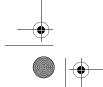8

Negotiation, Information Technology, and the Problem of the Faceless Other

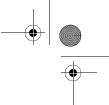## JANICE NADLER and DONNA SHESTOWSKY

INTRODUCTION

*T*raditional approaches to research on negotiation do not typically consider the possibility that the type of communication media used by negotiators could be a factor affecting the negotiation itself. Early negotiation researchers had little reason to take note of the communication medium used by negotiators, because face-to-face negotiation was so typical that it was essentially assumed. But in the last two decades, the use of information technologies for general communication has grown exponentially. In fact, among Americans who are employed and have Internet access, 98% use e-mail at work (Fallows, 2002). Current estimates of instant messaging (IM) use indicate that some 53 million American adults use IM (representing 42% of those who have Internet access), and about 11 million American adults use it specifically to communicate at work (Shiu & Lenhart, 2004). Many people who use IM in the workplace report that it improves teamwork and saves time (Shiu & Lenhart, 2004). Outside of work, Internet users report that e-mail exchanges have improved their connections to family members and friends (Fallows, 2004). Thus, the use of information technology is increasingly pervasive both in and outside of the workplace.

The rapid increase in the use of information technology for communication generally makes it difficult to find reliable estimates of the frequency with which information technology is used for negotiation specifically. Two factors, however, give rise to an inference about the use of information technology for negotiations. First, we know that as a general matter, the use of information technology media such as e-mail has become mainstream in business communications, consumer transactions, and in interpersonal communication between friends and associates. Second, as pointed out by Fisher and Ury (1981), among others, negotiation is
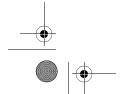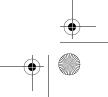
something that all of us do almost daily. Given these two fundamental realities, it is inevitable that we will have occasion to use technology in situations that involve negotiation.

In this chapter we focus on challenges imposed on negotiators by the use of communication technology. We refer to negotiations that take place using communication technology generally as "e-negotiations." Currently, a wide array of media is available to negotiators who communicate electronically. Some of these communication media have been available for many years, such as the telephone, fax machine, and videoconference. Other e-negotiations take place within the context of applications that are relatively new. For example, online dispute resolution systems such as onlineresolution.com provide individuals with a structured virtual forum for conducting negotiations. Similarly, Squaretrade, another well-known system, uses existing Web applications to provide a forum to mediate disputes arising from e-commerce (Nadler, 2001). E-negotiators can also opt to use traditional e-mail, or newer computer-mediated systems like IM. We occasionally address other forms of IT where they have been empirically examined; but we concentrate on e-mail for two primary reasons: first, e-mail has received the most attention in the existing empirical literature examining negotiation and information technology; and second, e-mail is now used so extensively to communicate.

Our focus on e-negotiations is situated within broader literatures that examine communication processes in virtual settings (DeSanctis & Monge, 1999; DeSanctis, Staudenmayer, & Wong, 1999; Hollingshead, McGrath, & O'Connor, 1993). The extent to which virtual organizations and teams are a viable alternative to those whose members work face-to-face is an issue that has received significant attention in the last decade (Griffith, Sawyer, & Neale, 2003). We examine one type of communication—negotiation—and explore the ways in which the use of information technology can shape the tone, the process, and even the outcome of negotiations. We argue that the extent to which the use of information technology helps or hinders negotiation processes and outcomes depends on how the technology in question interacts with other contextual variables, including the relationship between the parties, if any; the parties' sense of shared identity; the parties' perceptions of one another; how identifiable parties are to one another; and the nature and strength of the emotions evoked by the substance of the negotiation. We argue that these contextual variables are tied together by a common theme: the degree to which the negotiation counterpart is perceived, on the one hand, as a faceless, unknown stranger, or on the other hand, as a known, familiar person. Throughout this chapter we explore the various circumstances under which the use of communication technology leaves negotiators most vulnerable to erosion of the trust that is necessary for successful negotiation.

After briefly outlining our method of identifying the existing literature, we begin by discussing how the use of information technology can introduce perceptions of anonymity and lack of identifiability. We then discuss how these perceptions often have consequences for how negotiators perceive and behave toward their counterpart. As we turn to the specific context of negotiation, we discuss ways in which the diminished social cues that characterize e-negotiations can
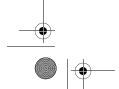
influence negotiator behavior. We assert that negotiator relationship is an impor-
tant factor that interacts with the use of communication technology, but in
the absence of a prior relationship, the potential hazards of using e-mail to nego-
tiate with a stranger can be overcome to a large extent by establishing common
ground beforehand. We conclude with a discussion of the overall normative impli-
cations of the research we reviewed, and a prospective look at how social psycho-
logical research can further advance our understanding of technology-mediated
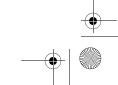negotiation.

LITERATURE REVIEW

To organize our psychological review of the literature, we first conducted a
thorough search of the English language published literature listed in the database
PsychINFO. We limited our search to journal articles, books, and chapters that
included "negotiation," "conflict," or "bargaining," as a keyword along with at least
one of the following abstract terms: "technology," "online," "email," or "electronic
communication." This search produced 60 citations dating from 1985 to 2004. We
subsequently narrowed our search by reviewing the abstracts and omitting sources
that, although technically inclusive with respect to the search terms, simply were
not relevant to the theme of the chapter. We then broadened the search by adding
relevant items listed in the reference lists of the set produced by the search.
Although a thorough review of research outside the field of psychology is beyond
the scope of this chapter, we expanded the theoretical component of our survey
by examining how researchers in communications studies and organizational
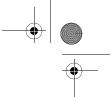behavior have studied similar phenomena.

A snapshot of the overall field reveals that research results on e-negotiations
have been, at times, seemingly contradictory. First consider how economic
outcomes might be influenced by the communication medium. Many negotia-
tion exercises that are employed in experimental investigations are scored
quantitatively, allowing for analysis and comparisons of how the parties fared
economically (Thompson, 1990). For example, one can examine each individual
negotiator's economic outcome separately to examine the absolute performance
of each negotiator. Alternatively, one can sum two individual negotiators'
outcome scores to obtain a "joint score," allowing examination of the extent to
which an integrative outcome was reached (Thompson, 1990). Or, one can
subtract one negotiator's score from her counterpart's score to examine the
extent to which the economic outcome favored one party over the other. More
broadly, one can examine the more general question of whether any agreement
was reached. In situations in which the bargaining zone includes agreements
that would make both parties better off than their respective alternatives
to agreement, failure to agree (impasse) represents an economic failure for
both parties.

Evidence on the question of whether negotiators' use of information technology
influences the likelihood of achieving integrative agreements is mixed. Sometimes
negotiators who interact via information technology are reported to have less
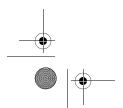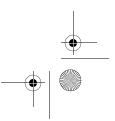
success at achieving integrative outcomes than negotiators who interact face-to-face (Arunachalam & Dilla, 1995; Barefoot & Strickland, 1982), or by using paper and pencil (Griffith & Northcraft, 1994). Yet in other studies, information technology exerts no reliable observed effect on the ability to reach integrative agreements (Croson, 1999; Morris, Nadler, Kurtzberg, & Thompson, 2002; Naquin & Paulson, 2003; Purdy, Nye, & Balakrishnan, 2000).
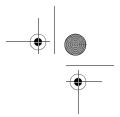
A related question is whether using technology-mediated negotiation can advantage one party over the other, as measured by how equally the profit is split between the parties in the outcome that is eventually achieved. Sometimes it appears that negotiations conducted using information technology result in more equal outcomes than those conducted face-to-face (Croson, 1999), while other studies find no difference (Naquin & Paulson, 2003). Still others find that face-to-face negotiation results in more equal outcomes than does negotiation by e-mail (McGinn & Keros, 2002). In a study comparing e-mail with IM, negotiators who were given a technical advantage (they had better technical information on the items being negotiated) were able to "fast talk" their way into a better deal than their opponent when they used IM but not when they used e-mail; in this context e-mail negotiation resulted in more equal outcomes than negotiation via IM (Loewenstein, Morris, Chakravarti, et al., 2004).

Of course, there are other aspects of negotiation that are at least as important as *economic* outcomes (Curhan, Neale, Ross, & Rosencranz-Engelmann, 2004; Thompson, 1990). How does the use of information technology in negotiation affect social factors such as the parties' relationships, their experienced emotion during and after the negotiation, and their satisfaction with the process? Again, the evidence is inconclusive. On the one hand, parties who negotiate face-to-face have been reported to feel more confident in their performance and satisfied with the outcome than parties who negotiate via computer (Naquin & Paulson, 2003; Purdy et al., 2000; Thompson & Coovert, 2003). There is also evidence that compared to instances in which people negotiate face-to-face, negotiating via e-mail makes parties less likely to desire future interaction with their counterpart after the negotiation is finished (Naquin & Paulsen, 2003). On the other hand, other studies have compared the emotional content of messages in e-mail and face-to-face negotiations and found no differences (Morris et al., 2002). Finally, while some studies show that parties behave more cooperatively when negotiating face-to-face (Valley, Moag, & Bazerman, 1998, on face-to-face vs. writing; Purdy et al., 2000, on face-to-face vs. telephone or computer chat), others find that the cooperative advantage of face-to-face negotiation becomes less important when the parties are socially embedded in a relationship (McGinn & Keros, 2002); yet others find that negotiators behave *less* cooperatively when they have visual access to one another than when they do not (Carnevale & Isen, 1986; Carnevale, Pruitt, & Seilheimer, 1981). To begin understanding the differences in these findings, it helps to bear in mind the unique attributes of technology-mediated communication.
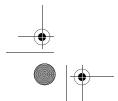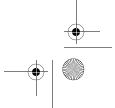
HOW IS COMMUNICATING VIA INFORMATION TECHNOLOGY DIFFERENT?

Communication using information technologies such as e-mail and IM differs structurally from face-to-face communication in important ways. Many of the features that are distinctive about electronic communication can create a context in which communicators experience the other person as more distant and unknown, and less salient and identifiable.[1] These distinguishing features of electronic media, we will argue, have important implications for communication generally and negotiation in particular, especially when e-mail is the medium for negotiating with a counterpart with whom we have no prior relationship, no basis for in-group identification, and no reason to anticipate future interaction. These types of online interactions have already become common in the context of dispute resolution, as evidenced by the 30,000 eBay disputes mediated online in the year 2000 alone (Katsh & Rifkin, 2001). This phenomenon is bound to grow as government agencies, consumer groups, and industry associations are demanding that online businesses provide online dispute resolution mechanisms for their complaints (Yuan, Head & Du, 2003). Deal-making e-negotiations are also likely to become more common as consumers negotiate some of their largest purchases, such as cars and mortgages, online (automiledirect.com, n.d.).
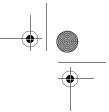
Although we briefly touch on the issue of relationships in the context of discussing the "faceless" other that figures in e-negotiations with strangers, a review of the negotiation literature on relationships more generally is the subject of the chapter by McGinn in chapter 7. In this section, we begin by explaining in more detail the distinguishing features of e-mail and similar information technologies, and the effects they can have on how we attend to our negotiation partner. We then describe more specifically how these features can intensify the perceived anonymity of our negotiation partner. Then, in the next section, we review evidence showing that, in general, perceived anonymity leads to lower perceived similarity, sympathy, and generosity toward the anonymous other—findings that have important implications for e-negotiations.

A fundamental characteristic of all of computer-mediated and online communication is that "they are, by definition, mediated by a machine and, therefore, relatively indirect means of interaction" (Spears & Lea, 1994, p. 691). The attributes of technology-mediated communication have been categorized and described in myriad ways by different researchers and theorists (e.g., Barry & Fulmer, 2004; Clark & Brennan, 1991; Daft & Lengel, 1984; Spears & Lea, 1994). One such attribute of technology is that it limits the dissemination of social information that comes from visual cues, cues which are common to face-to-face communication. As Friedman and Currall (2003) explain, when people communicate using e-mail or IM, for example, they are typically not present with one another in the same location at the same time, and cannot see one another, which limits visual and social cues. Visual cues convey information about the other person's facial expressions, gestures, and posture. In addition, visual cues allow each person to see what the other person is looking at and doing. When I see that your attention is directed toward me, I am likely to feel more involved in the interaction, and vice versa.

Being in the same place at the same time also gives rise to a sense of shared surroundings. Communicating via e-mail or IM, by contrast, often involves being in a room alone, for many minutes or even hours at a time. E-mail and IM are text-based, so that communicators are unable to hear one another's voice, which eliminates cues derived from intonation and the timing of speech.
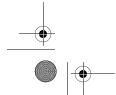
E-mail messages also lack co-temporality; that is, when people communicate face-to-face, each person receives the other person's utterances at the time that they are spoken. By contrast, messages sent by e-mail are not typically read by the receiver at the same time they are sent, but often minutes, hours, or even days later. Lack of co-temporality can be useful for negotiators who want to think about their counterpart's last remark or confer with a colleague about the exchange, and gather more information or contemplate more deeply before formulating a response. Indeed, communicators are more likely to select e-mail when they desire greater control over the informational content of the interaction (Kayany, Wotring, & Forrest, 1996). For these reasons, the selection of e-mail as the mode of communication can be advantageous when the other party has more information or expertise than oneself. For example, in one study, negotiators playing the role of car seller were given an information advantage over the buyer, and when the negotiations were conducted using IM, sellers were able to take advantage of the buyer with "fast talk" (Loewenstein et al., 2004). However, when negotiations were conducted via e-mail, "fast talk" was not effective, because buyers had greater latitude in timing their responses and reducing the seller's conversational dominance, resulting in buyers' and sellers' outcomes being more equal.
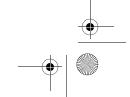
On the other hand, it is important to consider what is lost when co-temporality is absent. Smooth turn taking that normally characterizes face-to-face conversation depends on co-temporality, and without it the listener is unable to simultaneously and visually acknowledge attention, understanding, and agreement. Some types of electronic communication media, such as IM, are more cotemporal than e-mail, but the technology currently available still fails to provide parties to a communication with many of the cues that allow for the kind of smooth turn taking that characterizes face-to-face interaction.

The consequence is that the social bond that is formed in face-to-face conversation is attenuated, and instead people communicating via e-mail perceive the other person as less known and individualized than they would perceive the same partner face-to-face (Weisband & Atwater, 1999). This is a particular risk when people do not have much experience with e-mail as a medium. Inexperienced users are especially likely to miss opportunities to choose communication strategies that reduce equivocality in the message recipient (Carlson & Zmud, 1999). Perceptions of anonymity and lack of identifiability, as we will see in the next section, often have consequences for how we perceive and behave toward the other person.
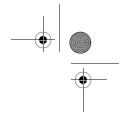
ANONYMITY AND THE IDENTIFIABLE OTHER

The degree to which we perceive another person to be similar to ourselves in traits and attitudes, and to be worthy of our generosity or assistance, depends on
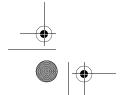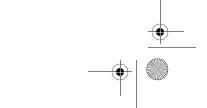
the extent to which we perceive a personal connection with that person, no matter how trivial. The personal connection need not be friendship, acquaintanceship, or any kind of prior relationship. Instead, when we are asked to make predictions about the abilities or preferences of others, our predictions are strongly influenced by the extent to which we perceive these others as abstract and unknown on the one hand, or specific and real on the other hand (Hsee & Weber, 1997; Alicke, Klotz, Breitenbecher, et al., 1995). Thus, although we tend to rate ourselves more favorably than others on ambiguous traits like dependability, intelligence, and considerateness (Dunning, Meyerowitz, & Holzberg, 1989), these ratings are likely to depend on the abstractness of the others in question. If the other is the "average person" then my comparison tends to be more favorable toward myself than if the other is an individual stranger sitting next to me (Alicke et al., 1995). In other words, the less abstract the other person about whom I make a judgment, the more likely I am to judge that person as more similar to me. In addition to the abstractness of the other person, the degree of personal contact encourages feelings of similarity: specifically, I evaluate myself more favorably in reference to a stranger on a videotape than I do in reference to that same stranger who happens to be present in the room with me (Alicke, et al., 1995).
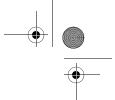
The "identifiable other" effect extends to other judgments besides estimates of personality traits. For example, people estimate that an "average person" making a decision will choose a riskier option than themselves, but that the stranger sitting next to them will choose a similar option to the one they just chose for themselves (Hsee & Weber, 1997). Even more interesting for our purposes, the extent to which the other person is identifiable influences more than merely our judgments—it also affects our behavior toward other people. For example, responses to e-mail requests to participate in a survey have been shown to increase if the sender's photograph is included in the e-mail, thereby making the person more identifiable (Gueguen, Legoherel, & Jacob, 2003). In addition, the extent to which we are willing to give money to another person has also been shown to depend on how identifiable that person is (Small & Loewenstein, 2003; Bohnet & Frey, 1999). For example, in a dictator game experiment, half the participants received a card labeled "keep" (entitling them to keep $10 initially allocated to them) and half received a card labeled "lose'" (obligating them to return their initial $10 allocation to the experimenter) (Small & Loewenstein, 2003). The "keep" recipients were then asked to decide how much, if any, of their $10 they would allocate to an anonymous participant in the "lose" condition. At some point, the "keep" participant drew a number that represented which particular "lose" participant would be assigned as their partner for the allocation. Strikingly, the "keep" participants whose partners were assigned *before* making the allocation decision allocated more money, on average, than the "keep" participants whose partners were assigned *after* making their allocation decision, even though all partners remained anonymous during and after the experiment.

Small & Loewenstein (2003) replicated this result in a field experiment in which citizens received five $1 bills in exchange for completing a survey, and were given the option to donate some or all of this money to the charity Habitat for Humanity. All participants were given brief descriptions of five different possible
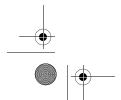
families who might receive the donation. Participants who were told that the recipient family *has already been chosen* allocated, on average, a greater portion of their $5 to the charity than participants who were told that the recipient family *will be chosen*, even though in both cases the recipient family was never actually disclosed. Taken together, these two studies show that people are more willing to help a target who is more identifiable than one who is more abstract, even when the act of identification conveys no information whatsoever about the characteristics of the target.

These findings regarding the identifiability of others have important implications for the use of information technology in negotiation. They suggest that, as a theoretical matter, we could expect that conceptualizing our negotiation counterpart as a specific, identifiable individual person reduces the perceived difference between the counterpart and ourselves (Alicke et al., 1995; Hsee & Weber, 1997), and under some circumstances could incline us to be more generous (Small & Loewenstein, 2003; Milgram, 1974) toward that person.

There is, in fact, some evidence that identifiability influences the outcomes of e-negotiations. Griffith and Northcraft (1994) conducted a job negotiation simulation in which the negotiators took turns submitting sealed bids, either by paper and pencil or through computer-mediated communication. Although all participants negotiated in the same room as their partners, some participants were informed as to the identity of their partner, and met and shook hands with that person; other partners remained anonymous to one another. Anonymous negotiators reached less integrative agreements than identified ones, suggesting that identifiability of the negotiation counterpart encourages cooperative behavior.

As detailed in the previous section, information technologies such as e-mail have characteristics that predispose negotiators to experience the counterpart as more unknown than the same counterpart would be viewed face-to-face. McGinn & Croson (2004) argue that properties of the communication medium (such as synchronicity and number of communication channels) are likely to affect social awareness—the extent to which a negotiator is conscious of and attentive to the other party. Social awareness itself reflects anonymity, similarity, liking, and expectation of future interaction, among other things. Kiesler, Zubrow, Moses, and Geller (1985) found that people using information technology (synchronous chat) to converse with another person rated that person less positively than did people communicating face-to-face. The former group also made more uninhibited comments, such as impolite remarks ("You are a jerk"), swearing, as well as statements of positive regard ("I like you"), and superlatives ("I like him best"). These kinds of uninhibited behaviors in this context may not be due to reduced social cues but, rather, to the norms that are relatively salient during the communication itself (Spears & Lea, 1994).

Research stemming from the SIDE (social identity model of deindividuation effects) model suggests that the effects of computer-mediated channels vary depending on whether the social context evokes individual identity or group identity (Spears & Lea, 1994). This model posits that the self is comprised of a range of self-categories including personal identities and social identities. These various identities, which are made more or less salient depending on the social
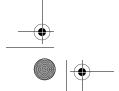
context, prompt us to act in terms of the norms and standards associated with the salient identities. In one of many studies supporting the SIDE model, participants discussed a range of topics via a simple text-based synchronous computer-mediated system (Spears, Lea, & Lee, 1990). Participants were either separated from each other such that group members were relatively anonymous and isolated (i.e., they communicated using computers located in different rooms and did not meet each other), or they were able to have visual contact with one another (i.e., they communicated using computers located in the same room, facing each other). Of those who were anonymous and isolated, participants showed significantly greater opinion shift in the direction of group norms when their shared group identity was made salient than when individual identity was salient. Extending these results, we hypothesize that if negotiation counterparts are anonymous, then priming individual identities might produce less cooperation, and a greater desire on the part of each negotiator to pursue a highly favorable distributive outcome at the expense of the other, and the opposite tendency if a shared cooperative group identity is evoked. To the extent that negotiators can prime group identities associated with cooperation as they build rapport prior to exchanging offers, we would expect less competition and more integrative agreements.
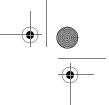
When we communicate via technology, we attend less to the other person and more on the message they are disseminating (Matheson & Zanna, 1989). This focus on the message has potential benefits. For example, in a study comparing negotiations that took place either over the phone or in person (Morley & Stephenson, 1977), one negotiator in each dyad was given a strong case (i.e., a large number of high-quality arguments) to present whereas the other was assigned to present a weak case. The strong case was more successful in the phone condition (where negotiation partners were not visible) than in the face-to-face condition. By contrast, weak arguments were more successful when negotiations took place face-to-face as opposed to by phone. A clear implication of these findings is that the social constraint of the communication medium can affect the persuasion process that occurs during negotiations. In essence, with the availability of more social cues from a readily visualizable and identifiable counterpart participants were less affected by the quality of that counterpart's position during the negotiation. Thus, communicating via technology can lead negotiators to focus more on the content or quality of arguments made by their negotiation partner rather than being (mis)led into agreement by more peripheral factors like those made salient in face-to-face interactions (Dubrovsky, Kiesler, & Sethna, 1991; Hiltz, Johnson, & Turoff, 1986; Kiesler et al., 1985; Matheson, & Zanna, 1989).

This greater focus on the message content can have particularly negative consequences when the content of the message that one receives is negative or confrontational. Because we are more likely to react negatively when we encounter negative behaviors that we perceive as intentional and deliberate, and the reviewability feature of e-mail highlights the intentional communication behind the e-mails we receive, an e-mail that we perceive as negative can spark significant conflict (Friedman & Currall, 2003). Our ability to wait in response to a negative remark made over e-mail rather than responding immediately (which would be more likely if the remark were made during face-to-face conversation),
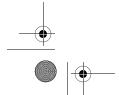
provides us with the opportunity to ruminate over the negative communication. Such rumination can elevate anger (Rusting & Nolen-Hoeksema, 1998), which may in turn increase aggression and promote conflict. Insofar as emotional arousal enhances aggression when participants feel anonymous toward one another (Rogers & Ketchen, 1979), this path toward conflict has particular relevance to e-negotiations between strangers. As suggested by a recent study of online dispute resolution between strangers, particularly between buyers and sellers on eBay (Friedman, Anderson, Brett, et al., 2004), anger can inhibit conflict resolution.

In the sections that follow, we will see that when negotiators have a prior relationship, the anonymity inherent in e-mail makes little difference—negotiators rely on their prior relationship to keep the image of the counterpart salient, so that identifiability is not substantially diminished by the impoverished characteristics of electronic communication. People who communicate regularly with one another via e-mail can make up for some of the structural disadvantages associated with e-mail communication by finding ways to make the medium less impoverished (Carlson & Zmud, 1999). In fact, although computer-mediated group negotiations often produce worse outcomes compared to group negotiations that occur face-to-face, this media-based difference typically disappears when the same groups interact over time and negotiate again within a 9-week period (Hollingshead et al., 1993), suggesting that building working relationships can reduce some of the negative effects of computer-mediated communication. Indeed, we will see that the use of communication technology makes the biggest difference in negotiations when negotiators are strangers, or when they have not had the opportunity to connect socially beforehand, or when they have no basis to identify as members of the same in-group. The anonymous character of e-mail takes its greatest toll when no independent basis for social identification exists—in this context negotiators are left imagining a vague and abstract opponent whom they have never seen or met, making it more likely that negotiators will succumb to perceiving the counterpart as unlike themselves and unworthy of investing effort. In particular, we will focus on the contextual conditions in which the diminished social cues associated with the use of information technology are most likely to alter the process and outcomes of negotiations.
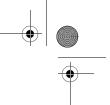
NEGOTIATORS' EXPECTATIONS ABOUT USING E-MAIL

Negotiators' expectations about the communication medium can be self-fulfilling. Anticipating a counterpart whose face we cannot see and voice we cannot hear can set up expectations about the counterpart's cooperativeness and the ultimate success of the negotiation. In particular, people who are preparing to negotiate face-to-face expect to trust the other party more than people who are preparing to negotiate using e-mail (Naquin & Paulsen, 2003). In this research, business students who were enrolled in different negotiation classes at the same university were randomly assigned by the experimenter to negotiate either face-to-face or using e-mail. Some students knew each other, some did not (these differences in
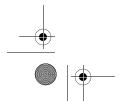
relationship were randomly distributed across the different media). Yet, regardless of the existing relationship, negotiators who were about to negotiate via e-mail trusted the other party less than negotiators who were about to negotiate face-to-face. In both groups, trust increased slightly during the course of the negotiation, so that trust levels were slightly higher after the negotiation than they were before. Yet, media differences in trust persisted after the negotiation—even after an agreement was reached, negotiators who communicated via e-mail trusted the other party less than negotiators who communicated face-to-face.[2] In addition, negotiators who used e-mail expressed less interest in having future dealings with the other party compared with negotiators who communicated face-to-face. In this sense, the use of information technology can thwart the development of future relationships between the parties. Finally, e-mail negotiators were less satisfied with the outcome and less confident in their own performance compared to face-to-face negotiators.
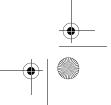
This study demonstrates that for negotiators, the very idea of negotiating using e-mail sets up expectations of diminished trust, regardless of the existing relationship between the parties, and before the negotiation even begins (Naquin & Paulsen, 2003). More broadly, we hypothesize that the use of e-mail as a communication medium can influence the way in which negotiators make sense of the upcoming social interaction, which in turn influences perceptions of trust, satisfaction, and confidence, as well as the extent to which negotiators are willing to build a relationship with the counterpart afterwards. The ways in which information technology interacts with negotiator relationship is addressed in the next section.

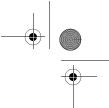## NEGOTIATOR RELATIONSHIP AND INFORMATION TECHNOLOGY

The relationship between negotiators is an important contextual variable that affects the extent to which negotiators successfully negotiate using information technology. As a general matter, it is easier for negotiators to reach integrative agreements if they already know and trust each other. For example, compared to mere acquaintances who negotiate, friends are more likely to achieve integrative agreements (Bazerman & Neale, 1992) and friends who use technology (either telephone or e-mail) to negotiate tend to behave more cooperatively, are more likely to strike a deal, and split the surplus more equally than strangers (McGinn & Keros, 2002).[3] Negotiations between dating couples are marked by greater information-sharing and fewer pressure tactics compared to negotiations between mixed-sex strangers on the same negotiation task (Fry, Firestone, & Williams, 1983), and as a general matter, the stronger the relationship between negotiators, the more likely they are to share information (Greenhalgh & Chapman, 1998).

The greater likelihood of cooperation stemming from the existence of a prior relationship has been confirmed in the context of legal settlement negotiations. In a study of real legal disputes, Johnston & Waldfogel (2002) examined whether the existence of a prior relationship between opposing counsel would affect the
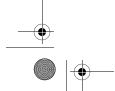
likelihood of settlement in civil lawsuits. After examining thousands of cases, they found that cases were resolved more quickly and were less likely to go to trial when opposing counsel had faced each other in the past, than when the attorneys did not know each other.

Relationship Building and Information Technology

When negotiators do not begin with the advantage of a preexisting relationship, it may be possible to develop a relationship in the course of the negotiation. In fact, interpersonal relationships do develop even through computer-mediated communication channels, because people can adapt to the restrictions of the media (Walther & Burgoon, 1992). But building relationships can be much more challenging when negotiators use information technology, because it generally takes longer to get to know one's negotiation partner.[4] In e-mail communication, physical appearance, accent, and other information frequently used to assign people to social categories are typically limited or absent, and one must use other sources, such as message content, to make these judgments (Krauss & Fussell, 1991). In fact, when people negotiate using technology they tend to focus on what is said rather than the individual characteristics of those who are communicating (Siegel, Dubrovsky, Kiesler, & McGuire, 1986). Ultimately, participants interacting via information technology often like their discussion partners less than those interacting face-to-face (Kiesler et al., 1985; Paese, Schrieber, & Taylor, 2003; Weisband & Atwater, 1999). This might be a particular risk when a negotiator forms a negative initial impression of his or her partner—under certain circumstances, those communicating via technology might amplify the perceptions they form about their partner, largely because they are apt to over-rely on the minimal amount of social information they have about this partner in making attributions (Lea & Spears, 1992).

Another difficulty stems from the fact that text-based messages are relatively deficient when it comes to conveying certain types of information (Kiesler, 1986; Trevino, Daft, & Lengel, 1990; Matheson & Zanna, 1989). Although there are ways to convey emotions via information technology, such as through explicit articulation of such states and the use of emoticons, more subtle information stemming from body language is generally absent. Because of the absence of nonverbal cues, e-mail communicators may find it difficult to send and receive affective or relational information, particularly in the context of newly developing relationships (Walther, 1995; Walther & Burgoon, 1992). Sometimes, of course, it may be possible to ascertain our negotiation partner's affective qualities even when face-to-face interaction does not take place—for example, their experienced emotions may "leak" from verbal expressions during the negotiation or their moods may be learned from secondary sources of information, such as conversations with a third party prior to the negotiation (van Kleef, De Dreu, & Manstead, 2004; for a full review of the conceptual and empirical literature on affect in negotiation, see Barry, Fulmer, & Goates, chapter 6).

Although getting to know our negotiation partners' general temperament or feelings towards the specific negotiation issues at hand may be more difficult when
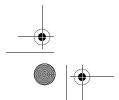
we do not meet them face-to-face, a savvy negotiator may be able to make up for this "lost" information through other means. Indeed, there appear to be individual differences in the extent to which e-mail communicators convey affective information. For example, Thomson and Murachver (2001) conducted a discriminant analysis on e-mail content and found that compared to males, females made more references to emotion, provided more personal information, used more hedges (i.e., qualified language), and more intensive adverbs. This suggests that social cues are in fact present in electronic discourse, though they may be harder to detect than they would be in face-to-face communication.[5]
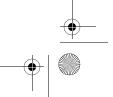
Nevertheless, in e-mail negotiations, the absence of smiles, nodding, handshakes, and the scarcity of questions about the other person or disclosures about the self might impede negotiators' attempts to establish a working relationship. One recent study compared text-only communication, text with audio and text with both audio and video in a multi-issue negotiation involving the sale of a house (Yuan et al., 2003). It found that text-only communication was associated with less mutual understanding and acceptance, as well as less mutual trust compared to communication that included either audio or audio and video in addition to text.

The absence of nonverbal cues makes getting to know one's partner more difficult, and can thereby promote misunderstanding and conflict (Friedman & Currall, 2003). Relatedly, lack of nonverbal cues can also impede attempts to build the trust that is often considered necessary for creating an efficient and satisfactory agreement (Carnevale & Probst, 1997; Kramer & Tyler, 1996; Purdy et al., 2000). Indeed, trust is often cited as one of the critical hurdles to overcome in online negotiations (Katsh & Rifkin, 2001; Keen, Ballance, Chan, & Schrump, 2000). This notion is supported by findings that people with an informational advantage rarely exploited their partners when negotiating face-to-face but did so considerably when negotiating via written exchange (Valley et al., 1998). As we discuss in the next section, difficulties in establishing trust online between strangers has troubling implications for negotiation, where information exchange is crucial and lack of trust can form a barrier to information exchange.
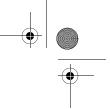
Relationships and Information Exchange in Negotiation

Regardless of choice of communication medium, those who enter a negotiation as strangers must overcome a natural reluctance to share information openly. In general, people are more generous and empathic toward friends than toward strangers (Tesser, Pilkington, & McIntosh, 1989). The stronger the relationship between negotiators, the more likely they are to share information (Greenhalgh & Chapman, 1998; McGinn & Keros, 2002; see also McGinn, chapter 7). Lack of empathy and diminished trust in a negotiation between strangers might make the parties more reluctant to share information with one another. Failure to exchange sufficient information can be a barrier to successful negotiation, because sharing information about relative preferences and priorities is a necessary step in achieving efficient joint outcomes (Lax & Sebenius, 1987). Negotiators with an existing relationship may have already developed a sufficient basis for trust such that each
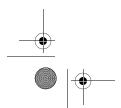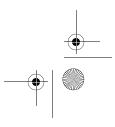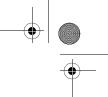
believes that revealing some information about one's own preferences and priorities will be reciprocated by the other party, allowing for discovery of mutually beneficial negotiation solutions.

On the other hand, in the absence of an existing relationship, parties may have no reason to believe that revealing information will lead to mutually beneficial information exchange. Instead, revealing information to a stranger on the other side of the negotiation table might lead directly to that stranger using that information to that stranger's own benefit and one's own detriment. This in turn can lead the stranger-opponent to insist on a settlement that divides the surplus unequally or fails to leverage differences in preferences and priorities, and fails to increase the available pie of resources. An unequal division of the pie is a special concern for negotiators without a prior relationship, because an existing relationship increases negotiators' concern about the outcome of the other party (Loewenstein, Thompson, & Bazerman, 1989; Pruitt & Rubin, 1986). When we negotiate with a friend, we prefer that our counterpart's outcome be equal to our own; but when we negotiate with a stranger, we prefer to take more of the surplus for ourselves (Loewenstein et al., 1989). Negotiation with a stranger, therefore, poses a challenge for achieving outcomes that are efficient and fair to both sides.

Regardless of the existence of a prior relationship, the norm of reciprocity is fundamental in human behavior, even among strangers (Sober & Wilson, 1998). To what extent is reciprocity more likely in face-to-face negotiations compared to other media? The answer depends on the relationship and level of trust between the two parties. Valley, Thompson, Gibbons, and Bazerman (2002) assigned participants to roles of buyer or seller of a fictitious commodity. The experimenter randomly assigned each party's valuation of the commodity, and this valuation was known only to that party. Buyer/seller dyads then engaged in a double auction in which they each simultaneously submitted a sealed bid for the commodity, so that a trade would occur only if the buyer's bid exceeded the seller's asking price. All participants were strangers to one another, and in their opportunity to communicate prior to bidding, they rarely engaged in mutual revelation of their randomly assigned valuations (this occurred in only 4% of cases). Interestingly, McGinn and Keros (2002) used the identical bilateral bargaining game but with people belonging to the same social network (participants in a semester long course), and found that mutual revelation of values occurred a great deal more often (26% of the cases). Although indirect media such as e-mail can promote competitive behavior between negotiators compared to face-to-face negotiations, reciprocity sparked by a cooperative gesture can make e-negotiations significantly less competitive. For example, when one party made a disclosure of private information regarding his BATNA (best alternative to a negotiated agreement)—and by implication, his reservation price—at the start of a purely distributive e-negotiation, competition was suppressed, leading the other party to both make less demanding offers as well as settle for less profit (Paese et al., 2003). Disclosing one's reservation price—ordinarily considered a very risky move—worked to the discloser's advantage in this context.
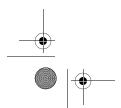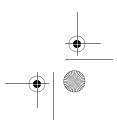
In fact, such disclosures promoted similar generosity even when negotiators were anonymous to one another (Paese et al., 2003).

In a different study involving e-mail negotiations among strangers, reciprocal exchange of crucial information about relative preferences and priorities was higher among negotiators who had schmoozed and developed a basis for trust (Nadler, 2004). That is, compared to negotiators who did not schmooze, negotiators who chatted with their counterpart prior to negotiating were more likely to receive multiple-issue priority information from their counterpart immediately following their own provision of such information. Negotiators who schmoozed expected more strongly to cooperate, did cooperate by sharing more relevant multiple-issue information, and received more cooperation in return from their counterpart. This pattern of multiple-issue information sharing is necessary for negotiators to avoid impasse by recognizing numerous, mutually beneficial solutions in the negotiation. In this mixed-motive negotiation, failing to exchange information resulted in negotiators failing to integrate their interests, leaving little or no joint surplus to share.
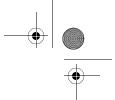
Gender differences in communication are also illustrative here. Guadagno and Cialdini (2002) hypothesized that because women attend more than men to interpersonal aspects of social exchange, there may be gender differences in persuasion that interact with communication medium because of the limited opportunity to build relationships using e-mail. They used a task in which participants communicated with a same-gender confederate regarding the desirability of comprehensive exams. In this task, women were more persuaded by the confederate when communicating face-to-face than when communicating via e-mail, whereas men showed no difference in openness to persuasion across media. In a follow-up study, they showed that women communicating via e-mail with *no* opportunity to build a relationship beforehand were least persuaded by the confederate; on the other hand, men communicating face-to-face who had established a *competitive* relationship with the confederate beforehand showed the least agreement with the confederate. The researchers argued that because women were more focused than men on relationship formation and cooperation, these goals were more salient and attainable when communicating face-to-face than via e-mail and when they had already established a relationship with their counterpart. Together, these studies suggest that the importance of establishing a relationship between parties conducting e-mail negotiations may be greater for women than for men.

As we have seen, there are reasons to anticipate that negotiations between strangers are more challenging when the parties cannot see or hear one another, and their messages are not co-temporal. It is in this context of e-mail negotiation with an abstract, anonymous, faceless other, with whom we have no basis for forming a shared identity, the medium of communication looms large in its effects on negotiator expectations, and on the negotiation itself. Information exchange requires cooperation, and there is evidence that the likelihood of cooperative behavior increases when people meet face-to-face.
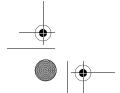
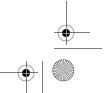### *Visual Access, Cooperation, and Negotiator Relationship*

Experimental investigations in which bargainers playing a game communicate in intentionally impoverished environments (e.g., side by side, intercom, telephone, e-mail) have led to intriguing findings with respect to cooperative behavior. For example, when players of a repeated prisoner's dilemma game are permitted to have a face-to-face meeting prior to deciding whether to defect or cooperate, the cooperation rate is higher than when players are not permitted to communicate (Sally, 2000). Interestingly, being asked to *imagine* a face-to-face meeting with the other player and to write down what might be said during the imaginary meeting, leads to cooperation rates just as high as when a real meeting actually takes place. In other words, transforming the counterpart from a faceless, unknown stranger into a specific person (even if only in one's own imagination) leads to more cooperative behavior.

In another study examining the role of visual access in generating cooperation, all players had an initial meeting prior to playing a one-shot Prisoner's Dilemma game (Drolet & Morris, 2000). Players met either face-to-face or via speaker-phone. Cooperation rates were higher among players who met face-to-face compared with those who met using speakerphone. Rapport between players was rated by outside observers and by the players themselves; face-to-face meetings led to greater rapport, which in turn led to greater cooperation, as compared with speakerphone meetings. Again, the opportunity to perceive the opponent as more identifiable and salient led to more cooperative behavior toward that opponent.

The increased cooperation resulting from face-to-face contact (either real or imagined) in the prisoner's dilemma bargaining context also extends to the negotiation context. In fact, visual access, in and of itself, can dramatically increase cooperative behavior and, as a result, improve negotiated outcomes. For example, negotiators who played the roles of union and management representatives in a simulated strike negotiation were permitted to communicate only through exchange of written offers (Drolet & Morris, 2000). The sooner the strike was settled, the more beneficial the outcome for both parties. Some negotiators were permitted to sit face-to-face while silently exchanging written offers; others were asked to sit side-by-side instead. Compared to negotiators sitting side-by-side, negotiators who faced each other settled the strike more quickly and as a result, achieved better outcomes, simply by virtue of seeing the other person as written offers were silently exchanged.

McGinn & Croson (2004) argue that in settings where social perceptions and intimacy have not been established, such as negotiations between strangers, the lack of visual access, synchronicity, and efficacy inherent in e-mail can result in less cooperation, coordination, truth telling, and rapport building.[6] But where social perceptions and intimacy are already established, as in negotiations between friends, the medium might not make much or any difference. McGinn & Keros (2002) demonstrated this empirically. In a single-issue, distributive negotiation involving the sale of a lamp, friends who used information technology (telephone or e-mail) to negotiate behaved more cooperatively, were more likely to strike a
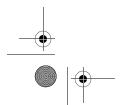
deal and split the surplus more equally than strangers. But when the negotiation was conducted face-to-face, there was no difference between friends and strangers in cooperation, likelihood of a deal, or equality of surplus. This finding suggests that even in a purely distributive, single-issue negotiation, the use of information technology can alter the likelihood of success depending on the extent to which the other party is perceived as a stranger. In the absence of face-to-face contact, the more a negotiator feels connected to the counterpart, the more likely they are to trust the other person enough to behave cooperatively in such a way that leads to a greater probability of agreement and more equal sharing of surplus. This suggests that it takes relatively little work to be aware of, and receptive to, a similar and liked other, even over the telephone or e-mail, but that it takes considerable cognitive and emotional energy to imagine and attend to an e-mail counterpart who is unknown and invisible.
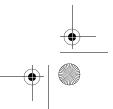
Establishing Common Ground in the Absence of a Prior Relationship

The existence of a prior relationship with one's negotiation counterpart can confer numerous advantages on negotiation outcomes and processes. One possible way to remedy the drawbacks associated with negotiating with strangers using e-mail is simply for negotiators to avoid using e-mail when negotiating with a stranger. Of course, face-to-face negotiation will not always be an option. Constraints imposed by distance, time, and other resources often preclude face-to-face nego-tiation. Given that e-negotiations are often unavoidable, we must consider the possibility of establishing ties with the counterpart with whom we are about to negotiate. Although we cannot always choose our negotiation counterpart, we sometimes have the opportunity to modify, in advance of the negotiation, the extent to which the counterpart is a perfect stranger.
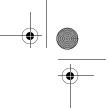
Findings from three different studies on "schmoozing" prior to negotiating via e-mail support the notion that getting to know one's counterpart, even a little, prior to engaging in e-negotiation can contribute to greater cooperation and likelihood of agreement. In all three studies, negotiators communicated exclusively via e-mail; there was no face-to-face control group. And in all three studies, negotiators were instructed to take steps to connect with the other person prior to negotiating.

In the first study, pre-negotiation contact with the counterpart was established by exchanging minimal but personal information via e-mail (Moore, Kurtzberg, Thompson, & Morris, 1999). Half of the participants negotiated via e-mail with a counterpart from the same business school (in-group), and the other half negoti-ated via e-mail with a counterpart from a different business school (out-group). In addition, half of the participants exchanged photographs and short biographies and conducted a getting to know you e-mail conversation before negotiating (schmoozing); the other half did not (no schmoozing). When negotiators were from different schools, schmoozing made a big difference as to whether an agree-ment was reached (6% impasse rate with schmoozing; 29% impasse rate with no
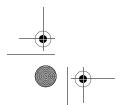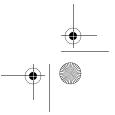
schmoozing). But when negotiators were from the same school, schmoozing made no difference (about 7% to 8% rate in both groups). The most striking result here is that where there is no basis for common ground between negotiators (strangers who attend rival business schools who did not schmooze before negotiating), communication medium can break a deal, even though such a consequence is very unlikely between negotiators with some basis for common ground—even when common ground consists only of a brief chat, a photo, and a bio, or, alternatively, membership in the same in-group. Thus, in the presence of a basis for common ground—whether it is a prior relationship, in-group membership, or a brief personal e-mail chat before negotiating—information technology did not seem to hinder negotiations. But in the absence of some basis for common ground, the use of information technology as a negotiation medium was markedly problematic.

Exchange of personal information via e-mail is one way of establishing common ground sufficiently, at least in some contexts, to overcome the disadvantages conferred by the e-mail medium. Another approach to schmoozing is for negotiators to have a verbal conversation prior to using e-mail to negotiate. Two experimental investigations have examined negotiations conducted exclusively through e-mail, where each negotiator's counterpart was a student at a different school (Morris et al., 2002 [business students]; Nadler, 2004 [law students]). To induce schmoozing, half of the negotiators were instructed to have a 5 to 10 minute getting to know you telephone conversation with the counterpart prior to negotiating; the other half did not. In both studies, schmoozers had better social outcomes than nonschmoozers: They had more positive feelings toward their counterpart, as well as a better rating of their working relationship. Social lubrication improved outcomes in e-mail negotiation through the mechanism of increased felt rapport between negotiators. This result becomes quite impressive when we recall that the manipulation was simply a 5-minute phone call before a negotiation process that took, in many cases, a full week to complete.

Negotiators in these two studies who did not chat also found the process of e-mail communication more difficult. They ended up feeling significantly more angry, annoyed, and cold toward their opponent, as well as less friendly and pleasant, compared to negotiators who had the opportunity to chat with their opponent. The increased cooperation and trust that the telephone chat engendered led to smoother interactions and a friendlier attitude toward the opponent after the negotiation concluded. This attitude was also associated with respect: Negotiators who schmoozed formed an impression of their counterpart as significantly more accomplished, skilled, effective, and perceptive than the impression formed by negotiators who did not schmooze. Attitudes toward the counterpart at the conclusion of a negotiation are noteworthy, because how one feels at the *end* of an interaction is the critical factor in determining the person's overall subsequent evaluations of that interaction (Thompson, Medvec, Seiden, & Kopelman, 2001). If the counterpart leaves the negotiation feeling good about the process and outcome, that person is more likely to engage cooperatively in future negotiations and to fulfill the terms of the current agreement.
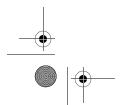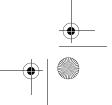
Schmoozing over the telephone prior to an e-mail negotiation not only improves the social process and outcome of negotiations, but can also dramatically improve the likelihood of a favorable outcome for both parties. In one study (Nadler, 2004), negotiators who schmoozed prior to an e-mail negotiation were over *four times* as likely to reach an agreement for the purchase of a car, compared to negotiators who did not schmooze. Only 9% of negotiators who schmoozed via a 5-minute telephone chat failed to reach an agreement, whereas nearly 40% of nonschmoozers failed to reach agreement. The high percentage of "no schmooze" pairs that were unable to reach agreement is especially noteworthy in light of the fact that a positive bargaining zone existed, making it economically desirable for each party to reach a negotiated agreement. Interestingly, negotiators who did not schmooze with their counterpart prior to negotiating reported feeling more competitive and less cooperative toward their counterpart than negotiators who did schmooze. Consistent with their cooperative mental model of the negotiation process, negotiators who schmoozed prior to negotiating exchanged significantly more information relating to their relative priorities on multiple issues compared to negotiators who did not schmooze. Thus, strangers who established common ground via a brief telephone chat prior to using e-mail to negotiate felt more cooperative in the negotiation and trusted the other negotiator enough to share the kind of information necessary to reach an efficient solution. In the absence of a prior relationship, the potential hazards of negotiating with a stranger using e-mail can be overcome to a large extent by establishing common ground beforehand.
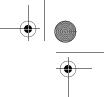
Especially revealing in this study was an examination of precisely why some negotiators reached impasse. For all "schmooze" pairs that failed to reach agreement, the last offer on the table had a value below the reservation price of one of the parties. In other words, none (0%) of the "schmooze" pairs walked away from an offer that was more profitable than their outside option. Given the value of the last offer, it is understandable that one of the parties would refuse to agree to it. But the story for the "no schmooze" pairs was quite different: The value of the last offer on the table exceeded both parties' reservation price 64% percent of the time. Thus, most of the "no schmooze" negotiators who reached an impasse walked away from a deal that would have made each of them better off relative to impasse.

Finally, it is worthy of note how negotiators' use of information technology interact with the level of trust between the parties. One of the many ways to define trust is the expectation that the other person will cooperate with you when you are in a vulnerable position. Both Morris et al. (2002) and Nadler (2004) found that e-mail negotiators who had an initial telephone chat with their opponents left the negotiation with significantly more trust in their counterparts than did negotiators who did not chat initially. Note that it is in the particular context of the absence of any basis for common ground (here, strangers who had no opportunity to chat before negotiating and who had no basis for ingroup identification), that the use of information technology is most detrimental to the likelihood of negotiated agreement and building a basis for future exchange.
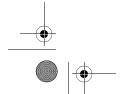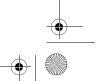
Yet, we have also seen that negotiators can take steps to increase the identifiability of their negotiation counterpart in an effort to offset the negative effects of anonymity. For example, the simple act of making personal telephone contact with the opponent prior to negotiating via e-mail enabled negotiators to substitute perceptions of an invisible, abstract opponent with a specific human being who shares one's own characteristics. As a result, negotiators who engaged in small talk prior to negotiating via e-mail were more successful at exchanging the right kind of information necessary to reach agreement, and at recognizing a beneficial agreement when the opportunity for such an agreement presented itself (Morris et al., 2002; Nadler, 2004). Alternatively, simple acknowledgment of shared social identity can also assist in reducing anonymity (Moore et al., 1999). Another possibility is to include a photograph in an e-mail (Gueguen et al., 2003), a technique that has been associated with gaining compliance with unsolicited requests sent by strangers.

Although mutual disclosure is generally at a minimum in low-efficacy, text-only negotiations (McGinn & Croson, 2004), there is also some evidence that, if left to their own devices, negotiators using e-mail will naturally attempt to establish common ground by engaging in an initial exchange of personal information that promotes cooperation and trust. Tidwell and Walther (2002) examined how computer-mediated communication partners spontaneously exchange personal information in initial interactions, focusing on the effects of communication channels on self-disclosure, question-asking, and how the communicating parties reduce uncertainty (i.e., lack of knowledge) about the stranger with whom they were interacting. Participants met either face-to-face or via information technology (using a semi-synchronous e-mail system) with a stranger for the purpose of solving a decision-making problem, or to simply get to know one another. Regardless of the task at hand, those communicating via technology used a significantly higher proportion of questions and produced a higher proportion of self-disclosures. By contrast, those interacting face-to-face displayed a greater proportion of *other* types of expressions, such as greetings, back-channeling statements, imperatives, statements about third parties, statements of fact that were not personal in nature, and other filler items that were neither questions nor statements of self-disclosure. Acquaintanceship can therefore develop spontaneously through mutual disclosure via information technology. Because the task in this study was getting to know the other person or jointly solving a problem, the conscious adoption of a problem-solving or getting to know you task orientation by negotiators prior to beginning the negotiation might be useful for establishing common ground and diminishing the problems discussed earlier associated with strangers negotiating via information technology.

CONCLUSION

The manner in which the use of information technology affects negotiation processes and outcomes depends on how the technology in question interacts with the parties' perceptions of one another. When the parties have no prior relationship, no prior contact, and no sense of shared identity, the conditions are ripe for
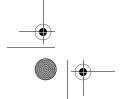
communication medium exerting the strongest influence on negotiator perceptions and behavior. In particular, when the structure of the negotiation is a complex, potentially integrative negotiation that requires reciprocal information sharing, the inability to see or hear the other person in conjunction with lack of co-temporality can exacerbate initial distrust, leading to reluctance to engage in the kind of reciprocal exchange of information required to reach a high-quality agreement, or any agreement at all, for that matter. Unlike a face-to-face negotiation, where the rapport that results from visual access facilitates cooperation and mutually beneficial negotiation outcomes, e-mail negotiation is hampered by the absence of information deriving from facial expressions, eye contact, gestures, smooth turn taking, and cotemporality. As we have explored, the consequences of these deficiencies that characterize e-mail and other communication technologies are often minimal for negotiators who have already established common ground with one another; at the same time, these characteristics can often make or break a deal between unknown counterparts. Yet, thankfully, there are corrective measures that can be taken by negotiators to avoid the problems that arise when negotiating with an unknown, anonymous counterpart. These measures entail, in some sense, "unmasking" the faceless other. E-mail negotiators can rely upon similarities between themselves and their counterpart as a basis for generating a sense of shared social identity to facilitate a smooth negotiation process. In the absence of either visual access or a prior relationship, negotiators can establish rapport and common ground by schmoozing, by means of a pre-negotiation, a getting to know you chat, or mutual self-disclosure.
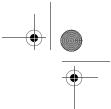
As research on technology-mediated negotiation continues, we expect to learn more about how and why it differs from face-to-face negotiation. We also expect to see more negotiation research on forms of technology other than text-based e-mail. Industry analysts predict that IM will soon surpass e-mail as the primary online communication tool (Heim, 2003). Surely research on the use of IM in negotiations will also expand, thereby shedding greater light on the generalizability of the faceless-other phenomenon to other technologies.

The future of the faceless other in technology-mediated negotiation is unclear. Over time, as electronic communication media become richer in terms of imparting understanding across communication partners, as negotiation via technology becomes more common, and as people develop their own means for making the media richer, the differences in how we negotiate online as opposed to face-to-face might diminish. We might psychologically adapt to technology in such a way that makes strangers with whom we negotiate seem less distant and anonymous. It is also possible that, as technology continues to change, the structural gap between face-to-face communication and technology-mediated communication might become more narrow, thereby easing the adaptation process. For example, as Westmyer, DiCioccio, & Rubin (1998) point out, "with the growth of technology, face-to-face communication is now available via computer-mediated systems, allowing two-dimensional, face-to-face interaction in real time" (pp. 45–46). Is negotiation using this type of communication media akin to negotiating face-to-face? Or will we continue to perceive our e-negotiation partner as distant and unfamiliar? Will our expectations and perceptions with respect to any differences
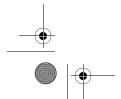
between face-to-face and technology-mediated negotiation change as the use of technology becomes more familiar? These questions still remain unanswered. As Shell (1995) articulated a decade ago,
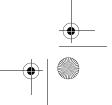
> As the telephone, computer, and television merge into a single, interactive, sound-and-picture technology, people are inevitably going to do deals and resolve disputes in cyberspace. The interesting question is what sort of help they are going to get from negotiation and ADR experts and whether the means can be found to use computers to promote wiser and more efficient outcomes. (p. 118)

As we have come ever closer to making this kind of hybrid technology mainstream, this question looms even larger.

Given the current state of technology options, people often prefer to negotiate face-to-face (Finholt, Sproull, & Keisler, 1990). When a voice option is added to a text-based system to create a hybrid system, many people abandon the text function and opt to negotiate by voice (Yuan et al., 2003), suggesting that newer technologies that incorporate direct verbal communication might eventually trump the use of text-based e-mail as a preferred platform for remote negotiations. But our relative preference for face-to-face or direct verbal communication during negotiation may very well change. Media choice and adaptation tends to be shaped by individual preferences for using particular media in particular ways, as well as by one's skill in doing so (Westmyer et al., 1998). As we become more familiar with new technologies and adapt to their use for negotiation, our preferences and skills may develop such that we prefer to use technology for at least some stages of the majority of our negotiations. As Yuan, Head, and Du (2003) point out, "negotiations may involve many stages, such as greeting, background information exchange, agenda setting, issue discussion, and final agreement formulation, and different media may be used by negotiators to perform different tasks" (p. 107). Thus, we may develop a preference to rapport-build using face-to-face communication but to generate ideas and brainstorm possible settlements using technology (Mennecke, Valachich, & Wheeler, 2000). Future research might explore more deeply how preferences and utility for using technology at various stages of negotiation change over time, and as a function of experience with the related technology.

With the expected growth of online dispute resolution services, we also expect to see more research on real as opposed to simulated negotiations (e.g., Friedman et al., 2004). Online dispute resolution organizations are uniquely poised to contribute to our understanding of real-life negotiations via technology, which would be a valued complement to existing experimental research. We also expect to see more research on online disputes generally. As Brett and Gelfand (chapter 9) point out, some negotiation is geared primarily toward defining a future relationship between the two involved parties (i.e., "deal making"), whereas other negotiations, while also aimed at defining a future relationship, are concerned primarily with resolving past conflict between the parties (i.e., "dispute resolution"). To date, most of the research on negotiation via information technology
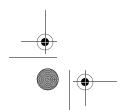
investigated deal making; future research should follow Friedman et al. (2004) and Katsh and Rifkin (2001) in more closely examining the online resolution of disputes.
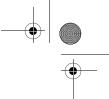
ACKNOWLEDGMENTS

NOTES

1. There are, however, situations where this is not the case. For example, when communicators have positive-valenced goals such as relationship-building, computer-mediated interactions can be highly personal, resulting in the development of close Internet dating. By contrast, negotiations necessarily entail *competing* interests or goals, and the conflict inherent in negotiation can, as we argue in this chapter, be exacerbated in e-negotiations (Friedman & Currall, 2003).

2. Note that negotiators in this study were asked about trust only once—either before or after the negotiation, but not both. This avoided any possible contamination of post-negotiation trust ratings because of priming effects of pre-negotiation trust ratings.

3. One study comparing dating couples and strangers found that dating couples underperformed compared to mixed-sex stranger dyads in terms of achieving high joint outcomes (Fry, Firestone & Williams, 1983). The researchers concluded that relationship maintenance goals may have contributed to this difference.

4. Social information processing theory from the communications field suggests that, given sufficient time and message exchanges for impression formation and relational development, relational communication in later stages of computer-mediated communication will parallel that which takes place face-to-face (Walther, 1995).

5. The SIDE model addresses a similar point. According to Spears and Lea (1994), despite the conventional wisdom that computer-mediated communication (CMC) restricts social cues generally and therefore reduces the effects of status and power, research in line with the SIDE model suggests that the social cues that do exist in indirect communication—which, they argue, are typically cues to role, status, and category membership—can become more important rather than less so. Thus, for this reason, "the 'faceless' nature of the communication in CMC may often reinforce the bureaucratic or hierarchical dimensions of interaction" (p. 452).

6. But some types of lies, namely monitor-dependent lies in which the deceiver stands to benefit from being able to monitor the target's reaction, are actually more common when negotiation partners have visual access to one another than when they do not (Schweitzer, Brodt, & Croson, 2002).
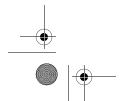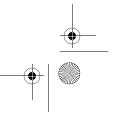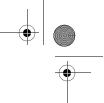
REFERENCES

Alicke, M. D., Klotz, M. L., Breitenbecher, D. L., Yurak, T. J., & Vredenburg, D. S. (1995). Personal contact, individuation, and the better-than-average effect. *Journal of Personality and Social Psychology, 68*, 804–805.

Arunachalam, V., & Dilla, W. (1995). Judgment accuracy and outcomes in negotiation: A causal modeling analysis of decision-aiding effects. *Organizational Behavior and Human Decision Processes, 61*, 289–304.

automiledirect.com. (n.d.) Why negotiate your purchase online. Retrieved October 20, 2004, from http://www.automiledirect.com/why_info

Barefoot, J. C., & Strickland, L. H. (1982). Conflict and dominances in television-mediated interactions. *Human Relations, 35*(7), 559–565.

Barry, B., & Fulmer, I. S. (2004). The medium and the message: The adaptive use of communication media in dyadic influence. *Academy of Management Review, 29,* 272–292.

Bazerman, M. H., & Neale, M. (1992). *Negotiating rationally.* New York: Free Press.

Bohnet, I., & Frey, B. S. (1999). The sound of silence in prisoner's dilemma and dictator games. *Journal of Economic Behavior and Organization, 38*, 43–57.

Carlson, J. R., & Zmud, R. W. (1999). Channel expansion theory and the experiential nature of richness perceptions. *Academy of Management Journal, 42*, 153–170.

Carnevale, P. J. D., & Isen, A. M. (1986). The influence of positive affect and visual access on the discovery of integrative solutions in bilateral negotiation. *Organizational Behavior and Human Decision Processes, 37,* 1–13.

Carnevale, P. J., & Probst, T. M. (1997). Conflict on the Internet. In S. Kiesler (Ed.), *Culture of the Internet* (pp. 233–255). Mahwah, NJ: Lawrence Erlbaum Associates.

Carnevale, P. J. D., Pruitt, D. G., & Seilheimer, S. D. (1981). Looking and competing: Visual access in integrative bargaining. *Journal of Personality and Social Psychology, 40,* 111–120.

Clark, H., & Brennan, S. (1991). Grounding in communication. In L. Resnick, J. Levine, & S. Teasley (Eds.), *Perspectives on socially shared cognition* (pp. 127–149). Washington, DC: American Psychological Association.

Croson, R. T. A. (1999). Look at me when you say that: An electronic negotiation simulation. *Simulation and Gaming, 30*(1), 23–37.

Curhan, J. R., Neale, M. A., Ross, L., & Rosencranz-Engelmann, J. (2004). The O. Henry effect: The impact of relational norms on negotiation outcomes. Manuscript submitted for publication.

Daft, R. L., & Lengel, R. H. (1984). Information richness: A new approach to managerial behavior and organizational design. In L. L. Cummings & B. M. Shaw (Eds.), *Research in organizational behavior* (Vol. 6, pp. 199–233). Homewood, IL: JAI Press.

DeSanctis, G., & Monge, P. (1999). Communication processes for virtual organizations. *Organization Science*, *10*, 693–703.

DeSanctis, G., Staudenmayer, N., & Wong, S-S. (1999). Interdependence in virtual organizations. In C. Cooper & D. Rousseau (Eds), *Trends in organizational behavior* (pp. 81–104). New York: John Wiley.

Drolet, A. L., & Morris, M. (2000). Rapport in conflict resolution: Accounting for how face-to-face contact fosters mutual cooperation in mixed-motive conflicts. *Journal of Experimental Social Psychology, 36*, 26–50.
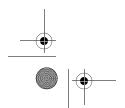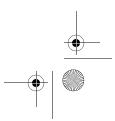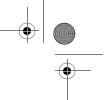
Dubrovsky, V. J., Kiesler, S., & Sethna, B. N. (1991). The equalization phenomenon: Effects in computer-mediated and face-to-face decision-making groups. *Human-Computer Interaction, 6,* 119–146.

Dunning, D., Meyerowitz, J. A., & Holzberg, A. D. (1989). Ambiguity and self-evaluation: The role of idiosyncratic trait definitions in self-serving assessments of ability. *Journal of Personality and Social Psychology, 57,* 1082–1090.

Fallows, D. (2002, December 8). Email at work. *Pew Internet & American Life Project*. Retrieved September 27, 2004, from http://www.pewinternet.org/pdfs/PIP_Work_Email_Report.pdf

Fallows, D. (2004, August 11). The Internet & daily life. *Pew Internet & American Life Project*. Retrieved September 27, 2004, from http://www.pewinternet.org/pdfs/PIP_Internet_and_Daily_Life.pdf

Finholt, T., Sproull, L., & Kiesler, S. (1990). Communication and performance in ad hoc task groups. In J. Galagher, R. E. Kraut, & C. Edigo (Eds.), *Intellectual teamwork: Social and technological foundations of cooperative work* (pp. 291–325). Hillsdale, NJ: Erlbaum.

Fisher, R., & Ury, W. (1981). *Getting to yes: Negotiating agreement without giving in*. Boston: Houghton Mifflin.

Friedman, R. Anderson, C., Brett, J., Olekalns, M., Goates, N., & Lisco, C. C. (2004). The positive and negative effects of anger on dispute resolution: Evidence from electronically mediated disputes. *Journal of Applied Psychology, 89,* 369–376.

Friedman, R. A., & Currall, S. C. (2003). Conflict escalation: Dispute exacerbating elements of e-mail communication. *Human Relations, 56,* 1325–1347.

Fry, W. R., Firestone, I. J., & Williams, D. L. (1983). Negotiation process and outcome of stranger dyads and dating couples: Do lovers lose? *Basic and Applied Social Psychology, 4*(1), 1–16.

Greenhalgh, L., & Chapman, D. I. (1998). Negotiator relationships: Construct measurement and demonstration of their impact on the process and outcomes of negotiation. *Group Decision and Negotiation, 7*(6), 465–489.

Griffith, T. L., & Northcraft, G. B. (1994). Distinguishing between the forest and the trees: Media, features, and methodology in electronic communication research. *Organization Science, 5,* 272–285.

Griffith, T. L., Sawyer, J. E., & Neale, M. A. (2003). Virtualness and knowledge in teams: Managing the love triangle in organizations, individuals, and information technology. *MIS Quarterly, 27,* 265–287.

Guadagno, R. E., & Cialdini, R. B. (2002). On-line persuasion: An examination of differences in computer-mediated interpersonal influence. *Group Dyanmics: Theory, Research and Practice, 6,* 38–51.

Gueguen, N., Legoherel, P., & Jacob, C. (2003). Solicitation of participation in an investigation by e-mail: Effect of the social presence of the physical attraction of the petitioner on the response rate [French]. *Canadian Journal of Behavioural Science, 35*(2), 84–96.

Heim K. (2003, March 7). Microsoft to push instant messaging for business. *San Jose Mercury News*. Retrieved on Novemeber 3, 2004, from http://www.siliconvalley.com/mld/siliconvalley/business/special_packages/ms_antitrust/5335953.htm.

Hiltz, S. R., Johnson, K., & Turoff, M. (1986). Experiments in group decision making: Communication process and outcome in face-to-face versus computerized conferences. *Human Communication Research, 13,* 225–252.
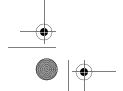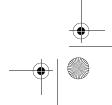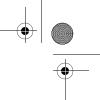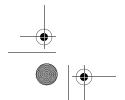
Hollingshead, A. B., McGrath, J. E., & O'Connor, K. M. (1993). Group task performance and communication technology: A longitudinal study of computer-mediated versus face-to-face work groups. *Small Group Research, 24*, 307–333.

Hsee, C. K., & Weber, E. U. (1997). A fundamental prediction error: Self-others discrepancies in risk preference. *Journal of Experimental Psychology: General, 126*, 45–53.

Johnston, J. S., & Waldfogel, J. (2002). Does repeat play elicit cooperation? Evidence from federal civil litigation. *Journal of Legal Studies, 31*, 39–60.

Katsh, E., & Rifkin, J. (2001). *Outline dispute resolution: Resolving conflicts in cyberspace*. San Francisco: Jossey-Bass.

Kayany, J. M., Wotring, C. E., & Forrest, E. J. (1996). Relational control and interactive media choice in technology-mediated communication situations. *Human Communication Research, 22*, 399–421.

Keen, P., Ballance, C., Chan, S., & Schrump, S. (2000). *Electronic commerce relationships: Trust by design*. Upper Saddle River, NJ: Prentice Hall.

Kiesler, S. (1986). The hidden messages in computer networks. *Harvard Business Review, 64*, 46–60.

Kiesler, S., Zubrow, D., Moses, A. M., & Geller, V. (1985). Affect in computer-mediated communication: An experiment in synchronous terminal-to-terminal discussion. *Human Computer Interaction, 1*, 77–107.

Kleef, G. A. Van, De Dreu, C. K. W., & Manstead, A. S. R. (2004). The interpersonal effects of anger and happiness in negotiations. *Journal of Personality and Social Psychology, 86*, 57–76.

Kramer, R., & Tyler, T. R. (Eds.). (1996). *Trust in organizations*. Thousand Oaks, CA: Sage.

Krauss, R. M. & Fussell, S. R. (1991). Constructing shared communicative environments. In L. B. Resnick, J. Levine, & S. D. Teasley (Eds.), *Perspectives on socially shared cognition* (pp. 127–149). Washington, DC: American Psychological Association.

Lax, D. A., & Sebenius, J. K. (1987). The manager as negotiator: Bargaining for cooperation and competitive gain. New York: Free Press.

Lea, M., & Spears, R. (1992). Paralanguage and social perception in computer-mediated communication. *Journal of Organizational Computing, 2*, 321–341.

Loewenstein, G., Thompson, L., & Bazerman, M. H. (1989). Social utility and decision making in interpersonal contexts. *Journal of Personality and Social Psychology, 57*, 426, 432–433.

Loewenstein, J., Morris, M. W., Chakravarti, A., Thompson, L., & Kopelman, S. (in press). At a loss for words: Dominating the conversation and the outcome in negotiation as a function of intricate arguments and communication media. *Organizational Behavior and Human Decision Processes*.

Matheson, K., & Zanna, M. P. (1989). Persuasion as a function of self-awareness in computer-mediated communication. *Social Behaviour, 4*, 99–111.

McGinn, K. L., & Croson, R. (Eds.). (2004). *What do communication media mean for negotiators? A question of social awareness*. Palo Alto, CA: Stanford University Press.

McGinn, K. L., & Keros, A. (2002). Improvisation and the logic of exchange in embedded negotiations. *Administrative Science Quarterly, 47*, 442–473.

Mennecke, B. E., Valacich, J. S., & Wheeler, B. C. (2000). The effects of media and task on user performance: A test of the task-media fit hypothesis. *Group Decision and Negotiation, 9*, 507–529.

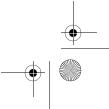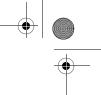Milgram, S. (1974). *Obedience to authority: An experimental view.* New York: Harper & Row.

Moore, D. A., Kurtzberg, T. R., Thompson, L., & Morris, M. W. (1999). Long and short routes to success in electronically-mediated negotiations: Group affiliations and good vibrations. *Organizational Behavior and Human Decision Processes, 77,* 22–43.

Morley, I. E., & Stephenson, G. M. (1977). *The social psychology of bargaining.* London: Allen & Unwin.

Morris, M., Nadler, J., Kurtzberg, T. R., & Thompson, L. (2002). Schmooze or lose: Social friction and lubrication in e-mail negotiations. *Group Dynamics Theory, Research, and Practice, 6*(1), 89–100.

Nadler, J. (2001). Electronically-mediated dispute resolution and e-commerce, *Negotiation Journal 17,* 333–347.

Nadler, J. (2004). Rapport in legal negotiation: How small talk can facilitate e-mail deal-making. *Harvard Negotiation Law Journal, 9,* 225–253.

Naquin, C. E., & Paulson, G. D. (2003). Online bargaining and interpersonal trust. *Journal of Applied Psychology, 88*(1), 113–120.

Paese, P. W., Schreiber, A. M., & Taylor, A. W. (2003). Caught telling the truth: Effects of honesty and communication media in distributive negotiations. *Group Decision and Negotiation,* 12, 537–566.

Pruitt, D. G. & Rubin, J. Z. (1986). *Social conflict: Escalation, stalemate, and settlement.* New York: Random House.

Purdy, J. M., Nye, P., & Balakrishnan, P. V. (2000). The impact of communication media on negotiation outcomes. *International Journal of Conflict Management, 11,* 162–187.

Rogers, R. W., & Ketchen, C. M. (1979). Effects of anonymity and arousal on aggression. *Journal of Psychology, 102,* 13–19.

Rusting, C. L., & Nolen-Hoeksema, S. (1998). Regulating responses to anger: Effects of rumination and distraction on angry mood. *Journal of Personality and Social Psychology, 74*(3), 790–803.

Sally, D. (2000). A general theory of sympathy, mind-reading, and social interaction, with an application to the Prisoners' Dilemma. *Social Science Information sur les Sciences Sociales, 39*(4), 567–634.

Shell, R. G. (1995). Computer-assisted negotiation and mediation: Where we are and where we are going. *Negotiation Journal, 11,* 117–122.

Shiu, E., & Lenhart, A. (2004, September 1). How Americans use instant messaging. *Pew Internet & American Life Project.* Retrieved September 27, 2004 from http://www.pewinternet.org/pdfs/PIP_Instantmessage_Report.pdf

Siegel, J., Dubrovsky, V., Kiesler, S., & McGuire, T. W. (1986). Group processes in computer mediated communication. *Organizational Behavior and Human Decision Processes, 37,* 157–187.

Small, D. A., & Loewenstein, G. (2003). Helping the victim or helping a victim: Altruism and identifiability. *Journal of Risk and Uncertainty, 26*(1), 5–16.

Sober, E., & Wilson, D. (1998). *Unto others: The evolution and psychology of unselfish behavior.* Cambridge, MA: Harvard University Press.

Spears, R., & Lea, M. (1994). Panacea or panopticon? The hidden power in computer-mediated communication. *Communication Research, 21,* 427–459.

Spears, R., Lea, M., & Lee, S. (1990). De-individualization and group polarization in computer-mediated communication. *British Journal of Social Psychology, 29,* 121–134.

Schweitzer, M. E., Brodt, S. E. & Croson. R. T. A. (2002). Seeing and believing: Visual access and the strategic use of deception. *International Journal of Conflict Management, 13,* 258–275.

Tesser, A., Pilkington, C. J., & McIntosh, W. D. (1989). Self-evaluation maintenance and the mediational role of emotion: The perception of friends and strangers. *Journal of Personality and Social Psychology, 57,* 442–456.

Thompson, L. (1990). Negotiation behavior and outcomes: Empirical evidence and theoretical issues. *Psychological Bulletin, 108,* 515–532.

Thompson, L., Medvec, V., Seiden, V., & Kopelman, S. (2001). Poker face, smiley face, and rant and rave: Myths and realities about emotion in negotiation. In M. Hogg & R. S. Tindale (Eds.), *Blackwell handbook in social psychology.* Cambridge, UK: Blackwell.

Thompson, L. F., & Coovert, M. D. (2003). Teamwork online: The effects of computer conferencing on perceived confusion, satisfaction, and postdiscussion accuracy. *Group Dynamics: Theory, Research, and Practice, 7,* 135–151.

Thomson, R., & Murachver, T. (2001). Predicting gender from electronic discourse. *British Journal of Social Psychology, 40,* 193–208.

Tidwell, L. C., & Walther, J. B. (2002). Computer-mediated communication effects on disclosure, impressions, and interpersonal evaluations: Getting to know one another a bit at a time. *Human Communication Research, 28*(3), 317–348.

Trevino, L. K., Daft, R. L., & Lengel, R. H. (1990). *Understanding manager's media choices: A symbolic interactionist perspective.* Newbury Park, CA: Sage.

Valley, K. L., Moag, J., & Bazerman, M. H. (1998). "A matter of trust": Effects of communication on the efficiency and distribution of outcomes. *Journal of Economic Behavior and Organization, 34,* 211–238.

Valley, K. L., Thompson, L., Gibbons, R., & Bazerman, M. H. (2002). How communication improves efficiency in bargaining games. *Journal of Economic Behavior and Organization, 34,* 211–238.

Walther, J. B. (1995). Relational aspects of computer-mediated communication: Experimental and longitudinal observations. *Organization Science, 6,* 186–203.

Walther, J. B., & Burgoon, J. K. (1992). Relational communication in computer-mediated interaction. *Human Communication Research, 19,* 50–88.

Weisband, S., & Atwater, L. (1999). Evaluating self and others in electronic and face-to-face groups. *Journal of Applied Psychology, 84,* 632–639.

Westmyer, S. A., DiCioccio, R. L., & Rubin, R. B. (1998). Appropriateness and effectiveness of communication channels in competent interpersonal communication. *Journal of Communication, 48,* 27–48.

Yuan, Y., Head, M., & Du, M. (2003). The effects of multimedia communication on web-based negotiation, *Group Decision and Negotiation, 12,* 89–109.