo, 2005, p. 94). Relating this to a negotiation dyad, we expect that if a person is perceived as likeable, this will have a positive effect on the partner's willingness to collaborate.

H1. Likeability of a person in a negotiation interaction will have a positive effect on the willingness of this person's partner to engage in collaboration.

An important aspect in negotiations is the negotiated prices. Negotiated prices are argued to be largely dependent on personal attributes that help in influencing and persuading the opponent (Maddux et al., 2008). For example, Ribbink and Grimm (2014) found that partners from different cultural contexts realize lower joint profits in a negotiation dyad and argue that cultural differences can lead to misunderstandings and judgment errors between negotiators. The literature identifies several techniques that can help negotiators bargain higher profits. For instance, negotiators who mimic their opponents' behavior can attain better negotiation gains than negotiators who do not mimic (Maddux et al., 2008).

Techniques such as mimicking, but also cultural differences between actors, relate to the psychological system that underpins the exchange. Psychological systems can override cognitive systems and can yield outcomes that would not arise from systems based purely on

rational calculations (Bottom, Holloway, Miller, Mislin, & Whitford, 2006). Emotional states can trigger reactions that influence decision making and can lead to suboptimal economic decisions (Sanfey, Rilling, Aronson, Nystrom, & Cohen, 2003). SET, stipulates that such irrationality occurs because exchanges are influenced by a broad set of non-material social rewards that affect the economic rewards an actor is willing to settle for. Such social rewards can be affection, formal courtesy, expressions of fairness and reliability, while insults and rudeness are the other side of the coin (Adams, 1965; Bottom et al., 2006). Likeability can be seen as another example of such a social reward. This implies that when a negotiator interacts with a likeable person, the social rewards that this negotiator perceives from interacting with this person might reduce the economic benefits that this negotiator is willing to settle for. Thus, the social rewards an opponent perceives from interacting with a likeable negotiator, are expected to positively influence the negotiation profits of a likeable negotiator.

H2. Likeability of a person in a negotiation interaction will have a positive effect on the negotiation profits of this person.

Finally, we included control variables to control for those effects of which previous research has shown the relevance. First, we control for familiarity (as called for by Ribbink & Grimm, 2014) since Doney and Cannon (1997) argue that familiarity is an important factor in business interactions. Second, we control for similarity as it has shown to influence negotiations (Mathews, Wilson, & Monoky, 1972). Third, we control for attractiveness since it has shown to positively relate to partner satisfaction in a negotiation setting (Graham et al., 1994). Fourth, we control for experience because of its potential effects on interactions (Doney & Cannon, 1997). Fifth, we control for bargaining strategy since a person's bargaining strategy has shown to influence the outcomes of an interaction (Thomas et al., 2013). Sixth, we control for motivation to negotiate good prices.

5. Methodology

This study's main research question is: how does interpersonal likeability impact negotiation outcomes in terms of commodity prices and how does it affect a partner's willingness to engage in collaboration? We used an experimental design to examine the impact of likeability on interactions in a business setting. To simulate such interactions we adopted a negotiation simulation of Pruitt and Lewis (1975). These settings enabled a direct observation of interpersonal interaction (Bendoly et al., 2006; Ribbink & Grimm, 2014).

5.1. Sample

The sample consisted of 148 undergraduate, 30 graduate and 42 MBA students at universities in the Netherlands, United States and France, respectively (17 students were excluded earlier due to missing values, 2 because they reported different negotiation outcomes). All students enrolled in supply management courses. Course credits were assigned for participation in the experiment. Similar to other studies on business interactions, our sample mainly consists of student participants (e.g., Eckerd, Hill, Boyer, Donohue, & Ward, 2013; Ribbink & Grimm, 2014; Thomas et al., 2013). Stevens (2011) argues that the use of students is appropriate when researchers are mainly interested in detecting invariant relationships among constructs rather than the interaction of these constructs with characteristics of individuals (e.g., age, experience). The main construct in this study is likeability. Similar to studies on, for example, cultural differences (Ribbink & Grimm, 2014), personal likeability can be observed in both student and professional populations which implies that results in student samples are generalizable to a broader audience. Also 31 of the MBA students have experience in business practice; on average 3.3 years (stdev 3.5 years), which allows us to control for experience.

Table 1 shows the demographic profile of the participants.

Table 1
Profile of the sample.

Nationality	Percentage		Percentage
American	7.7%	French	2.7%
Chinese	3.2%	German	24.1%
Dutch	37.7%	Indian	4.1%
Finnish	2.3%	Other/Double nationality	18.2%

Gender	Percentage	Age (average 22.39 years, stdev = 3.4)	Percentage
Male	60.9%	Min.	19
Female	39.1%	Max.	48

Comparative tests reveal that the graduate and MBA students showed significantly higher scores on age and lower scores on the familiarity measure compared to the undergraduate samples. In addition, the MBA student scored higher on likeability, attractiveness and, obviously, experience measures. Yet, they scored lower on negotiation profits.

5.2. Negotiation simulation

In the negotiation simulation of [Pruitt and Lewis \(1975\)](#), the participants negotiate the prices of three products. Each participant receives an instruction sheet including a list with the associated profits for different price levels. The price levels and associated profits are shown in [Table 2](#). The prices were referred to by letters. Similar to [Graham et al. \(1994\)](#) we adopted the profit sheet to investigate individual profits. The profits of the individual buyer and seller are maximized by AAA and III, respectively. The participants did not have any knowledge on their partner's profit scheme and were explicitly instructed not to share their profit levels until the experiment had completely ended. In addition, the participants were asked to fill-out two questionnaires. One pre-negotiation questionnaire and one post-negotiation questionnaire.

5.3. Procedure

Upon arrival, the participants were explained that they would partake in an experiment without being given further details. Then, the participants were randomly paired up by the administrator. As argued by [Zajonc \(1980\)](#), affective reactions such as liking or disliking are formed in cognitive processes in which persons get an impression of each other's discriminant features. To allow the participants to develop these impressions, we instructed them to have a 5 min conversation with no predetermined protocol. After these conversations, the participants filled out a questionnaire in which we asked questions about their assigned partner and questions about their own characteristics. To reduce the risk of social desirability bias, we explained that there were no "good" or "bad" answers and asked the participants to fill out the

Table 2
Negotiation profit sheets.

Buyer profit sheet						Supplier profit sheet					
Product X		Product Y		Product Z		Product X		Product Y		Product Z	
Price	Profit	Price	Profit	Price	Profit	Price	Profit	Price	Profit	Price	Profit
A	\$2000	A	\$1200	A	\$800	A	\$000	A	\$000	A	\$000
B	\$1750	B	\$1050	B	\$700	B	\$100	B	\$150	B	\$250
C	\$1500	C	\$900	C	\$600	C	\$200	C	\$300	C	\$500
D	\$1250	D	\$750	D	\$500	D	\$300	D	\$450	D	\$750
E	\$1000	E	\$600	E	\$400	E	\$400	E	\$600	E	\$1000
F	\$750	F	\$450	F	\$300	F	\$500	F	\$750	F	\$1250
G	\$500	G	\$300	G	\$200	G	\$600	G	\$900	G	\$1500
H	\$250	H	\$150	H	\$100	H	\$700	H	\$1050	H	\$1750
I	\$000	I	\$000	I	\$ 000	I	\$800	I	\$1200	I	\$2000

questionnaire as honest as possible. In addition, we assured the participants that complete anonymity was guaranteed. To do so, we explicitly instructed them to make sure that their partner could not see their answers.

Next, we explained the participants that they would partake in a simulated negotiation. Each participant received an instruction sheet including the profit sheets shown in [Table 2](#). An administrator read out the instructions and answered questions. To encourage competition, the administrator explained that the top 10% performance of both the buyer and the supplier category would win a price (winners could pick from wine, cake or a notebook with pens). Before the negotiations started, the participants were allowed 5 min to think about their negotiation strategy. Then, the participants started their negotiations. The negotiations lasted for about 20 min and all pairs reached an agreement. After the negotiations, we asked the participants to fill out the post-negotiation. [Fig. 1](#) shows this procedure.

5.4. Measures

As discussed, this study's samples consist of 220 participants divided over 110 negotiation dyads. For several measures it was important to not rely on self-reported scores. For example, self-assessments of likeability could lead to heavily biased scores. Therefore, we measured these variables on different sides of the negotiation dyad. [Fig. 2](#) provides an overview in which X and Y each represent one side of the dyad.

The measure for *negotiation profits* (in \$) was directly derived from the obtained negotiation outcomes. For example, if the dyad agreed on the solution ABC the profit for the buyer would be (2000 + 1050 + 700) \$3750 and (0 + 150 + 500) \$650 for the supplier. Willingness to collaborate was developed from previous works measuring the partner's willingness to engage in future collaborations with the participant ([Daly & Nath, 2005](#); [Jap, 2003](#); [Wagner, Coley, & Lindemann, 2011](#)). This four-item construct assessed willingness to collaborate "in new projects" or the willingness to "collaborate with this person, should the opportunity arise". The full measurement model can be found in the [Appendix A](#).

Likeability was measured with items based on previous studies of [Doney and Cannon \(1997\)](#), [Harnish, Abbey, and DeBono \(1990\)](#) and the conceptualization of likeability by [Ellegaard \(2012\)](#). The five items that formed the likeability construct asked the participant's partner: "I like this person" and "This person is... friendly, nice, polite and nice to be around."

Control variables were mainly adopted from existing scales. *Familiarity* was assessed by asking the participants how well they knew their partner before being paired up. The *perceived similarity* measure, adopted survey items from [Doney and Cannon \(1997\)](#). *Attractiveness* was based on a three-item scale by [Graham et al. \(1994\)](#) of which we used two items. The original item "How interested would you be in seeing this partner again" was removed due to similarities with the

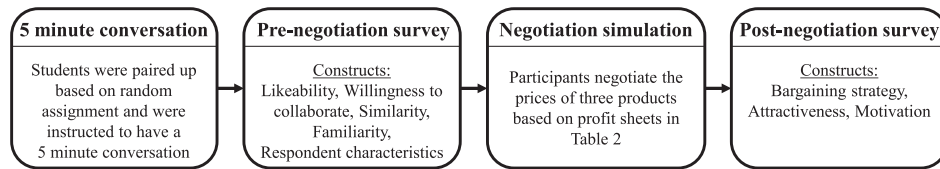


Fig. 1. Experimental procedure.

willingness to collaborate construct. *Experience* in business practice was assessed only in the MBA sample since relevant experience in the other samples was assumed to be negligible. The *bargaining strategy* measure used scales from [Graham et al. \(1994\)](#) and [Ribbink and Grimm \(2014\)](#). Low scores on this construct indicate that the partner perceived the negotiator to take a cooperative strategy while high scores indicate a focus on self-interest. Finally, *motivation* was included to test the effect of a respondent's motivation on negotiation profits.

6. Results

6.1. Construct validity and reliability

Several tests were conducted to assess the measurement instrument in terms of reliability and validity. We first assessed the measurement model by conducting a confirmatory factor analysis using AMOS 21.0 ($\chi^2 = 297.08$, d.f. = 177, $\chi^2/\text{d.f.} = 1.68$, comparative fit index [CFI] = 0.95, Tucker-Lewis index [TLI] = 0.94, goodness-of-fit index [GFI] = 0.89, root mean square error of approximation [RMSEA] = 0.06). To test the convergent validity of our constructs we first examined the average variance extracted (AVE). All constructs exceeded the 0.50 cutoff ([Fornell & Larcker, 1981](#)). In addition, the square roots of the AVE values are greater than their correlations with the other constructs indicating a satisfactory level of discriminant validity ([Fornell & Larcker, 1981](#)). Composite reliability ranged between 0.80 and 0.96, exceeding the common threshold of 0.70. [Table 3](#) shows these values and the descriptive values for this study's independent variable and control variables.

6.2. Structural model

We tested the proposed hypotheses using structural equation modeling with maximum likelihood estimation. The results for [H1](#) and [H2](#) are shown in [Fig. 3](#). Likeability and the control variables accounted for 65% of the explained variance in the willingness to collaborate variable (i.e., $R^2 = 0.65$). For negotiation profits these same variables accounted for only 9% of the explained variance. The structural model revealed a positive and significant relationship ($\beta = 0.30$; $p < 0.01$) between likeability and willingness to collaborate, which supports [H1](#). No significant effect was found between likeability and negotiation profits ($\beta = -0.05$). Hence, [H2](#) is not supported.

The similarity and attractiveness control variables had a significant effect on willingness to collaborate ($\beta = 0.41$; $p < 0.01$ and $\beta = 0.24$; $p < 0.01$, respectively). No significance was found for the effect of familiarity ($\beta = -0.02$) and experience ($\beta = 0.06$) on willingness to collaborate. Motivation was found to significantly affect negotiation profits ($\beta = 0.25$; $p < 0.01$), similarly as experience although this

effect was negative ($\beta = -0.13$; $p < 0.05$). The effects of familiarity, ($\beta = -0.03$), similarity ($\beta = 0.07$), attractiveness ($\beta = -0.11$) and bargaining strategy ($\beta = -0.11$) on negotiation profits were found to be not significant. Overall, the goodness-of-fit measures showed satisfactory values ($\chi^2 = 251.86$, d.f. = 180, $\chi^2/\text{d.f.} = 1.40$, CFI = 0.97, TLI = 0.97, GFI = 0.91, RMSEA = 0.04).

7. Discussion, conclusions and limitations

Interactions between individuals, or small groups of individuals, have a fundamental role in how organizations interact ([Ellegaard, 2012](#); [Gligor & Autry, 2012](#); [Haytko, 2004](#)). Despite this importance, the current literature lacks examinations into nuanced aspects such as likeability that help to understand interpersonal interaction in a business setting ([Thomas et al., 2013](#)). This paper focused on the behavior of individuals to increase our understanding of how interpersonal interaction can influence inter-organizational relationships. Specifically, this study discussed and examined the influence of likeability on interaction outcomes in a negotiation dyad. Although likeability has shown to be relevant for interpersonal relationships in general ([Jayanti & Whipple, 2008](#); [Nicholson, Compeau, & Sethi, 2001](#); [Wayne, Shore, & Liden, 1997](#)) and for business interactions specifically ([Abosag & Naudé, 2014](#); [Doney & Cannon, 1997](#); [Tellefsen & Thomas, 2005](#)), the influence of the construct on commodity prices as negotiation outcomes and a partner's willingness to engage in collaboration remained unclear.

While controlling for similar, but different, concepts of familiarity, similarity and attractiveness, we found that likeability significantly influences a partner's willingness to engage in collaboration but does not significantly influence negotiation profits. As suggested by [H1](#), this implies that likeability creates positive expectations of future interactions and in this way incentivizes the partner to engage into (closer) collaboration. This supports the SET-based predictions that likeability creates positive expectations of future interactions and in this way induces a partner's willingness to collaborate ([Thibaut & Kelley, 1959](#)). Hence, likeability is an important factor that positively influences expectations of future interactions and is therefore worth considering when analyzing business interactions.

Yet, different than our SET-based rationale suggested, the model does not predict the profits attained in negotiations. [H2](#) predicted that likeability would trigger positive emotional reactions that lead to sub-optimal economic decisions ([Sanfey et al., 2003](#)). In this way, likeability was, similar to for instance fairness and reliability ([Adams, 1965](#); [Bottom et al., 2006](#)) expected to affect the economic rewards an actor would settle for. However, we did not find such an effect. Patterns of reciprocal behavior need time to develop and relationships grow through repeated interactions ([Blau, 1964](#)). A mere one-time exchange,

Fig. 2. Negotiation dyad and corresponding measures.

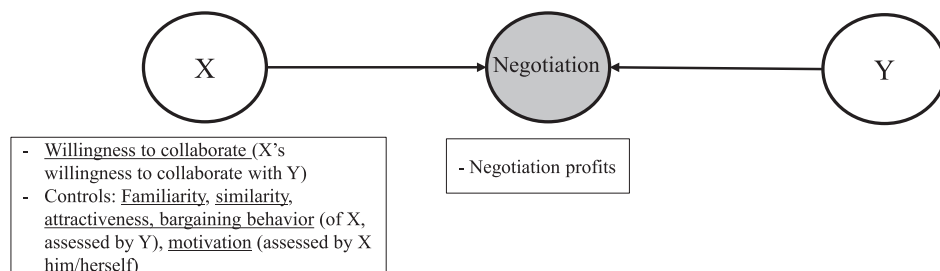


Table 3
Means, standard deviations, correlations and quality criteria of constructs.

		M	SD	AVE	CR	1	2	3	4	5
1.	Likeability	4.36	0.67	0.75	0.94					
2.	Attractiveness	3.94	0.72	0.85	0.92	0.52**				
3.	Similarity	3.18	0.76	0.75	0.90	0.54**	0.38**			
4.	Bargaining str.	2.51	0.81	0.55	0.82	-0.05	-0.05	0.04		
5.	Familiarity	2.22	1.44	-	-	0.16*	0.25**	0.26**	-0.08	
6.	Motivation	4.03	0.87	-	-	-0.08	0.03	-0.01	0.15*	0.06

M = mean, SD standard deviation, AVE = average variance extracted (communality), CR = composite reliability.

* Pearson correlations significant at the $p < 0.05$ level.

** Significant at $p < 0.01$ level.

where an organization is able to enter into exchange with one partner on one occasion, and with another on a next, might not develop the necessary social value (Muthusamy & White, 2005). Apparently negotiation outcomes – in terms of profits and in similar settings as our negotiation simulation – are difficult to predict with the variables used in this study. A possible explanation might be that the participants' willingness to win was higher than the feeling that likeable behavior of a partner should be reciprocated. The significance of the motivation control supports this rationale.

For research, these results pose an interesting thesis: although the effects of likeability in short term-gain situations has limited impact on monetary outcomes (H2), in future oriented interaction and collaboration likeability appears to have an important influence (H1).

7.1. Conclusions and managerial implications

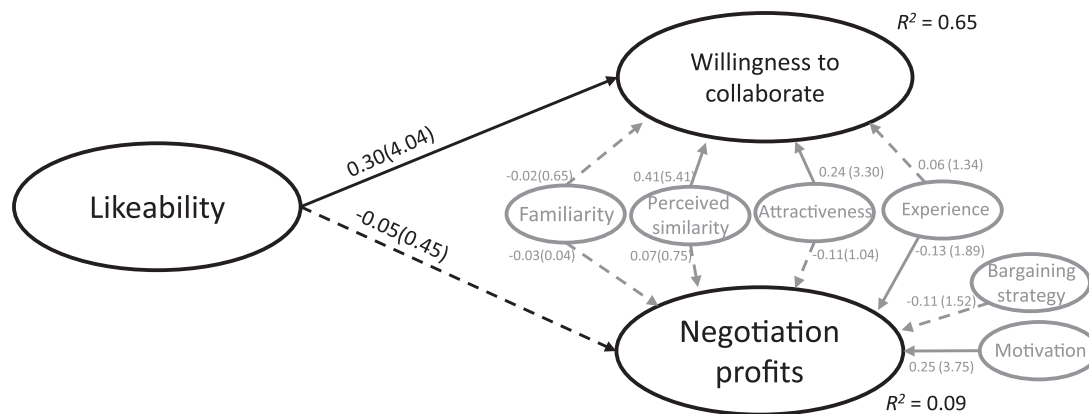
This paper aimed to answer the question: how does interpersonal likeability impact negotiation outcomes in terms of commodity prices and how does it affect a partner's willingness to engage in collaboration? Our first hypothesis proposed a positive effect of a negotiator's likeability on the partner's willingness to engage in collaboration. The results confirmed this hypothesis. The second hypothesis proposed a positive effect of a negotiator's likeability on this person's negotiation profits. This hypothesis was not supported. Hence, our findings indicate that likeability influences a partner's willingness to engage in collaboration but does not significantly influence negotiation profits. These findings contribute new insights to the role of individuals in inter-firm interactions (Bergenholtz & Waldström, 2011; Ellegaard, 2012; Gligor & Autry, 2012; Haytko, 2004) and to studies on inter-personal business interactions specifically (Abosag & Naudé, 2014; Andersen & Kumar, 2006; Doney & Cannon, 1997; Hohenschwert & Geiger, 2015. Tellefsen & Thomas, 2005).

Managerially, one of the key findings in this research is that

likeability in interpersonal business interactions is positively related to the willingness of both sides of the dyad to collaborate in the future. Apparently, likeability is an important prerequisite for building relationships. This opens up to managerial action. For instance, likeable boundary spanners can be positioned strategically and be assigned to interorganizational relationships of strategic relevance (Casciaro & Sousa Lobo, 2005). Also, the ability to be likeable is a skill that can be trained (Doney & Cannon, 1997). Especially at organizations where boundary spanners have a strong focus on monetary indicators, training on interpersonal skills such as likeability might prove effective in generating organization-level relational capabilities. Finally, although not a primary aim in this research, motivation was found to positively affect negotiation profits. This suggests that managers would want to differentiate in the incentives or performance indicators of boundary spanners in long-term oriented relationships versus short-term/one-time interactions. In long-term relationships boundary spanners could be incentivized to adopt behavior that promotes personal relationships, while in short-term relationships incentives that motivate boundary spanners to gain higher profits would yield better results.

7.2. Limitations and future research

Our results should be viewed in the light of some limitations. One issue is the use of students in our sample. As discussed in the methodology section, there is strong justification for using students as subjects despite that students are generally less experienced than professionals in business negotiations (Ribbink & Grimm, 2014; Stevens, 2011). Still, samples consisting of business practitioners entirely would be preferred over student samples in future studies aiming to extend this study. Also, despite the appropriateness for this study's objectives, the negotiation simulation by Pruitt and Lewis (1975) made it difficult to manipulate likeability in our sample. Future studies could adopt scenario-based experiment (e.g., Thomas et al., 2013) and aim to manipulate the



t-values between parentheses; dashed arrows indicate non-significant relationships

Fig. 3. Structural model.

likeability variable to more precisely isolate causality effects of the construct (Tokar, 2010).

As discussed, the effects reported in this study are measured during, and after, a one-episode interaction. Hence, our findings should be interpreted in the lights of that limitation. Of course, in business practice, interactions often extend beyond single interactions. Our study does not capture these repeated interactions. As noted by Andersen and Kumar (2006, p. 522)“(…) business relationships are contingent on recurrent personal interaction among individuals from both the buying and the selling organizations”. Indeed, the strategic alliance literature shows how prior interactions become an important source of information about the reliability and capabilities of current and future interactions (Gulati, 1995). Our study did not address such recurrent interactions. Understanding the dynamics of the influence of likeability in business interactions calls for longitudinal studies conducted at multiple organizational levels. Although this poses methodological challenges, it is important to create a better understanding on how relationships evolve over time (Andersen & Kumar, 2006). Such an examination would provide additional granularity to explaining the relationship between relational outcomes and personal characteristics such as likeability. In addition, whereas this study used SET to predict the effects of likeability as social value with one partner, SET also provides a rationale on how social value affects decisions when other potential partners present themselves (Dwyer et al., 1987; Lambe et al., 2001). An interesting direction for research would be to examine how likeability influences a decision of an organization that receives multiple offers from different potential partners.

Finally, likeability might entail more dimensions than explored in this study. Other studies on inter-personal and inter-firm interactions, indeed, seem to indicate that such constructs are typically multidimensional. For instance, specific dimensions of attractiveness and satisfaction are expected to have different relational effects depending on the type of relationships and the contingencies of these relationships (Pulles et al., 2016). Friendship is argued to have several dimensions that affect different types of interactions in different ways (Price & Arnould, 1999) and different types of power affect value appropriation in buyer-supplier negotiations differently (Reimann, Shen, & Kaufmann, 2016). Similarly, likeability can be expected to have different dimensions that influence (business) interactions in different ways. Future research could explore the multidimensionality of the construct to do justice to the complexity of social constructs and the complexity of their influence on business outcomes. In-depth case studies or multi-episode experiments would allow examining these relationships in more depth.

Appendix A

Likeability (Doney & Cannon, 1997; Harnish et al., 1990), answered by participant's partner on a 5 point scale from “1, no, I completely disagree” to “5, yes, I completely agree”.

Please assess the likeability of the person you have just spoken with

LIKE 1. I like this person

LIKE 2. This person is friendly

LIKE 3. This person is nice

LIKE 4. This person is polite

LIKE 5. This person is nice to be around

Willingness to collaborate (Daly & Nath, 2005; Jap, 2003; Wagner et al., 2011), answered by participant's partner on a 5 point scale from “1, very unwilling” to “5, very willing”.

How willing are you to collaborate with this person?

WILLCOL 1. To work with this person in projects in the future

WILLCOL 2. To collaborate with this person, should the opportunity arise

WILLCOL 3. To work in joint projects

WILLCOL 4. To collaborate with this person in new projects

Controls:

Familiarity

Before this conversation I already knew this person (5 point scale)
FAMILIAR 1. “no, I didn't know this person at all” to “I knew this person very well”

Similarity (Doney & Cannon, 1997), on a 5 point scale from “1, no, completely agree” to “5 yes, completely agree”

Please rate your partner

SIM 1. This person shares similar interests with me.

SIM 2. This person has values similar to me.

SIM 3. This person is very similar to me.

Attractiveness (Graham et al., 1994) answered by participant's partner.

Please assess the attractiveness of your partner (5 point scale)

ATTR 1. How comfortable did you feel with your partner?
Uncomfortable - Comfortable

ATTR 2. How interested were you in your partner? Uninterested – Interested

Experience

EXPERIENCE 1. Please write down in years how long have you been working in business practice.

Negotiation strategy of your partner (Graham et al., 1994; Ribbink & Grimm, 2014).

Please rate the negotiation strategy of your partner (5 point scale)

BARGSTRAT 1. Solving mutual problems - Self-interested

BARGSTRAT 2. Accommodating (helpful) - Exploitative (unfair)

BARGSTRAT 3. Honest - Deceptive

BARGSTRAT 4. Unbiased (neutral) - Biased (influenced)

Motivation answered by participant on a 5 point scale from “1, not motivated at all” to “5 very motivated”

MOTIV 1. How motivated were you to negotiate a good price?

References

- Abosag, I., & Naudé, P. (2014). Development of special forms of B2B relationships: Examining the role of interpersonal liking in developing Guanxi and Et-Moone relationships. *Industrial Marketing Management*, 43(6), 887–896.
- Adams, J. S. (Vol. Ed.), (1965). *Inequity in social exchange. Vol. 2*. New York: Academic Press.
- Andersen, P. H., & Kumar, R. (2006). Emotions, trust and relationship development in business relationships: A conceptual model for buyer–seller dyads. *Industrial Marketing Management*, 35(4), 522–535.
- Bendoly, E., Donohue, K., & Schultz, K. L. (2006). Behavior in operations management: Assessing recent findings and revisiting old assumptions. *Journal of Operations Management*, 24(6), 737–752.
- Bergenholtz, C., & Waldström, C. (2011). Inter-organizational network studies—A literature review. *Industry and Innovation*, 18(6), 539–562.
- Blau, P. M. (Ed.), (1964). *Exchange and power in social life*. New York: John Wiley & Sons, Inc.
- Bolton, R. N., Smith, A. K., & Wagner, J. (2003). Striking the right balance: Designing service to enhance business-to-business relationships. *Journal of Service Research*, 5(4), 271–291.
- Bottom, W. P., Holloway, J., Miller, G. J., Mislin, A., & Whitford, A. (2006). Building a pathway to cooperation: Negotiation and social exchange between principal and agent. *Administrative Science Quarterly*, 51(1), 29–58.
- Casciaro, T., & Sousa Lobo, M. (2005). Competent jerks, lovable fools, and the formation of social networks. *Harvard Business Review*, 83(6), 92–99.
- Chaiken, S., & Eagly, A. H. (1983). Communication modality as a determinant of persuasion: The role of communicator salience. *Journal of Personality and Social Psychology*, 45(2), 241–256.
- Collins, N. L., & Miller, L. C. (1994). Self-disclosure and liking: A meta-analytic review. *Psychological Bulletin*, 116(3), 457–475.
- Cox, A. (2001). Understanding buyer and supplier power: A framework for procurement and supply competence. *Journal of Supply Chain Management*, 37(2), 8–15.
- Daly, S. P., & Nath, P. (2005). Reverse auctions for relationship marketers. *Industrial Marketing Management*, 34(2), 157–166.
- Doney, P. M., & Cannon, J. P. (1997). An examination of the nature of trust in buyer–seller relationships. *Journal of Marketing*, 61(2), 35–51.
- Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). Developing buyer–seller relationships. *Journal of Marketing*, 51(2), 11–27.
- Eckerdt, S., Hill, J., Boyer, K. K., Donohue, K., & Ward, P. T. (2013). The relative impact of attribute, severity, and timing of psychological contract breach on behavioral and attitudinal outcomes. *Journal of Operations Management*, 31(7–8), 567–578.
- Ellegaard, C. (2012). Interpersonal attraction in buyer–supplier relationships: A cyclical model rooted in social psychology. *Industrial Marketing Management*, 41(8), 1219–1227.

- Faes, W., Swinnen, G., & Snellinx, R. (2010). Gender influences on purchasing negotiation objectives, outcomes and communication patterns. *Journal of Purchasing and Supply Management*, 16(2), 88–98.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(February), 39–50.
- Geiger, S., & Guenzi, P. (2009). The sales function in the twenty-first century: Where are we and where do we go from here? *European Journal of Marketing*, 43(7–1), 873–889.
- Gligor, D. M., & Autry, C. W. (2012). The role of personal relationships in facilitating supply chain communications: A qualitative study. *Journal of Supply Chain Management*, 48(1), 24–43.
- Graham, J. L., Mintu, A. T., & 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 action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91(3), 481–510.
- Gulati, R. (1995). Social structure and alliance formation patterns: A longitudinal analysis. *Administrative Science Quarterly*, 40(4), 619–652.
- Hald, K. S. (2012). The role of boundary spanners in the formation of customer attractiveness. *Industrial Marketing Management*, 41(8), 1228–1240.
- Harnish, R. J., Abbey, A., & DeBono, K. G. (1990). Toward an understanding of “the sex game”: The effects of gender and self-monitoring on perceptions of sexuality and likability in initial interactions. *Journal of Applied Social Psychology*, 20(16), 1333–1344.
- Haytko, D. (2004). Firm-to-firm and interpersonal relationships: Perspectives from advertising agency account managers. *Journal of the Academy of Marketing Science*, 32(3), 312–328.
- Herbst, U., Voeth, M., & Meister, C. (2011). What do we know about buyer–seller negotiations in marketing research? A status quo analysis. *Industrial Marketing Management*, 40(6), 967–978.
- Hogg, M. A., CooperShaw, L., & Holzworth, D. W. (1993). Group prototypically and depersonalized attraction in small interactive groups. *Personality and Social Psychology Bulletin*, 19(4), 452–465.
- Hohenschwert, L., & Geiger, S. (2015). Interpersonal influence strategies in complex B2B sales and the socio-cognitive construction of relationship value. *Industrial Marketing Management*, 49(August), 139–150.
- Huang, X., Gattiker, T. F., & 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.
- Hutt, M. D., Stafford, E. R., Walker, B. A., & Reingen, P. H. (2000). Defining the social network of a strategic alliance. *Sloan Management Review*, 41(2), 51–62.
- Ireland, R. D., & Webb, J. W. (2007). A multi-theoretic perspective on trust and power in strategic supply chains. *Journal of Operations Management*, 25(2), 482–497.
- Jap, S. D. (2003). An exploratory study of the introduction of online reverse auctions. *Journal of Marketing*, 67(3), 96–107.
- Jayanti, R. K., & Whipple, T. W. (2008). Like me... like me not: The role of physician likability on service evaluations. *The Journal of Marketing Theory and Practice*, 16(1), 79–86.
- Krause, D. R., Terpend, R., & Petersen, K. J. (2006). Bargaining stances and outcomes in buyer–seller negotiations: Experimental results. *Journal of Supply Chain Management*, 42(3), 4–15.
- Lambe, C. J., Wittmann, C. M., & Spekman, R. E. (2001). Social exchange theory and research on business-to-business relational exchange. *Journal of Business-to-Business Marketing*, 8(3), 1–36.
- Maddux, W. W., Mullen, E., & Galinsky, A. D. (2008). Chameleons bake bigger pies and take bigger pieces: Strategic behavioral mimicry facilitates negotiation outcomes. *Journal of Experimental Social Psychology*, 44(2), 461–468.
- Mandják, T., Szalkai, Z., Neumann-Bódi, E., Magyar, M., & Simon, J. (2016). Trigger issues in emerging relationships. *Industrial Marketing Management*, 58(October), 137–147.
- Mathews, H. L., Wilson, D. T., & Monoky, J. F. (1972). Bargaining behavior in a buyer–seller dyad. *Journal of Marketing Research*, 9(1), 103–105.
- McCarter, M. W., & Northcraft, G. B. (2007). Happy together?: Insights and implications of viewing managed supply chains as a social dilemma. *Journal of Operations Management*, 25(2), 498–511.
- Muthusamy, S. K., & White, M. A. (2005). Learning and knowledge transfer in strategic alliances: A social exchange view. *Organization Studies*, 26(3), 415–441.
- Nicholson, C., Compeau, L., & Sethi, R. (2001). The role of interpersonal liking in building trust in long-term channel relationships. *Journal of the Academy of Marketing Science*, 29(1), 3–15.
- Price, L. L., & Arnould, E. J. (1999). Commercial friendships: Service provider–client relationships in context. *Journal of Marketing*, 63(4), 38–56.
- Pruitt, D. G., & Lewis, S. A. (1975). Development of integrative solutions in bilateral negotiation. *Journal of Personality and Social Psychology*, 31(4), 621–633.
- Pulles, N. J., Schiele, H., Veldman, J., & Hüttinger, L. (2016). The impact of customer attractiveness and supplier satisfaction on becoming a preferred customer. *Industrial Marketing Management*, 54(April), 129–140.
- Reimann, F., Shen, P., & Kaufmann, L. (2016). Effectiveness of power use in buyer–supplier negotiations: The moderating role of negotiator agreeableness. *International Journal of Physical Distribution and Logistics Management*, 46(10), 932–952.
- Ribbink, D., & Grimm, C. M. (2014). The impact of cultural differences on buyer–supplier negotiations: An experimental study. *Journal of Operations Management*, 32(3), 114–126.
- Sanfey, A. G., Rilling, J. K., Aronson, J. A., Nystrom, L. E., & Cohen, J. D. (2003). The neural basis of economic decision-making in the ultimatum game. *Science*, 300(5626), 1755–1758.
- Solnick, S. J., & Schweitzer, M. E. (1999). The influence of physical attractiveness and gender on ultimatum game decisions. *Organizational Behavior and Human Decision Processes*, 79(3), 199–215.
- Stevens, C. K. (2011). Questions to consider when selecting student samples. *Journal of Supply Chain Management*, 47(3), 19–21.
- Tellefsen, T., & Thomas, G. P. (2005). The antecedents and consequences of organizational and personal commitment in business service relationships. *Industrial Marketing Management*, 34(1), 23–37.
- Thibaut, J. W., & Kelley, H. H. (1959). *The social psychology of groups*. New York: John Wiley & Sons, Inc.
- Thomas, S. P., Thomas, R. W., Manrodt, K. B., & Rutner, S. M. (2013). An experimental test of negotiation strategy effects on knowledge sharing intentions in buyer–supplier relationships. *Journal of Supply Chain Management*, 49(2), 96–113.
- Tokar, T. (2010). Behavioural research in logistics and supply chain management. *International Journal of Logistics Management*, 21(1), 89–103.
- Urda, J., & Loch, C. H. (2013). Social preferences and emotions as regulators of behavior in processes. *Journal of Operations Management*, 31(1–2), 6–23.
- Uzzi, B. (1997). Social structure and competition in interfirm networks: The paradox of embeddedness. *Administrative Science Quarterly*, 42(1), 35–67.
- Wagner, S. M., Coley, L. S., & Lindemann, E. (2011). Effects of suppliers' reputation on the future of buyer–supplier relationships: The mediating roles of outcome fairness and trust. *Journal of Supply Chain Management*, 47(2), 29–48.
- Wathne, K. H., Biong, H., & Heide, J. B. (2001). Choice of supplier in embedded markets: Relationship and marketing program effects. *Journal of Marketing*, 65(2), 54–66.
- Wayne, S. J., Shore, L. M., & Liden, R. C. (1997). Perceived organizational support and leader-member exchange: A social exchange perspective. *Academy of Management Journal*, 40(1), 82–111.
- Zajonc, R. B. (1980). Feeling and thinking: Preferences need no inferences. *American Psychologist*, 35(2), 151–175.