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# The influence of personality and emotional intelligence on the negotiation style of Mexican business undergraduate students

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#### RESUMEN

El papel de diferencias individuales en la negociación es generalmente ambiguo. Por ejemplo, los investigadores por mucho tiempo han tratado de ligar a la personalidad con los procesos y resultados de la negociación, con relativamente pocas conclusiones positivas. La negociación es un contexto valioso para explorar las consecuencias de emociones, porque las negociaciones pueden suelen estar impregnadas con emociones. Este artículo afirma que aunque los estudios sobre la relación de los rasgos de personalidad y los estilos de negociación hayan generado resultados ambiguos, incorporando la inteligencia emocional al modelo de medición podría proporcionar algunos resultados interesantes. Considerando esta premisa, este estudio explora los efectos combinados de la inteligencia emocional y la personalidad sobre el estilo de negociación. Tres variables de personalidad y la inteligencia emocional y su relación mutua con el estilo de negociación fueron investigadas usando un Modelo de Ecuaciones Estructurales. Los resultados muestran que las variables de personalidad así como la inteligencia emocional tienen un impacto significativo sobre el estilo negociación.

Palabras clave: Estilo de negociación, inteligencia emocional, rasgos de la personalidad

#### **ABSTRACT**

The role of individual differences in negotiation is generally elusive. For example, researchers have long tried to link personality to negotiation processes and outcomes but with relatively few positive findings. Negotiation is a valuable context in which to explore the consequences of emotions, because negotiations can at times be infused with emotion. This article contends that although studies on the relationship of personality traits on negotiation styles have generated mixed results, incorporating emotional intelligence to the measuring model could provide some interesting results. Given this premise, this study explores the combined effects of emotional intelligence on the personality and negotiation relationship. Three personality variables and emotional intelligence and their interrelationship with the problem-solving style of negotiation were investigated using a Structural Equation Model. Results show that personality variables as well as emotional intelligence had a significant impact on problem-solving style.

**Keywords**: Negotiation style, emotional intelligence, personality traits

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#### INTRODUCTION

One recurring theme in negotiation research deals with the predictive power of personality traits in the negotiation process. Less recurring them in this area is the link between emotional intelligence and its influence in the negotiating process. Several researchers have theorized that individual personality characteristics influence how bargainers behave (i.e., Barry and Driedman, 1998). The rationale for the widespread interest in this relationship is perhaps best summarized by Rubin and Brown (1975): "As bargainers enter into relationships with one another, they bring with them variations in prior experience, background, and outlook that may affect the manner and effectiveness with which they interact" (p. 157). Unfortunately, this stream of research has generated inconsistent support for the personality and negotiation relationship (i.e., Barry & Friedman, 1998; Wall & Blum, 1991; Greenhalgh, Neslin, & Wilkey, 1985; Rubin & Brown, 1975 and Mintu-Womsatt, 2002). Indeed, after an extensive review of the existing literature, Wall and Blum (1991) noted the lack of significant support for any personality trait, perhaps one reasonable explanation for the inconsistencies in the personality-negotiation research stream can be attributed to the influence of EI on the negotiation process, nevertheless fewer researchers have theorized and researched how emotional intelligence influence (EI) negotiation style, (i.e., Foo, et al., 2005), who examine the effects of El on the results of negotiations that take into account the reciprocal social influence inherent in a negotiation. Even more, we found no one research linking both, personality trait and EI to negotiation style.

This study examines the combined effects of personality traits and emotional intelligence on the negotiation strategy. The personality characteristics examined here include conciliatory predisposition, trusting nature, and risk propensity. Emotional intelligence is measured following the scale proposed by Austina, Saklofske, Huang, and McKenney (2004). The rest of this article consists of four major sections. The section that follows provides the theoretical foundation for hypotheses making. The second section discusses the method used. The results of the statistical analyses are then presented, followed by a discussion of the findings as well as the limitations and directions for future research. The article concludes with managerial implications and conclusions.

# THEORETICAL FRAMEWORK AND HYPOTHESIS

### **NEGOTIATION**

Negotiation is a concept that has accompanied human beings from antiquity to the present day, all this time humans have developed new experiential customs, where the rules were those that define the way of life and relationships; all this with the modern scientific development cause the human being is not able to live without negotiating (Mometolo, 2012). Negotiation is the process where



individuals "attempt to settle what each shall give and take or perform and receive in a transaction" (Thompson, 1990, p. 516). Negotiations trading mostly create agreements where both sides win (Chamoun, 2016). Negotiation is a series of actions in which two or more parties interact with different interests, aiming to reach an agreement through reciprocity (Carnevale and Pruitt, 1992; Putnam and Jones, 1982; Rubin and Brown, 1975 and Zhi and Yu, 2004) especially, when there is the potential for higher profit and negotiators can create even more value (Pruitt, 1981; Zhi and Yu, 2004), It is all this that negotiation is considered a means of transport, communication and stakeholder management (Alfredson and Cungu, 2008).

# **Negotiation styles**

Negotiation techniques are varied, different professionals and institutions have different views about it, but there is a classification in particular, which describes Barba (2011) as the most common in the negotiations: 1) **Win - Lose:** When one of those involved in negotiating only seeks profit regardless of the outcome of the counterpart, is not only the fact of winning, but to injure, as an example, can be seen in unfair competition, 2) **Lose - lose:** In this negative feelings like anger and ego involved, the goal of everyone involved is what the counterpart loses regardless if he loses, Beard (2011) mentions as an example, the existence of divorce cases where properties sold prices well below their real value, not wanting to let the other person, 3) **Lose - Win:** This type of negotiation seeks the counterpart is benefitted regardless of losing in the negotiations; an example is when a company seeks long-term benefit of another, whether at the time lost in the negotiations, and 4) **Win - Win:** This type of trading is where the best solution is achieved, those involved in this case are committed from the beginning to reach this type of solution, where they seek the option where they can find common ground, to enable synergies and reach other agreements in the future. This latter type of negotiation (Win - Win) should be the only solution to any negotiation, unfortunately for various problems, problems of all kinds, do not allow this type of bargaining is predominant in the negotiations (Beard, 2011).

Mometolo (2012) classifies trading into four types See Table 1:

**Table 1. Negotiation types** 

| Accommodative negotiation    | It is one in which the negotiator loses negotiation, because it loses interest, perhaps what motivated him at first.  |
|------------------------------|---|
| Competitive negotiation      | It is one in which the negotiator, is an aggressive character, with the ultimate goal of winning the negotiation  |
| 3. Collaborative negotiation | It is the type of negotiation in which the profit is distributed to both parties, although not equally but close; in this type of negotiation is the medium and long term, and sought not to damage the relationship. |

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| 5. Accommodative negotiation | It is one in which the negotiator loses negotiation, because it loses interest, perhaps what motivated him at first.  |
|------------------------------|---|
| 6. Competitive negotiation   | It is one in which the negotiator, is an aggressive character, with the ultimate goal of winning the negotiation  |
| 7. Collaborative negotiation | It is the type of negotiation in which the profit is distributed to both parties, although not equally but close; in this type of negotiation is the medium and long term, and sought not to damage the relationship. |
| 8. Avoidant negotiation      | Many authors do not classify this type of negotiation because it really does not happen. It is to know and analyze the possible negotiation and know when to fold or avoid it.  |

# The problem-solving communication

The problem-solving communication is critical in integrative bargaining (Goering, 1997). This approach is essentially characterized by behaviors that are cooperative —focusing on the needs of negotiation parties through the exchange of relevant information (Perdue & Summers, 1991; Barry & Friedman, 1998). The problem-solving approach embodies ideas such as the negotiator's willingness to make concessions, or adapting these concessions to the requirements of both parties (Westbrook, 1996; Graham et al., 1994). This is accomplished by seeking information about the counterpart's needs and preferences. Once these have been discussed and clarified, negotiators make trade-ofts so that each part)' can receive his/her preferred outcome (Pruict, 1981; Perdue & Summers, 1991).

For the purposes of this study, the negotiation style stressed here is the problem-solving approach. This style was chosen because adopting the problem-solving approach seems logical, since successful trade negotiations require conflict resolution and maintaining business relationships (Graham et al., 1994).

# **EMOTIONAL INTELLIGENCE**

According to Marina (1993) and Molero, Martinez and Saiz, (1998) Intelligence is the ability to raise, manage and control the mental operations, it is characterized by creating and managing unreality and last and from a functional point of view, is a way to adapt to the environment. Intelligence is a basic



skill that influences the performance of all kinds cognitive tasks, therefore considered an intelligent person does a good job to solve problems, explain and propose riddles (Ariola and Pérez, 1999). Gardner (1983) defined the existence of various types of intelligence mentioning that these can be grouped into eight types multiple intelligences which are linguistic, musical, Logical-mathematical, bodily - kinesthetic, spatial, intrapersonal, interpersonal and naturalist. Although the Gardner theory of the multiple intelligences (MI) has been widely criticized by the scientific psychology by his lack of evidences, and because it is a theory that depends on subjective judgment (i.e., Scarr, 1985 and Waterhouse, 2006), there are also defenders of MI theory argue that the traditional definition of intelligence is too narrow, and thus a broader definition more accurately reflects the differing ways in which humans think and learn (Nikolova, and Taneva-Shopova, 2007). Macías, (2002) includes the types of intelligence of Gardner's theory (1995) but also affirms that every human has its own intelligence profile, that is, is more competent in some disciplines and less in others. Similarly Marie, (2013) and Armstrong, (2006) mentions the description of each of the Gardner's intelligence types and they agree that any activity based on intelligence has its own path of development. Two of the Gardner Intelligence Types perform special importance in this study as they have been related to EI: 1) Intrapersonal intelligence, as refers to the ability of people to know their inner world, that is, their own and most intimate emotions and feelings as well as their own strengths and weaknesses, (Armstrong, 2006) and 2) Interpersonal intelligence, the ability to recognize emotions and feelings arising in relations between people and groups, (Macías, 2002).

Emotional intelligence is defined as is the ability to understand emotions and feelings in oneself and others and to use this understanding as a way to direct actions. (Salovey and Mayer, 1990; Aldosiry, Alkhadher, Aiaqraae and Anderson, 2016). It consists of three abilities or skills: 1) appraisal and expression of emotions, 2) regulation of emotions, and 3) utilization of emotions (Aldosiry, Alkhadher, Aiaqraae and Anderson, 2016). Sternberg, (2000) defined emotional intelligence as non-cognitive abilities, knowledge, and merits that enable one to adapt successfully to different life situations. Bar (1997), established five fields of merits that can represent emotional intelligence capacities: 1) Intra-personal skills, including emotional self-awareness, self expression, self-management, self-development, and independence, 2) inter-personal skills that includes relationships among people, responsibility, social commitment, and unity, 3) adaptability: ability to solve problem, to be realistic, and to test reality and flexibility, 4) Stress management: ability to stand stress and impulses, and 4) general mood: including optimism and happiness. According to Mayer, Salovey and Caruso, (2004), and Magnano, Craparo and Paolillo, (2016) emotional intelligence refers to the ability to accurately perceive access and generate emotions, assist thought processes, and reflectively

regulate emotions so as to promote emotional and intellectual growth. Emotional intelligence allow us to become aware of our emotions, understanding the feelings of others, tolerate the pressures and frustrations we endure at work, emphasize our ability to work together, adopt an empathetic and social attitude that we will provide greater opportunities for personal development, engage, discuss and live with everyone from a harmonious environment and peace (Goleman, 1996). The most important emotional competencies for success are the following three groups: 1) Initiative, achievement motivation and adaptability: 2) Influence, ability to lead teams and political awareness; and 3) Empathy, self-confidence and ability to encourage the development of others (Goleman, 1996). Emotional intelligence is important when it comes to issues related to the bargaining process Foo, Elfenbein, Tan and Aik, 2005). Barry and Friedman, (1998) have emphasized the range of cognitive skills, intrapersonal and interpersonal skills that are necessary to pass the difficult process inherent in complex negotiations.

## **Emotional intelligence and negotiation style**

Negotiation is a valuable context in which to explore the consequences of emotions, because negotiations can at times be infused with emotion (Kumar, 1997) and these emotions can shape how we feel about the negotiation and objective outcomes such as the concessions an individual is prepared to make (Baron, 1990). It has been identified that there is a relationship between the negotiating capacity of an individual and their level of emotional intelligence because the negotiation is a complex set of decisions that make a task, with a range of action alternatives sources, cognitive skills prominent factor in information processing approaches (Bazerman and Carroll 1987; Bottom and Anger, 2013). Negotiators with greater cognitive intelligence, generate more logical psychosocial outcomes such as satisfaction, taste and intentions of working again with the other party in the future, so it is likely to prove a considerable economic value in the long this term through investment in relational capital as (Sharme, et al., 2013) citing Gelfand, Major, Raver, Nishi and O'Brien (2006). If so, then emotional intelligence may even be a better predictor of efficacy of cognitive ability negotiator. There are studies that prove the relationship of emotional intelligence with the negotiating capacity; for example cultural intelligence (CQ), defined as the ability of a person to the successful adaptation to new cultural configurations, that is to say, for attributable unfamiliar environments to cultural context according Earley, Ang, and Tan, (2006) cited by Groves, Feyerherm and Gu, (2014). Therefore the motivation associated with cultural intelligence, can affect the effectiveness of trading strategies, including manipulative, cooperative and interesting behaviors to resolve intercultural conflicts (Groves, Feyerherm and Gu, 2014). Another study mentions that emotions function as social communication, negotiators transmitting information on their own feeling about the situation (Keltner and Haidt, 1999; Van and Van, 2008). In this way emotions influence not only the behavior of those



who experience, but also on the behavior of those who perceive them. In this study it was found that expressions of disappointment could exercise significant influence in the negotiation, since any process to results, (Van and Van, 2008). Moreover, according to and cited Forgas (1995) Nazir and Nam, (2006) some studies have shown that the type of mood influences how people interpret problems when they face them, such as selection of a partner, assigning rewards, plan a meeting or negotiation; therefore the states of positive and negative moods have significant effects on the thoughts of individuals and how they perceive and interpret negotiators negotiation problem. The study Nazir and Nam, (2006) shows that cognitive assessment of the situation shapes the behavior of trading, influencing this, emotions negotiator and social reasons. In other words test how an emotion is caused and how it influences behavior in a negotiation situation. Foo, et al., (2005) examine the effects of emotional intelligence (EI) on the results of the negotiations that take into account the social influence reciprocal inherent in a negotiation, emotional intelligence of both forms was examined, objective and subjective and the results of the negotiation; it was found that many of the skills related to emotional intelligence, help negotiators in creating joint value could also help in negotiating the creation of individual value claiming for themselves.

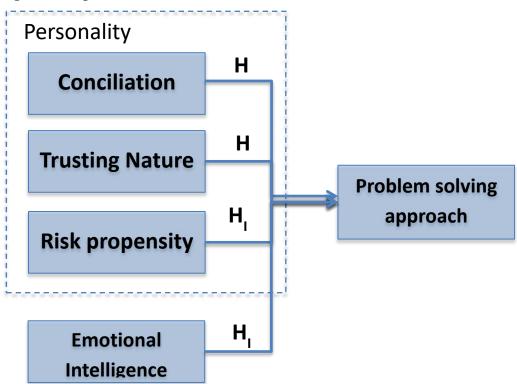
#### PERSONALITY VARIABLES

There is an abundance of studies in the negotiation literature focusing on the fundamental assumption that person parameters or bargainer characteristics are relevant to negotiation processes and outcomes (i.e., Barry & Friedman, 1998). While suggestions regarding the influence of bargainer characteristics on negotiations are intuitively appealing, many studies have provided inconsistent support for such relationships (Wall & Blum, 1991). Nevertheless, King and Hinson (1994) contended that these inconsistencies are partly due to the utilization of bargainer variables that are not conceptually related to negotiations. In other words, personality traits that appear to have no bearing on the bargaining activity are often investigated for research purposes. Barry and Friedman's (1998) seminal article on personality' variables and negotiation has been cited often in the contemporary literature. Their study is based on the Five-Factor Model of Personality (a.k.a, Big Five). While the Big Five has received much attention, the current research study uses an alternative means of evaluating the personality. An adaptation of Shure and Meeker's (1967) and Harnett and Cummings's (1980) personality factors is utilized in this study. The Personality-Attitude Schedule (PAS) by Shure and Meeker was developed "in response to the need to find and synthesize a number of existing attitude and personality scales that would prove predictive of behavior in bargaining settings" (Harnett & Cummings, 1980, p. 89). While the PAS was developed specifically for the bargaining context, the overlap in the theoretical underpinnings of the three personality traits discussed here and the Five-Factor Model is still evident.

# **MEASUREMENT MODEL**

In this study, the measurement model consists of four independent factors (conciliation, trusting nature, risk propensity and emotional intelligence), intended to explain the dependent variable: *Problem solving approach*, see Figure 1.

Figure 1. Proposed model



# Effect of personality variables

Conciliatory Versus Belligerent Predisposition. This variable relates to diplomatic and humanistic responses guided by humanitarian as well as cooperative considerations (Shure & Meeker, 1967). Conciliatory negotiators use constructive dialogues to attain mutually beneficial outcomes. They are more apt to communicate and cooperate with their counterparts. They are also more inclined to adjust their negotiation strategies as a result of their communication with each other (Westbrook, 1996). That is, their integrative communication/messages elicit integrative responses (Goering, 1997)—the essence of the problem-solving approach. Indeed, Harnett and Cummings (1980) found that negotiators who score high in conciliation were more oriented toward problem solving.

Hypothesis 1: A positive relationship exists between negotiators' conciliatory predisposition and the problem-solving approach.



Risk-Taking Propensity. Negotiators' risk propensity relates to their tendency to expose themselves to unnecessary dangers (Shure & Meeker, 1967). The findings of Harnett, Cummings, & Hughes, (1968) indicated that those with high-risk propensity were more inclined to make fewer concessions during negotiations, while Bottom and Studt (1993) found that negotiators with lower risk propensity (i.e., risk avoidance) were more likely to cooperate. These negotiators cooperate to reach better agreements (Bottom & Studt, 1993). Those who are willing to take more risks use aggressive techniques that are self-oriented, rather than mutually beneficial, and are willing to take their chances with regard to the outcome of the negotiation activity (Westbrook, 1996).

Hypothesis II: A positive relationship exists between negotiators' trusting nature and the problem solving approach.

Trusting Versus Suspicious Nature. This variable relates to how negotiators expect their partners to respond (Fells, 1983). It is based on the belief that the other party is also ready to undertake cooperative actions (Pruitt, 1981). Negotiators who are inherently suspicious tend to behave more competitively during the negotiation, while trusting negotiators are more likely to share and/or exchange information (Butler, 1995). Trusting negotiators feel confident that their partners will not use shared information to take advantage of the situation (Butler, 1995).

Hypothesis III: A negative relationship exists between negotiators' risk propensity and the problem-solving approach.

Emotional intelligence. Butt and Choi (2006) have studied negotiator emotions and negotiation outcomes. They identified four emotions: pride-achievement, gratitude, guilt-shame and anger present in any negotiator, as influencing variables in the outcome of a negotiation. The ability of high EI individuals to understand the emotions of others can help contribute to the awareness of whether the negotiation partner is satisfied with the options created and whether the interests of the other side are met. Understanding the subtle communication cues, and the maintenance of composure and a positive problem-solving attitude during an often-difficult process, are factors that benefit the creation of joint objective value (Hegtvedt & Killian, 1999; Naquin & Paulson, 2003). Another component of EI that of regulating ones' emotions also facilitates the negotiation process. This dimension of EI enables negotiators to remain focused on their joint interests, and retain their perspective even if emotions run high. Emotions can lead to an impasse during the negotiation process (Colon & Hunt, 2002). Anger, for example, can hinder objectivity, can cause a loss of trust in the other party, and can

lead to actions of retaliation instead of actions towards reaching an agreement (Adler et al., 1998). In contrast, positive actions taken by one side can lead to reciprocation by the other and thereby establish norms for reciprocity (Thompson et al., 1996). Just as emotional intelligence has been linked to higher life satisfaction (Palmer, Donaldson, & Stough, 2002), through regulating their own emotions effectively, negotiators are likely both to meet their objective interests as well as to develop good relationships with the negotiating partner (Baron, 1990; Hegtredt, & Killian, 1999). Taken together, these facts provide support for the hypothesis that

Hypothesis IV: An individual's EI level is positively related with the problem-solving approach

# **Operationalization of variables**

*Problem-Solving Approach*. The measures of Graham et al. (1994) were used to assess negotiators' self-reported level of problem solving orientation. Negotiators' use of the problem-solving approach was measured using a four items, 5-point semantic differential scale with opposing adjectives as anchors.

Personality Variables. Measures for trusting nature, conciliation, and risk aversion were adapted from Shure and Meeker (1967) and Harnett and Cummings (1980). Both trusting nature and conciliation consisted of five 5-point Likert-type items with ""strongly agree\*" and "strongly disagree" as anchors. The risk-aversion variable was a three-item, 3-point scale with "yes" and "no" as anchors, in addition to "cannot decide" as a midpoint.

Emotional Intelligence. The measure utilized in this study was Austin, Saklofske, Huang and McKenney (2004), modified version of Schutte et al.'s (1998) measure, which in turn developed their measure of emotional intelligence based on the model of emotional intelligence developed by Salovey and Mayer (Salovey, Mayer, 1990). Even though Gardner (1983) did not use the term emotional intelligence, his concepts of intrapersonal and interpersonal intelligences provided a foundation for later models of emotional intelligence. The core of intrapersonal intelligence is the ability to know one's own emotions, while the core of interpersonal intelligence is the ability to understand other individuals' emotions and intentions. Salovey and Mayer (1990) who first used the term "emotional intelligence", postulated that emotional intelligence consists of the following three categories of adaptive abilities: appraisal and expression of emotion, regulation of emotion and utilization of emotions in solving problems. The original scale was a self report measure of emotional intelligence developed around Mayer, Caruso and Salovey's (1999) four-branch model of EI: perceiving emotions, using emotions, understanding emotions, and regulating emotions. The scale by Schutte et



al.'s (1998) is a 33-item self-reporting items emotional intelligence scale. The Austin, Saklofske, Huang and McKenney (2004) scale consists of 41-item, and is also a self-report measure. They were able to identify only three factors could: Optimism/Mood Regulation, Utilization of Emotions and appraisal of emotions.

Past research has documented difficulty in developing self-report tests of emotional intelligence that have divergent validity from traditional personality scales (e.g., Davies, Stankov, & Roberts, 1998; Matthews Zeidner, & Roberts, 2002). Using self-report measures of emotional intelligence is also challenging because it is not clear whether all individuals have sufficient self-awareness of their own ability levels in emotional arenas—in fact, even for objective ability areas such as traditional intelligence, self reported responses often correlate poorly with performance measures (Roberts, Zeidner, & Matthews, 2001). The Austin, Saklofske, Huang and McKenney (2004) scale follows this method and uses 41 forced-choice format questions designed to elicit answers to specific questions that test participants' EI. This forced choice format reduces the potential for self-presentation biases and does not require respondents to have insight about their own degree of emotional intelligence.

# Questionnaire design and sample and data collection

A pretest was conducted to confirm the appropriateness of the items in the questionnaire. Senior-level International Business Management students at the Business School of a major University in Mexico participated in the pretest to clarity wording and instructions of the questionnaire. The operational items used to measure the problem-solving approach construct are presented in Table 2, while the items used to measure the conciliation, trusting nature, risk propensity and emotional intelligence constructs in the model are presented in Table 3.

Table 2. Measurement instrument. Dependent variable

| Negotiator's Problem-Solving Approach |           |                          |  |  |
|---------------------------------------|-----------|--------------------------|--|--|
| Rate your own bargaining strategy:    |           |                          |  |  |
| Self-interested                       | 1 2 3 4 5 | Solving a mutual problem |  |  |
| Exploitative                          | 1 2 3 4 5 | Accommodating            |  |  |
| Deceptive                             | 1 2 3 4 5 | Honest                   |  |  |
| Biased                                | 1 2 3 4 5 | Unbiased                 |  |  |

The respondents were 503 Mexican undergraduate university students, of whom 210 were male and 293 were female. The mean age of the group was 21.12 years, standard deviation 1.297 years.

Table 3. Measurement instrument. Independent variables

| Constructs   | Measurement Variables                                       |
|--------------|---|
|              | 1. When you quarrel with someone, you should make a special |
| Conciliation | effort to understand his/her point of view                  |

- 2. In quarrels with other people, we should make it a point of admitting when we are wrong
- 3. Most activities are fun when you combine your own abilities with other people's.
- 4. You should not be modest if it leads people to underestimate your abilities.
- 5. When people are uncooperative, the most effective way to get them to do what you want Is to use threats.
- 1. Most people are not always straightforward and honest when their own interests are involved.
- 2. We should always feel responsible for helping others less fortunate than ourselves.
- 3. Even nations that appear friendly to us may be unreliable, because they are mainly concerned with their own interests
- 4. Even people who appear friendly may be unreliable, because they are mainly concerned with their own interests.
- 5. There are some people who cannot be trusted at all.
- Risk Propensity 1. Do you drive a car rather fast?
  - 2. Would you like to take a chance by accepting a job you know nothing about?
  - 3. Do you like to drive a car rather fast when there is not a speed limit?
- Emotional intelligence

**Trusting Nature** 

- 1. I know when to speak about my personal problems to others.
- 2. My mood has little effect on how I deal with problems
- 3. I am aware of my emotions as I experience them
- 4. I prefer to keep my emotions private
- 5. I am aware of the non-verbal message that I send others.
- 6. I compliment others when they have done something well.

# Data analysis and results

To assess HI to HIV, a Structural Equation Model (SEM) was utilized. Our analyses followed Anderson and Gerbing's (1988) two-step approach whereby the estimation of a confirmatory measurement model precedes the simultaneous estimation of the structural models, as described next.

#### The measurement model

Confirmatory factor analysis was performed using EQS 6.2 to confirm the variables measuring the constructs in the model. Reliability of the measurement model was examined by calculating Cronbach's alpha coefficient for each of the constructs separately. We also report the composite reliability of the constructs because it is generally acknowledged that composite reliability is a better measure of scale reliability than Cronbach's alpha coefficient (Bagozzi & Yi, 1988; Homburg, Giering, & Menon, 2003). Table 4 shows that the alpha coefficient value for all the constructs is greater than 0.7 which is considered to be acceptable for the constructs to be reliable (Hair, Black,



Babin, Anderson, & Tatham, 2006). The composite reliability values of all the constructs are greater than 0.6 that further strengthens our assessment of reliability of the constructs. The measurement model indicates an adequate model fit of the data (Bagozzi & Yi, 1988, Bearden, Sharma & Teel, 1982, Bentler, 1990). ( $\chi^2 = 920.96$ , df = 217, NFI = 0.887; NNFI = 0.928; CFI = 0.837; NFI = 0.91 and RMSEA = 0.031).

# Convergent validity

Convergent validity was examined by calculating the average variance extracted (AVE) and the factor loadings of the measurement items on respective constructs in the model (Fornell & Larcker, 1981). Table 4 shows that all the measurement variables had significant loadings onto the respective latent constructs (p<0.05) with values ranging between 0.611 and 0.958. In addition, the AVE for each construct is equal to or greater than 0.50, which further supports the convergent validity of the constructs.

Table 4. Reliability and convergent validity.

| Constructs      | Measurement | Loadings | Cronbach's | Composite   | AVE   |
|-----------------|-------------|----------|------------|-------------|-------|
|                 | items       |          | alpha      | reliability |       |
| Conciliation    | Co1         | 0.797    |            |             |       |
|                 | Co2         | 0.840    |            |             |       |
|                 | Co3         | 0.816    | 0.882      | 0.927       | 0.598 |
|                 | Co4         | 0.782    |            |             |       |
|                 | Co5         | 0.611    |            |             |       |
| Trusting Nature | TN1         | 0.821    |            |             |       |
|                 | TN2         | 0.838    |            |             |       |
|                 | TN3         | 0.858    | 0.981      | 0.962       | 0.736 |
|                 | TN4         | 0.864    |            |             |       |
|                 | TN5         | 0.907    |            |             |       |
| Risk Propensity | RP1         | 0.627    |            |             |       |
|                 | RP2         | 0.826    | 0.905      | 0.908       | 0.664 |
|                 | RP3         | 0.958    |            |             |       |
| Emotional       | EI1         | 0.832    |            |             |       |
| intelligence    | EI2         | 0.737    |            |             |       |
|                 | EI3         | 0.627    | 0.981      | 0.941       | 0.640 |
|                 | EI4         | 0.876    |            |             |       |
|                 | EI5         | 0.782    |            |             |       |
|                 | EI6         | 0.797    |            |             |       |
| Problem-Solving | PS1         | 0.657    |            |             |       |
| Approach        | PS2         | 0.757    |            |             |       |
|                 | PS3         | 0.793    | 0.865      | 0.883       | 0.502 |
|                 | PS4         | 0.641    |            |             |       |
|                 | PS5         | 0.681    |            |             |       |

# Discriminant validity

Discriminant validity was assessed in two ways. First, as suggested by Fornell and Larcker (1981), it was assessed by comparing the average values of variance extracted for each construct with the corresponding inter-construct squared correlation estimates. Table 5 shows that all the AVE values are greater than the inter-construct squared correlations, which indicate the discriminant validity of the measurement model. Second, to test whether the inter-construct correlation was significantly different from unity, we used the chi-squared difference tests (Bagozzi, Yi, & Phillips, 1991). The chi squared difference test was performed by estimating the measurement model by constraining the inter-construct correlation to unity and then the same model was estimated freely, estimating the inter-construct correlation. The test statistic is the difference between the chi-square values of 14 more degrees of freedom, and all changes in chi-square obtained were significant at p<0.05 level of significance. This indicated that the constructs in the model are distinct from each other. Overall, we believe that our measurement scales for the constructs are reasonably reliable and valid.

Table 5. Discriminant validity.

|                          | 1     | 2     | 3     | 4     | 5     |
|--------------------------|-------|-------|-------|-------|-------|
| Problem-Solving Approach | 0.502 | 0.250 | 0.420 | 0.180 | 0.200 |
| Conciliation             | 0.545 | 0.598 | 0.430 | 0.320 | 0.410 |
| Trusting Nature          | 0.464 | 0.367 | 0.736 | 0.399 | 0.420 |
| Risk Propensity          | 0.440 | 0.541 | 0.466 | 0.664 | 0.228 |
| Emotional intelligence   | 0.290 | 0.530 | 0.262 | 0.171 | 0.640 |

Note: The upper triangle has the values of squared inter-construct correlations and the lower triangle has the interconstruct correlations values; the diagonal elements are the AVE values (bold).

### The structural model and hypotheses testing

The proposed hypotheses were tested using structural equation modeling using EQS 6.2. Results indicated that the adequate model fit with the chi-square statistic ( $\chi^2 = 920.96$ , df = 217) is significant and all the baseline comparison indices (NFI = 0.887; NNFI = 0.928; CFI = 0.837; NFI = 0.91 and RMSEA = 0.031) indicated an acceptable fit of the structural model with the data. Table 6 shows the parameter estimates of the structural model. Results show that the path coefficients between Conciliation-Problem-Solving Approach, Trusting Nature-Problem-Solving Approach, and Emotional intelligence-Problem-Solving Approach are positive and significant at p < 0.05 while the path coefficient Risk Propensity-Problem-Solving Approach is negative and significant at p < 0.05 supporting  $H_{IJ}$ ,  $H_{IJ}$ ,  $H_{IJI}$ , and  $H_{IJV}$ . Hence, the linear relationships in the model were supported.



Table 6. Estimated path coefficients.

| Hypothesised paths     |   |                          | Path coefficients | Results         |
|------------------------|---|--------------------------|-------------------|-----------------|
| Conciliation           | > | Problem-Solving Approach | 0.192*            | HI (Accepted)   |
| Trusting Nature        | > | Problem-Solving Approach | 0.106*            | HII (Accepted)  |
| Risk Propensity        | > | Problem-Solving Approach | -0.155*           | HIII (Accepted) |
| Emotional intelligence | > | Problem-Solving Approach | 0.221*            | HIV (Accepted)  |

#### **DISCUSSION AND IMPLICATIONS**

The purpose of this study was twofold: (a) to test the expected relationships among the three personality variables and negotiation style and (b) to test the expected relationship among emotional intelligence and negotiation style. We found significant relationships (paths) among the four factors, emotional intelligence generating the greatest impact while trusting nature showed the least impact. In revisiting the personality, emotional intelligence and negotiation-style relationship, this study contributes an alternative way of exploring how emotional intelligence affects the personality-negotiation relationship. Because the findings suggest that negotiation style is driven by emotional intelligence as well as by one's personality traits, this information is critical in hiring and/or training prospective negotiators. Companies ought to emphasize providing assistance to their representatives to develop skill sets that enhance the problem-solving approach.

### STUDY LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

There are some limitations of this research, which needs to be considered while interpreting our research findings. First, these findings need to be qualified with some cautionary notes due to several limitations of the research design: this study was based on quantitative analyses of psychometric measures obtained by a self-reporting questionnaire, which allowed an empirical test of the proposed model based on statistical significance. However, qualitative analyses (e.g., video analysis, content coding of transcript of actual negotiation styles) might have provided a richer understanding of the negotiation process by allowing more contextualized interpretations of interpersonal dynamics based on emotion and personality trait. Future studies may expand these findings using other research designs to reveal underlying interactive dynamics of negotiation. Despite these potential limitations, this study contributes to the negotiation literature by expanding our understanding of the role emotional intelligence and personality characteristics in negotiations and the process-mechanisms related to them.

We believe that a better understanding of the role of emotional intelligence and personality traits in the negotiation process will offer valuable theoretical and practical implications. An important extension of this study would be an investigation of the moderating or mediating role of cultural variables as they affect international negotiations. It also would be fruitful to replicate these findings in real-life situations with participants from different negotiation expertise level, using research design features such as longitudinal data collection and qualitative evaluation of emotion, behavior, and negotiation outcomes.

The present study demonstrated the value of using personality traits as well as emotional intelligence as a lens for examining individual differences in negotiation outcomes. A benefit of EI is its relevance to workplace outcomes (Law, Wong and Song, 2004; Wong. Law and Wong, 2004). However, because emotional intelligence has continued to be controversial in the literature (e.g., Becker, 2003; Jordan, Ashkanasy, & Härtel, 2003; Roberts et al., 2001), it is worthwhile to develop a greater empirical base of research from which to evaluate the construct. In studying emotions in a negotiating context, the social functional theoretical perspective on emotion (e.g., Keltner & Haidt, 1999) guided the development and interpretation of the current findings. Emotions are inherently social, and psychological traditions emphasize the importance of emotion for interpersonal interactions, rather than for individual activities. If emotions provide a valuable mechanism for individuals to coordinate their relationships and interactions with others (Kumar, 1997), then it is important to consider the impact of emotional abilities not only on a focal individual, but also on the others with whom they interact.

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