

The dynamic character of international relations has as a corollary the often temporary nature of many arrangements resulting from a negotiating process.

In some instances, negotiations do not provide a lasting solution. But time-saving techniques and other methods may at least improve the situation and ease tensions provisionally.

CONCLUDING REMARKS

The legal perspective proves to be an irreplaceable and often determining factor in the international negotiating process. Because legal aspects of international negotiations are all-pervasive, negotiators generally seek the advice of a good legal counsel. International law, together with the applicable provisions of domestic law, constitutes a normative framework that should be respected by all actors in the negotiating process.

Law and negotiation apply in general to every human activity. Without gaining legal validity, the results of international negotiations would become worthless and without meaning because they could not be implemented as agreed.

If the outcome of negotiations has no legal authority and entails no legal consequences, negotiation is worthless. So within the parameters of international and domestic law, negotiators must help create the legal rights and obligations they want to set in force.

When negotiators reach an agreement at the conclusion of their endeavors, they are becoming lawmakers themselves. They set the norms they wish to be applied, with regard to the object of their negotiations. Obviously, the terms they determine in an agreement must conform with the forces of law in their state. With this proviso, however, one can conclude that international negotiators are engaged in an activity that is similar to that of legislators. Negotiators as well as legislators are both working toward the enactment of legal norms. Whereas legislators are dealing with norms that have general validity, negotiators are creating "law" that becomes valid only between the parties of the agreement (*lex intra partes*). In the latter sense, negotiators become legislators, at least inasmuch as the legal relationship between the parties to the agreement is concerned.

Organizational Theory

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The subject of this chapter, an organizational approach to international negotiations, implies a link between problems of international relations, on the one hand, and the potential contributions of organizational theory, on the other. Allison (1971) proposed such a link in his analysis of the Cuban Missile Crisis and demonstrated some of the differences between explanations that depended on the rational actor model and those that emphasized organizational process and bureaucratic politics. He concluded that although organizational models offered the potential of improved explanation and prediction in the international domain, "studies of organizations have had little influence on the existing literature of international affairs" (pp. 68-69). In the years since Allison's observation, scientific study of the negotiation process has expanded significantly, and the comparison of competing paradigms has begun (Zartman, 1978).

The potential contributions of organizational theory and research to the understanding of international negotiations, on the other hand, have received little attention. The title of a book by Lax and Sebenius (1986), *The Manager as Negotiator*, implies the relatedness of the organizational level to negotiation and bargaining, but the light is shining in the opposite direction from what Allison envisioned: general principles from negotiation theory and experimentation are used to illuminate the nature of organizational management. Winham's article on negotiations as a management process (1977b) is almost unique in urging the use of organizational phenomena to approximate the complexity of negotiations between nations.

THREE USES OF ORGANIZATIONAL THEORY

One way in which theory and research at the organizational level can contribute to an understanding of international relations is by taking into account the *organizational embeddedness* of negotiators, that is, of certain determinants of individual behavior that are common to both organizations and nation states. Acts of war, the making of peace, and the conduct of diplomacy, which Clausewitz ([1832] 1976) regarded as an activity intermediate between the two, cannot be fully understood as the formal acts of nations qua nations. Still less can they be understood entirely as behaviors of individuals acting as free agents. They are most fully understandable at the individual level, I believe, as behaviors of people acting in organizational roles.

The stability of organizations and of governments assumes that the demands and expectations associated with each role in large part determine the behavior of the individual occupying that particular position. Admittedly, as one ascends the organizational hierarchy, the enactment of the role increasingly reflects attributes of the individual as well as the formalized requirements of the position. Generals have more discretion in their role behavior than foot soldiers do. But even at the highest levels, the demands of the role tend to overwhelm individual values and preferences.

Dramatic reminders of the dominance of role demands at high levels are provided when we compare the statements of national leaders in office and after leaving it. For example, Eisenhower's remarkable warning to the American people about the dangerous power of the military-industrial complex came only in his farewell address (1961). And Robert McNamara's proposal that the United States make a public declaration that it will not use nuclear weapons first, even at the "battlefield level" and even in response to an attack by conventional arms, was made not during his tenure as secretary of defense but in a 1983 article on the military role of nuclear weapons.

Negotiators, although often physically separated from their home organization or country, are not exempt from the requirements of role. When they negotiate, they are in part expressing their own values and personalities, but they are motivated in large part by organizationally mediated rewards and penalties, the hope of organizational preferment, organizationally generated feelings of solidarity with others, identification with organizationally defined missions, and organizationally determined standards and values. Admittedly, the negotiator's role is unusual in that much of the required interaction is with people outside his or her own organization (or nation). But this is not unique; people in sales, service, and liaison positions of various kinds also interact primarily with others who are outside their own organization. Such people occupy positions that or-

ganizational theorists call *boundary roles*, and the conceptual language of role theory as developed in organizational settings gives us a way of dealing simultaneously with behavioral determinants that are self-generated, those that are generated by the immediate interaction of the negotiation itself, and those that are mediated by the constituencies that the negotiator willingly or unwillingly represents. This conceptual approach is one way in which organizational theory and research are relevant to international negotiations.

A second way in which organizational theory and research can contribute to the domain of international negotiation involves the conceptualization of *interdependence*, which is a core problem in both fields. If nations were not interdependent in some respects, actually or potentially, there would be nothing to negotiate about. It is the fact of a nation's interdependence with others in its environment that generates the content of negotiations. How such interdependence of a social system with its environment can best be conceptualized and managed has been a central concern in organizational theory and research for decades. Early research in organizations concentrated almost entirely on internal issues, especially the relationships between supervisors and subordinates, but in the 1960s, the emphasis began to shift toward the conceptualization of organizations as open systems whose existence required continuing interdependent exchange with their environments (Emery and Trist, 1973; Miller, 1965a, 1965b; Katz and Kahn, 1978; Thompson, 1967; Lawrence and Lorsch, 1967).

Scholars who adopted the open-systems view of organizations and who thus agreed on the importance of organization-environment interdependence did not therefore agree on how the environment of an organization or any other social system should be conceptualized and measured. In an excellent summary of the ways in which different investigators have approached the problem of organization-environment interdependence, Scott (1987) distinguishes three levels of environments. The first, the *ecological field* (Hawley, 1950) or the *interorganizational field* (Warren, 1963), focuses on a specific geographical area and concentrates on the pattern of relations among organizations in that area. A second approach, usually designated *population* or *population-ecology* (Hannan and Freeman, 1977), is based on categories of organizations that resemble each other in crucial respects, much as members of the same biological species resemble each other.

The third level at which organization-environment interdependence has been studied is based on the concept of the *organization set* (Blau and Scott, 1962; Evan, 1966). This approach, which can be regarded as an extension of role theory, is most readily extrapolated from the organizational to the national level and is most relevant to the process of international negotiation. It assumes that the relevant environment for any given organization consists of the other

organizations with which it interacts directly. The concept of the organization set assumes a particular organization on which our interest is focused, an organization whose success or failure we want to understand and predict. It is from the viewpoint of this focal organization that the members of the set are defined, and it is the relationships between the focal organization and the separate members of its organization set that must be negotiated. As we shall see, the extrapolation of this approach to the concept of focal nations and their respective nation sets allows us to characterize interdependent relations between nations in ways that draw on organizational research and can be tested at the national level.

A third domain in which organizational research might contribute to identifying and clarifying issues in international negotiation has to do with *formal decision making*. Human organizations, large and small, function by means of decision making, choosing among alternative actions.

Any organizational decision can become the subject of negotiation, but limitations of time and resources require that most decisions be made without formal or extended negotiation. The organizational hierarchy deals with this problem by subdividing and allocating the prerogatives for making decisions. Such subdivision and allocation may themselves become the subject of occasional intraorganizational negotiation, but the numerous operating decisions by which organizations function are not negotiated.

The decision-making process becomes more complicated when organizations are large and consist of numerous semiautonomous subunits and when the decisions to be made involve significant questions of resource allocation, market share, distribution of profit, major product change, and the like. The decision-making situation then involves a number of executives, each responsible for some part of the organization, each representing therefore a constituency, but each also bearing some share of collective responsibility for the viability and success of the enterprise as a whole. To those must be added a further complication: these organizational subunits are certain to differ in size, resources, and power.

The question that arises under such circumstances is how decisions can be reached that are accepted as legitimate and binding on all of the organizational units represented. This question, which must be dealt with by every organization large enough to contain components of significant size and autonomy, is relevant to international negotiation in two ways. First, international confederations, from the United Nations and the European Community to regional groupings of lesser size and more restricted function, must deal with the same problem: inventing a formal method for making collective decisions that will be treated as legitimate and binding by all participating units. Second, as Raiffa (1982) has pointed out, the task of inventing and adopting a decision-making procedure is itself a negotiation problem of a peculiarly difficult kind.

NEGOTIATION AS BEHAVIOR IN BOUNDARY ROLES

As Cross (1978) points out, models of negotiation have in common a fragmented approach to the problem; they differ mainly in the fragment on which they concentrate. I agree with this observation and with his judgment that the fragmented models are "a natural consequence of our limited understanding of an extremely complicated phenomenon" (p. 30). Approaching negotiation in terms of role theory, as it has been developed in social and organizational psychology, has the advantage of breadth. It allows us to deal simultaneously and in commensurate terms with attributes of the negotiator, the behaviors of his or her antagonist or counterpart, and the demands and expectations of constituents or co-workers. The main disadvantage of current role models of this holistic kind is that their quantification and measurement are not well developed.

The Role Model

The concept of organizational role is basically behavioral. It refers to activities that are associated with a given position in an organization or other social system and that are therefore expected of anyone who occupies that position. For convenience, the occupant of a position on which our interest is focused at any particular time is referred to as a *focal person*. The people whose own work is interdependent with that of the focal person (supervisor, subordinates, peers occupying adjacent positions in the work flow, and the like) hold specific expectations about what activities the focal person shall perform and how they shall be performed. These people are referred to collectively as the *role set* for that position or as role senders for it.

The members of a person's role set not only hold expectations for his or her behavior, but they also communicate those expectations as attempts to influence and shape that behavior. The orders of hierarchical superiors, the suggestions of peers, and the requests of subordinates are all attempts by members of a role set to influence the behavior of a focal person; in combination, they constitute the *sent role*. The focal person who is the target of these attempts perceives them more or less accurately; his or her interpretations constitute the *received role*. The focal person continues to perform his or her role, responsive in part to his or her own beliefs and preferences. That *role behavior* is observed by members of the role set, who may either modify or intensify their expectations, and thus the cyclical process of role sending and role enactment continues. Moreover, this core process for any given person takes place in a context that includes formal properties of the organization as a whole (size, climate, and so on), enduring properties of the focal person (such as personality and demographic characteristics), and interpersonal relations that have developed over time (including degree of trust, liking, and power).

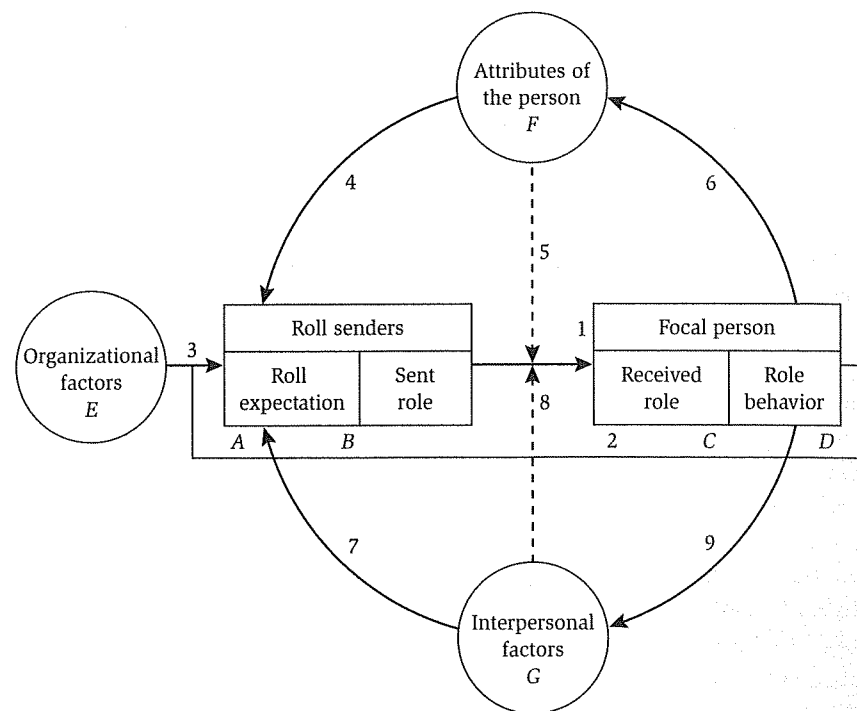


Figure 11.1. A Theoretical Model of Factors Involved in the Taking of Organizational Roles.

Source: Katz and Kahn, 1978, p. 196.

The main elements in this approach to explaining the behavior of people in organized settings are presented in Figure 11.1. It is of course a simplification. One of the complexities not illustrated is the likelihood of disagreement among members of the role set about the requirements of the focal role or the performance of the focal person. For example, a factory supervisor might be told by workers that production demands are excessive and by the superintendent that productivity is below standard. This is one form of *role conflict*, and it has been studied extensively as a form of stress in work settings (Winnubst, 1984; Cooper and Payne, 1978).

Boundary Roles

The nature of role conflict, the ways in which people cope with it, and its consequences for their performance are important issues for understanding negotiation because negotiators' positions are particularly prone to role conflict. The reasons have to do with the nature of their role sets. For most organizational

positions, the members of the role set are also members of the organization. For negotiators, however, members of the role set are partly within their own organization and partly outside it. The company representative who negotiates a new labor contract must deal simultaneously with the role expectations of management, workers, and union representatives.

Boundary positions, as Adams (1976) pointed out, have a number of unique characteristics. People in such roles are more distant from members of their own organization—often more distant physically as well as psychologically—and they are necessarily closer to people in the external environment. Second, people in boundary roles must represent their organization to those outside it. Third, and more difficult, they must attempt somehow to influence people outside in ways that serve the organizational interest. Finally, they bring information about the external environment into their own organization, and not infrequently they attempt to bring their own organization to a more realistic understanding of that environment and its demands.

There is a substantial research literature on boundary roles, much of it based on organizational studies of salespeople and labor negotiators or on experimental simulations of organizational transactions involving people in such roles. I summarize here the findings that seem particularly relevant to international negotiation, using the concepts and causal sequence described in the text and illustrated in Figure 11.1. Major sources for these findings are Rubin and Brown (1975), Adams (1976), Druckman (1977a), Zartman (1978), Katz and Kahn (1978), and Putnam (1988).

Perhaps the most consistent cluster of findings involves the visibility and accountability of boundary persons to members of the role sets in their own organizations. High visibility and accountability, either during or after negotiation, have negative effects. Negotiators under these conditions tend to make smaller initial concessions in bargaining and encounter more deadlocks. Rubin and Brown (1975) explain similar results in terms of the negotiator's need for positive evaluation from the role set. The main bases on which negotiators are evaluated appear to be their success and their compliance with the role expectations of the internal role set. When negotiator performance is not directly observable, the criterion of apparent compliance assumes increased importance.

The responsiveness and obedience of boundary persons to their internal role sets seem to depend on three factors—their personal need for approval, the strength of their attraction to the organization and their role in it, and the extent to which the members of the role set control rewards and penalties important to the boundary person (Hermann and Kogan, 1977). It is plausible that the climate of interpersonal relations established over time between boundary person and role set would bear on the extent to which accountability is demanded, but only one relevant variable appears to have been much investigated: trust. High trust by the role set leads to increased freedom for the negotiator, which

is in turn associated with optimizing outcomes. Trust is established, on the other hand, by demonstrating obedience to role-set expectations and by having produced successful negotiation outcomes. One can earn discrepancy credits, but at the cost of previous conformity.

In contrast to the research literature on the negotiation and bargaining process as such, the role-based research concentrates less on the responses of the negotiator to his or her counterparts outside the organization. Two factors appear significant, however: the boundary person's perception of the other's bargaining behavior and the expectation of future interaction. The boundary person acts more flexibly when the other (bargaining partner or antagonist) is seen as cooperative and when future interaction is likely. The boundary person becomes more demanding when the other negotiator is seen as exploitative and when future transactions seem unlikely.

Finally, work with Australian managers (Crouch and Yetton, 1987) has indicated that the benefits of "working through" conflicts depend on the manager's skills in this kind of problem-solving negotiation. An earlier experiment (Bazerman and Neale, 1983), which used a population of undergraduates in a simulated labor-management dispute, had also shown a main effect of training on frequency of successful resolution. The training apparently had the immediate effect of decreasing the experimental subjects' initial expectations of success and increasing their willingness to make concessions. These changes in turn led to the increase in successfully negotiated outcomes.

This review of role-oriented research suggests that it is in some respects complementary to the dominant pattern of work on negotiation and bargaining. This research, at least as it has developed in organizational psychology, has concentrated on explaining the behavior of people in organizational roles, most of whom are acting within the boundaries of the organization. Even for boundary-role persons, the emphasis has been on intraorganizational determinants of behavior. Bargaining theory, by contrast, has concentrated on explaining the behavior of bargainers primarily in terms of their reactions to the behavior of their opposite numbers in the bargaining game and secondarily in terms of their own personalities.

We still await the development of a model that fully incorporates the strengths of both approaches. The nearest approximation to such an integration is contained in a chapter by Druckman (1978a) on negotiation as dual responsiveness. He proposes that the characteristic conflict and stress of boundary roles reflect the necessity of performing simultaneously two quite different functions: "monitoring the other side for evidence of movement and monitoring one's own side for evidence of preferences" (p. 87). I agree with the distinction, and I concede the limitations of the organizational role model, at least in its present form, for dealing with the first of these functions. Its contributions to explaining the second function, however, deserve increased attention by students of negotiation.

THE MANAGEMENT OF INTERDEPENDENCE

Most books on negotiation do not include a definition of the term, assuming either that colloquial understanding will suffice or that meaning will emerge in the course of exposition. Those authors who do offer definitions, however, show substantial agreement. Lax and Sebenius (1986, p. 11), for example, say that "negotiation is an attempt by two or more parties to find a form of joint action that seems better to each than the alternatives." And Rubin and Brown (1975, p. 2) state that bargaining or negotiation is a "process whereby two or more parties attempt to settle what each shall give and take, perform and receive, in a transaction between them."

The central element in these definitions and others that resemble them is the assumption of interdependence of interests, actual or potential, between the negotiating parties. The negotiation process is then an attempt to reach agreement on how that interdependence shall be managed. In the simplest cases, the alternative to reaching agreement is complete separation. If a potential buyer and seller are unable to agree on a price, the buyer leaves, and there is no continuing interdependence. However, if two competing organizations cannot agree on a division of the market, the competitive interdependence is not thereby dissolved; it is more likely to be intensified. And if two nations cannot successfully negotiate a boundary dispute, their geographically determined interdependence is not lessened; it is simply unmanaged. Negotiation, in my view, is essentially an attempt to manage interdependence.

That task, the management of interdependence, is what organizations and organizational theory are about, at levels from the interpersonal to the international. The recognition of interdependence between individuals at the level of the work group was central to the early work of the human relations school (Mayo, 1933; Roethlisberger and Dickson, 1939; Argyris, 1957; McGregor, 1960; Likert, 1961), which treated the management of interdependence at that level as the central task of supervision and regarded participative decision making as the most effective way of accomplishing that task. Emery and Trist (1973) proposed an analogous proposition at the organizational level. In their exposition of the sociotechnical concept of organizations, after acknowledging the importance of interdependence within work groups, they added, "Similarly, the primary task in managing the enterprise as a whole is to relate the system to its environment and is not in internal regulation per se" (p. 220).

Scholars who attempt to explain the behavior of organizations in terms of the resource-dependence model, as we have seen, emphasize the exchange of resources between a given organization and others that constitute its organization set. Such exchanges presuppose some kind of agreement about the terms of exchange. Agreements in turn imply that a process of negotiation has occurred.

Negotiations, successful or failed, involve interdependence. Interdependence of some kind is thus an inevitable part of cooperation, and it is a precondition for conflict—interorganizational and international. Without some degree of interdependence with respect to resource acquisition, territorial boundaries, and the like, there would be no incentive to assume the risks and costs of conflict or the effort of cooperation.

Two persisting questions for every organization and nation are how best to manage unavoidable interdependencies and how to realize the gains of potential interdependencies. Let us begin with the organizational case and assume that the avoidance or elimination of a given interdependence between two specific organizations is impossible and that its nature is dominantly conflict-generating or mixed-motive rather than wholly symbiotic (Scott, 1981) or promotive (Deutsch, 1973). We can then imagine a hypothetical continuum in which the identifiable scale points represent specific structural arrangements for the management of interdependence between these two organizations. Arranged in order of increasing proportions of managed (that is, successfully negotiated) as compared with “unmanaged” interdependence, we then have an ordinal scale anchored at one end by total combination (merger or absorption) and at the other by no-holds-barred conflict.

The continuum of managed versus unmanaged organizational interdependence might have the following sequence: total combinations (mergers, takeovers), joint ventures, contracts or treaties (as hierarchical documents), spot contracts (one-off), normative agreements (oral, informal), regimes, markets (sociolegal constraints), no-holds-barred conflicts. In total organizational combinations, whether voluntary mergers or hostile takeovers, all of what had been an interorganizational relationship is made intraorganizational. Problems of conflict and negotiation coordination are not thereby eliminated, but they are moved inside the organizational boundary and thus made subject to the authority structure and problem-solving machinery of the organization. It is in that sense that they become managed, and as Lax and Sebenius (1986) point out, the negotiation of intraorganizational conflicts is a manager's chief task. The other end of the continuum, no-holds-barred conflict between organizations is not encountered in civil society. The social norms and the laws of the land limit the ways in which interorganizational conflict can be expressed so that the more common situation is that of the market.

The continuum of managed versus unmanaged organizational interdependence just described was developed from organizational research. Each designated structural arrangement for managing organizational interdependence, however, seems to have its counterpart at the international level. Organizational mergers and takeovers resemble international federation and conquest. Organizational joint ventures have many international counterparts, from bilateral, single-purpose arrangements such as the U.S.-U.S.S.R. Antarctic expeditions to

multination, multipurpose structures such as the European Community or the United Nations. Organizational contracts resemble treaties in that both are formal agreements regarding the future performance of the parties and both are governed by law, although international laws lack the enforcement powers that can be applied within nation-states.

The distinction between spot or one-off contracts and contracts as hierarchical documents is based on the scope of the agreement, in terms of both time span and range of activity. A spot contract is drawn, for example, when a manufacturer arranges to purchase a single shipment of component parts from a supplier. Suppose, however, that the same manufacturer contracted purchase components from that supplier on a continuing basis and that the contract included agreed procedures for coordinating shipments with manufacturing schedules, adjusting prices to take into account cost changes, and settling incidental disagreements. The contractual relationship would then have acquired some of the functions typically carried out by management hierarchies within organizations, and in that sense, the contract would have become what Stinchcombe (1985) calls a hierarchical document.

Such contracts involve a two-way relationship with the process of negotiation. They are the product of negotiation, of course, as are all agreements to manage interdependence that go beyond no-holds-barred conflict and the behavior of competing organizations in a hypothetical free market. But contracts that include procedures for settling future conflicts of interest that arise in their fulfillment are also vehicles for negotiation. Less formal, noncontractual agreements between organizations resemble the agreements between nations that political scientists refer to as regimes. As Keohane (1984, pp. 115–116) puts it, “International regimes neither enforce hierarchical rules on governments nor substitute their own rules for autonomous calculation; instead, they provide rules of thumb in place of those that governments would otherwise adopt.”

INTERDEPENDENCE AND NEGOTIATION

The differences among these several ways of dealing with unavoidable interdependence are important, but they should not lead us to neglect their commonalities. Chief among these is their dependence on negotiation. Normative agreements, contracts of all kinds, joint ventures, and voluntary mergers or federations come into existence only as the products of negotiation. Idealized free markets, while preventing negotiation between competing producers, assume continuing negotiation between buyers and sellers, suppliers and purchasers. The hostile takeover of one organization by another may be undertaken unilaterally—that is, without negotiation—but the effect of such a takeover is not the elimination of conflict or of negotiation. Rather, the conflicts of interest that

existed between organizations before takeover are moved within the boundaries of the enlarged organization, where they become subjects of negotiation by the management of the combined enterprise. Even a no-holds-barred conflict typically arises out of failed negotiation; it is, in Boulding's terms (1962), a "system break," and its resolution will require the resumption of negotiations on some basis.

To the extent that both parties to a negotiated joint action are objectively better off, the negotiation game has been of the non-zero-sum variety. This calculation is made more complicated, however, by the fact that the alternative to a successful negotiation may not be a simple reversion to complete independence or any other prenegotiation state. Complete independence (total lack of interdependence) may be impossible, and the alternative to a given agreement may involve penalties, brute force, or other negative costs imposed by either or both negotiating parties. A further complication stems from the fact that real-life situations, unlike many experimental games, are typically mixed—that is, neither simple zero-sum nor non-zero-sum. Negotiations therefore take place, as Raiffa (1982) puts it, between cooperative antagonists, who must often discover for themselves the potential for "creating value" and thus making joint gains. And even when such value enhancement has been achieved, the problem of sharing remains. The pie may have been enlarged, but it still must be divided.

The process of sharing is eased when negotiators are able to take advantage of differences between themselves (Lax and Sebenius, 1986). To the extent that the parties to a negotiation do not have identical value preferences, it becomes possible for each to give up something valued less than the thing that he or she receives in exchange. Such trading on differences or "dovetailing," however, implies a lengthy process of building trust, disclosing preferences, "creating value," and negotiating exchanges. The process implied is thus one of continuity rather than one-shot or episodic negotiations. Joint ventures offer such continuity. They are by definition the product of successful negotiation, and they can also provide the context for continued success. For the latter reason, I believe that they deserve particular attention from scholars and practitioners of international negotiation.

JOINT VENTURES

The sequence of organizational arrangements from merger to no-holds-barred conflict reflects an underlying continuum of managed to unmanaged conflict, as I have said. There are, therefore, presumptive advantages as we ascend the scale—less risk of unmanaged, unconstrained, and perhaps survival-threatening conflict. But there are also costs associated with each higher point on the scale, and those costs involve sovereignty. Additional aspects of autonomy

or sovereignty are surrendered at each higher point, and at the point of merger, the identity of the organization itself is lost.

The leaders of organizations, like the leaders of nation-states, value sovereignty so highly that acquisition is resisted unless the personal or protective advantages are overwhelming. Add to this the power of nationalistic identity, and the limited appeal of total combination across national boundaries is readily understandable. Joint ventures, however, offer some of the advantages of outright merger with virtually none of the risks. They entail only a limited pooling of resources (Scott, 1987), and they can be designed for a variety of formally stated and explicitly limited purposes. They can be sufficiently insulated from their parent organizations to permit the development of a cooperative subculture even when the parent organizations continue to compete or conflict in other spheres. And most reassuring to those who insist on uncompromised sovereignty, joint ventures are not irrevocable. Unlike mergers, both national and organizational, from which the component parts cannot secede without civil war or its corporate equivalent, joint ventures continue only so long as their parent organizations permit them to do so.

These characteristics give organizational joint ventures a certain plausibility at the international level, and there are some successful examples. The failures are numerous, however, and few of the successes involve both the United States and the Soviet Union as participants. One success in which both nations are major participants is the multilateral arrangement for the exploration of Antarctica. It is additionally remarkable because of its scale (eighteen voting nations and seventeen "acceding"), because of its duration (twenty-seven years), because the current mode of a cooperative joint venture superseded earlier stages of conflict and informal regime agreement, and because the current agreements—to which the U.S. and the U.S.S.R. are signatories—include the definition of Antarctica as a nuclear-free zone.

The success of this special case appears to be more celebrated than understood. It has evoked a scholarly literature predicting a range of outcomes from competing national claims and international conflict to complete internationalization of the Antarctic continent, the first move on a continental scale toward the long-envisioned one world (Shapley, 1988). As researchers, we stand to learn much more from comparative research on a population of successful and unsuccessful joint ventures and from longitudinal case studies of specific joint ventures as they go through periods of varying success. The Standing Consultative Commission (SCC) is a case of the latter sort, and some such analyses have been published (Graybeal and Krepon, 1985; Buchheim and Farley, 1988).

The SCC is of particular interest because it involves two points on the continuum of managed interdependence as described here, the treaty or contract and the joint venture. The commission is an outgrowth of SALT I, the Strategic Arms Limitation Talks between the United States and the Soviet Union begun

in 1969. It is a unique example of a joint venture created as part of a treaty negotiation (the ABM treaty of 1972), dealing with a subject of great military importance and sensitivity, operative over a substantial time period, and characterized within that period by sharply different patterns of success and failure. The commission's stated purpose was to contribute to the continued viability and effectiveness of the treaty by resolving questions of interpretation and compliance as they arose. The commission was thus the creature of one set of negotiations (the ABM treaty) and the intended vehicle for another (dealing with questions of interpretation and compliance).

A review of the SCC's successes and failures over fifteen years shows that the successes dominate during the years before 1980 and the failures in the years from 1980 through 1987. For example, the pre-1980 achievements of the SCC included the negotiation of procedures for dismantling weapons in excess of the ABM treaty limits, enacting treaty provisions limiting strategic offensive arms, regulating the replacement of ABM systems and components, and providing immediate notification of suspected use of nuclear weapons by other countries or terrorist groups. In addition, the SCC dealt successfully with eight questions of compliance raised by the United States, each of which tended to evoke a similar question from the U.S.S.R.

Beginning in 1982, however, a series of public and official statements from the United States charged the Soviet Union with generalized and intentional non-compliance (Duffy, 1988). Similar accusations were made against the United States by the U.S.S.R., and both governments turned away from using the SCC as a forum for negotiation and conflict resolution. Disuse, moreover, gave increasing validity to charges of SCC ineffectiveness, the most florid of which was Caspar Weinberger's statement that the SCC had become an "Orwellian memory hole into which U.S. concerns had been dumped like yesterday's trash" (Duffy, 1988).

It is too early to assess the effects of recently improved U.S.-U.S.S.R. relations on the Standing Consultative Commission. However, a comparison of SCC accomplishments before and after 1980 suggests that the potential utility of such treaty-nested joint ventures is very great but that the realization of that potential depends in part on factors external to the joint venture itself. The most obvious functions of joint ventures of the SCC treaty-nested type are the interpretation and fleshing out of an agreement that is appropriately general rather than specific in many respects and the application of the agreement to new political and technological developments. Viewed in these terms, a treaty-nested joint venture would function as a vehicle for continuing international negotiation so long as the treaty signatories wished to maintain the kind of cooperation prescribed in the treaty itself.

The more difficult question posed by the short and varied history of the SCC is whether such joint ventures can help preserve a mode of problem-solving

negotiation even at times when the cooperative mood of the principals to the agreement has weakened. This is a familiar issue to organizational researchers and to managements that have attempted field experiments in which some new organizational subculture is created within an environment of older norms and values. The tendency in such cases is toward erosion and absorption of the new (Morse and Reimer, 1956; Walton, 1978), and the major antidote consists of guarantees of autonomy for the new enterprise, preferably accompanied by some insulation from the parent organization. Autonomy as a general condition is made up of such tangibles as the explicit delegation of decision-making authority, the commitment of resources for extended periods, and the appointment of members (representatives) for substantial terms.

One can imagine building such autonomous characteristics into organizational joint ventures at the international level, with commitments made at times of cooperative, long-sighted high tide and the joint venture serving to continue such cooperation during periods of wavering commitment. There may, of course, be disadvantages to such designs. Increasing the autonomy or "distancing" of a joint venture from its parent systems may increase its ability to function as a cooperative cultural island, but it may reduce the likelihood that it will fulfill its larger social function—that is, that the cooperative example of the joint venture will lead, through a process of organizational learning or contagion, to more widespread cooperation between the principals themselves.

No systematic comparisons have yet been made between joint ventures that are successful and those that are not, between those that endure and those whose life is short, or between those that have the effect of inducing cooperation between their principals and those that do not. Research of this kind can help realize the potential contributions of organizational studies to international relations.

NEGOTIATION OF FORMAL DECISION MAKING

Our discussion thus far has concentrated on bilateral joint ventures between equal partners. Let us turn now to the complicating factors of numbers and inequality. International joint ventures such as the European Community and the United Nations consist of many nations that differ greatly in size and power, a fact that makes it extremely difficult to reach initial agreement about the basis for making decisions. The principle of national sovereignty implies that the decisions of such multinational bodies be made on the basis of one nation, one vote. This principle is predictably unsatisfactory to nations of great size (population), which are more likely to argue for a formula of one person, one vote. And considerations of power, economic and military, raise further complications. In addition to these competing principles, there is the question of what voting

proportions are required to enact a decision—simple majority, some large fraction, or unanimity.

None of these problems is new, but none has been fully resolved in theory or in practice (Arrow, 1951; Raiffa, 1982). The bicameral Congress of the United States is an attempt, successful on the whole, to deal with the problem of unequal size among states. The structure of the United Nations, with the differentiation of the Security Council from the larger Assembly, is another attempt to deal with the problem of unequal size and power. The UN organizational design can be considered only a limited success, and there have been proposals to modify it. The most original of these, developed and given some testing in simulations, is the “binding triad” (Hudson, 1986). This would require that the votes in the United Nations Assembly be counted in three ways—first, on the basis of one vote per nation, then weighted according to the population of the voting nations, and finally weighted according to their power (that is, rated according to NGP, which is already the agreed basis for determining national assessments for support of the UN). If the vote carried on all three bases, it would become binding on all member nations—hence the proposed designation, binding triad.

The dilemma of attaining joint decisions by units of unequal size and power that maximize the long-term collective good is another problem for which the potential contributions of organizational research appear promising. Most large organizations encounter this problem in some form. Many universities, for example, have councils of deans that act as decision-making bodies on the basis of formal votes. The colleges represented by the various deans differ greatly, however, in size of the student body, in size of the faculty, and in allocated space and resources. The situation is replicated at the next-lower hierarchical level, when deans convene the heads of departments that also differ greatly in size, resources, and institutional importance. And in most large corporations, the various vice presidential domains differ substantially in these respects. Nevertheless, the vice presidents as a group are charged with acting in the interests of the organization as a whole when they participate in decision making at the organizational level.

It is certain that organizations have evolved many different ways of dealing with the core problem of collective decision making, and it is almost certain that their various solutions—formal and informal, hierarchical and participative—are not equally successful. This, however, is conjecture rather than the result of empirical research or theoretical derivation. Research to document the ways in which organizations deal with the problem of joint decisions by collectivities made up of unequal components remains to be done, and the contributions of such research to solving the same problem at the international level remain to be realized.

CONCLUSION

It is easy to pose questions to be answered by future research. The more difficult question, of course, is whether we can offer any advice to negotiators on the basis of organizational research already done. I believe that we can. For example, research on boundary roles tells us that negotiation skills can be taught, that the selection of people suited by personality for such roles is also important, and that negotiators are likely to be more successful if they are given substantial autonomy than if they are held to continuing and detailed accountability.

Research on the management of organizational interdependence, while at an early stage, suggests the advantages of treaty-nested joint ventures as a way of monitoring the fulfillment of treaty obligations and keeping treaty agreements viable under changing conditions. Finally, research on formal mechanisms of representative decision making by unequal components is so little advanced that we can only call attention to the importance of the topic as one that international organizations should address before it becomes an obstacle to reaching a decision on some major substantive issue.

These advisory fragments are only illustrative of current possibilities. I offer them with a keen sense of the need to strengthen the research base and with awareness that, on the long continuum from art to science, negotiation is very much an art and likely to remain so. Like medicine, however, it is an art already informed to some extent by scientific theory and research, and we can hope to see increases in the science-based component. It is in that hope that this chapter has been written.

ADDENDUM: THE 1990S

The purpose of this addendum is to address the developments in organization theory as applied to international negotiation. As Robert Kahn noted early in the chapter, “The potential contributions of organizational theory and research to the understanding of international negotiations . . . have received little attention.” While Kahn noted a “readiness” for this kind of contribution—even going back twenty years earlier to Graham Allison’s early observation (1971) of differences between the rational actor and bureaucratic models of organizational behavior—trends that he hoped would gain momentum still have not done so more than ten years later. Nevertheless, there has been some important progress in organizational theory, which we will review here, although its impact on negotiation theory is only beginning to be noticed.

Kahn emphasized three major themes:

- The organizational embeddedness of negotiators. Organizations are not blank slates but are characterized by different organizational cultures that influence their members and the parts they play in enacting the cultural play. Viewed through the lens of role theory, embeddedness refers to the roles played by individuals as they represent their organization to other organizations in a professional negotiating capacity.
- The interdependence of organizations and organizational actors with their environments, extrapolated from organizational interactions to international negotiations.
- Negotiation and the process of organizational decision making—that is, how multiple actors in a large organization negotiate toward resolution and consensus and the parallels between these organizational processes.

This addendum provides new insights in each of these areas and identifies several domains in which new work has emerged in the past decade: the critical role of trust, the changing nature of boundary roles, the nature of multiparty negotiations and coalitions, and the impact of organizational culture on negotiation processes.

The Changing Nature of Organizational Forms and Process

Without question, the most important shift in organizational theory over the past decade has been the changing nature of organizational form and processes related to that form. As noted by many authors (for example, Greenhalgh, 2001; Sheppard and Tuchinsky, 1996a, 1996b), there has been a revolution in organization structure and in the behaviors that occur within it. This revolution has been driven by many factors and has accelerated significantly in a world of globalized commerce where technological development has increased the speed of information flow and communication, demanded increased organizational flexibility and responsiveness, and required organizations to become more efficient and reduce their costs by downsizing, outsourcing, and divesting. Strategic alliances, joint ventures, and long-term partnerships are outgrowths of this trend. As these changes have gained momentum, it has become quickly clear that “old” forms of organization structure—particularly the hierarchical form—are giving way to “boundaryless” organizations (Tichy, 1993; Ashkenas, Ulrich, Jick, and Kerr, 1995), virtual organizations (Byrne, 1993; Snow, Lipnak, and Stamps, 1999), and network organizations (Snow, Miles, and Coleman, 1992).

This shift to network forms of organizations has a number of consequences. Volumes could be written on the nature of this evolution, but the fundamental changes are represented in Table 11.1. We shall describe each transformation in brief detail.

Table 11.1. The Transformation of Negotiation in the Modern Organization.

From	To
Hierarchical organizations	Network, relationship-based organizations
Strategic relationships—“be nice”	Strategic relationships—the “real” bottom line
Transactions are about exchanges	Transactions are about creating and maintaining the value chain
Relationships are dominantly adversarial, market transactions with strangers	Relationships are dominantly strategic, communal, managing relationships with partners
Claiming value negotiations—arm’s length and adversarial	Creating value negotiations—communal and with long-term friends and colleagues

From Hierarchy to Network

The hierarchical organization and its most visible manifestation, the organization chart, are under siege. The pressures on organizations to manage increasingly complex products in an increasingly complex environment have shaken them to their very roots. The traditional hierarchical structure is simply unable to respond quickly, to bring people together with common information and expertise about a problem, or to permit people the freedom, involvement, and resources to derive maximum satisfaction from their jobs. These pressures have led organizations to abandon their traditional forms and search for alternative forms, such as matrix- and project-based organizational designs, designed to be more responsive and adaptive to the changing demands of their environments. John Kotter (1985) of the Harvard Business School notes the shift as follows:

Today’s managers on all levels often have to deal with thousands of interdependent relationships—linkages to people, groups, or organizations that have the power to affect their job performance. And the diversity of goals, opinions, and beliefs among these players is enormous. . . .

Although this social complexity peaks in executive jobs, it is increasing in all managerial work. That is, management jobs (jobs that require the incumbent to get tasks done by others over whom he has considerable power) are evolving into leadership jobs (positions that require help and cooperation from others over whom the job holder often has NO control).

These conditions . . . have brought certain profound changes into the workplace:

- Unilateral action is rarely possible, since many people have the power to retard, block, or sabotage action. (For instance, a policy on a new product

specification proposed by the engineers in a firm may be blocked by the marketing people.)

- Agreement on any action is difficult, since differences in goals, values, stakes, and outlook will lead different people to different conclusions. (A delivery-time decision that satisfies one customer may have unacceptable consequences for another customer or for certain manufacturing managers.)
- The people involved will rarely agree on a single “expert” to whom they can defer. (This can include the chief executive officer.) A good example is AT&T. Deregulation has made the new AT&T less dependent on the government. But powerful new competition and changing technologies have vastly increased its dependence on customers and competitors. This in turn has greatly increased internal interdependence. No longer can the various functions operate fairly autonomously, while manufacturing calls the key shots to keep the government happy. Now the key is innovation and speed. As a result, manufacturing and marketing executives seem to be locked in a major power struggle that is draining energy away from the real tasks at hand.

From Strategic Relations as Being “Nice” to Being Essential

The essence of a network organization is in the quality of the relationship between any two members and the overall quality of the relationships among network members. These relationships extend throughout one’s own organization, as well as outside the organization to customers, suppliers, regulators, consultants, and others. The better these relationships work, the more efficient and effective the organization is likely to be.

From Transaction Exchanges to Value Exchanges

As Greenhalgh (2001) has noted, we have tended to model organizations on the assumptions of buyers and sellers in an open marketplace, such as a stock or commodity market, where parties are indifferent to relationships and price is the only thing that dictates the transactions. However, the evolution to the new economy puts a strong emphasis on maintaining extended enterprises called “value chains”—sets of companies that each contribute value by virtue of their distinctive competencies. Sustaining and enriching the value chain is the dominant management challenge of the new century.

From Adversarial Relationships to Collegial Ones

Because creating and sustaining effective relationships is so critical to the value chain, it is clear that the nature of relationship management must change. Older organization theory tended to view relationships as instrumental. In large part, this instrumentality was an outgrowth of both the older, hierarchical form and the dominance of economic, market-based views about the nature of organiza-

tions and human behavior within them. Individuals acted to maximize their own self-interest and the interest of the firm. Even when the parties were interdependent within or across organizational boundaries, the parties were assumed to act in a manner that would maximize self-interest—namely, dominantly competitive and adversarial. However, parties in communal relationships must know how to create trust, exchange information, and negotiate win-win agreements in a relationship that is predominantly collegial and communal.

From Arms-Length to Value Negotiations with Friends and Colleagues

Lax and Sebenius (1986) articulated the differences between more competitive (“distributive”) negotiations and more cooperative (“integrative”) negotiations as claiming value versus creating value. A value-claiming negotiation assumes that the dominant task of the negotiators is to divide up a limited or fixed resource pie; each desires the bigger piece. In contrast, a value-creating negotiation argues that the dominant task of the parties is to “enhance” the size of the pie. Clearly, the task of value chain partners is to negotiate in a manner that will create value and maximize value for all partners in a manner that maximizes the value for all partners and maintains or even strengthens the relationship.

IMPACT ON NEGOTIATION IN ORGANIZATIONS

This transformation in the nature of organizations has been occurring since the mid-1980s, but theorizing about and studying negotiation in this new and different context has distinctly lagged behind. The most profound change is that most contemporary negotiation theory and research continues to assume, and is grounded in, a paradigm of a transactional, market-oriented process between strangers, even when negotiating between peers and friends in long-term relationships (see Walton and McKersie, 1965; Bazerman and Neale, 1992). In contrast, if the modern organization is best described as a series of network relationships between value chain partners, we may need a wholly different paradigm for relationship-based negotiations. This initiative is just gaining momentum on several fronts (see Greenhalgh, 2001; Sheppard, 1995; Sheppard and Tuchinsky, 1996a, 1996b).

The Difference Between Relationship-Based and Transactional Negotiations

Sheppard (1995; Sheppard and Tuchinsky, 1996a, 1996b) indicates the following differences and shows how limited transactional negotiations are for understanding the complexity of relationship-based negotiations.

Relationship negotiations take place over a long period of time. Time becomes a key strategic variable. Parties can logroll over time more easily.

Negotiation is often not a way to discuss or resolve a specific issue but rather a way to learn more about the other party. Much information is shared; we learn more about the other, which increases the overall ability to coordinate, manage interdependencies and understand the other better.

The resolution of value-claiming issues has implications for the future. Parties have long memories. Victory in one competitive negotiation can strongly affect how both parties see other negotiations in the future.

Value-claiming issues are likely to generate strong emotions. If one or both parties feel strongly about an issue, they are likely to get angry or upset. However, one of the vestiges of early negotiation theory, based on economic and “rational” decision-making paradigms, is that emotions are simply not part of the mix. Yet those who have had any direct negotiating experience know that negotiations can generate both positive and negative emotions. Not surprisingly, positive emotions generally have positive consequences for the organization, and negative emotions generally have negative consequences (see Lewicki, Saunders, and Minton, 1999, for one review). In any event, emotional management is a central part of relationship-based negotiations.

Some negotiations in relationships may never end. Unlike the simple Prisoner’s Dilemma game, there is no end-game strategy in a value chain relationship. Tough issues may get put off so as not to endanger early relationship building. Difficult issues may drag on or resurface regularly. Parties may figure out what is really important only after working together for an extended period of time. Negotiation and renegotiation may be never-ending.

In relationship negotiations, the other party may be the problem. A well-known prescriptive theory of value-creating negotiations (Fisher, Ury, and Patton, 1991) teaches that to be effective, negotiators must separate the person from the problem. But in many long-term relationships, the other person may be the problem. In long-standing relationships, we tend to attribute problems in the relationship to the people who caused them. It’s not just that the other is disorganized and can’t ship the product on time; after we have talked to our contacts there several times and the situation still doesn’t improve, we tend to see their behavior as intentional, even spiteful. Replacing the most problematic people in the relationship may be the only way to “fix” people problems in value chain partnerships.

New Considerations for a Changing Organizational Negotiating Landscape

Unmistakable changes are shaping a new landscape of organizational negotiations. Several considerations evolve from our prior discussion that might guide thinking and strategizing as negotiators navigate new organizational forms and new longer-term value chain relationships.

Trust is a critical variable in value chain partnerships. Despite almost forty years of research and writing on negotiation, there has been very little work in the field that specifically addresses how to create and manage trust in a negotiation—or in the broader strategic relationship. Much more can be said about this incredibly important element than space permits here. McAllister (1995) defined trust as “an individual’s belief in and willingness to act on the words, actions, and decisions of another” (p. 25). In most early work, trust has been viewed as a simple, unidimensional concept. However, recent writers on trust suggest that there are different kinds of trust that are crucial in a negotiation. For example, Lewicki and Bunker (1996) argue that there may be three kinds of trust in rich, complex relationships: calculus-based trust, grounded in the consistency and predictability of the other’s actions; knowledge-based trust, grounded in the ability to understand the other’s needs and interests and predict his or her actions; and identification-based trust, grounded in an identification with the other’s desires, intentions, and values. “Transactional” relationships tend to rely only on calculus-based trust, while deeper, more complex relationships are rooted in knowledge-based and identification-based trust. Moreover, Lewicki, McAllister, and Bies (1998) have argued that trust and distrust are fundamentally different entities and that actions to build trust in a relationship are different from actions designed to manage distrust (see also Lewicki and Wiethoff, 1999). Thus in rich and complex relationships, there may be different types of trust, different actions may test this trust in different ways, and parties may need to separate those actions designed to build trust from those actions designed to manage and control distrust. Clearly, this is an area that deserves far more attention and research if we are to understand its implications for negotiation.

Our understanding of “boundary role” dynamics and the behavior of agents may need to be rethought. Kahn gave prominent attention to role theory and the behavior of agents. The nature of an agent’s relationship to the opponent, on the one hand, and to the agent’s constituents, on the other, may create a “negotiator’s dilemma”: How can a negotiator satisfy both the constituency’s demands for firmness (and a settlement favorable to its interests) and the other party’s demand for concessions (and a settlement favorable to the other party or to the two sides’ mutual gain)?

Current organization theorizing reflects both market and relationship perspectives on this dilemma. Agency theory, conceived in the study of economics, states that principals (the firm or, alternatively, its owners) are compelled to delegate work to agents (employees) to manage the day-to-day activities of the firm (Eisenhardt, 1988). However, agents are presumed to maximize their self-interest in a way that diverges from the interests of the principal (such as the agency problem). Opportunistic behavior by agents can manifest itself in two primary ways, as adverse selection and moral hazard. Adverse selection occurs when employees are motivated to misrepresent their true skills and abilities to

the principal. Moral hazard involves shirking behaviors on the part of employees. Furthermore, agents and principals are also likely to differ in their preference for risk (for example, the risk-sharing problem). Therefore, the principal is motivated to reduce divergence of agent self-interest by imposing internal controls (Davis, Schoorman, and Donaldson, 1997; Jensen and Meckling, 1976). The theory proposes two primary control mechanisms: alternative compensation schemes that align incentives and regulatory mechanisms (such as monitoring and bonding).

Because agency theory presupposes the underlying assumption that agents are opportunistic and self-serving, it does not appear to adequately capture the dynamics of negotiating in a long-term relationship (although we cannot preclude the possible beneficial effects of aligning incentives and compensation). In fact, it appears that the best negotiators are not constrained by the tenets of agency theory: research on agent negotiating behavior suggests that agent outcomes are highest under conditions of *low* accountability and visibility—that is, when agents are least monitored by principals. “Successful management of the constituency therefore requires that negotiators have control over the visibility or invisibility of their negotiating behavior to the constituency and to the audiences” (Lewicki, Saunders, and Minton, 1999, p. 299).

Future research in this area should focus on a paradigm of negotiator behavior in the long-term relationship, perhaps drawing on the notion of empowerment in high-involvement work teams (Lawler, Mohrman, and Ledford, 1995). These authors argue that employee-agents can be trusted to make important decisions regarding their work in a knowledgeable manner, thus enhancing organizational effectiveness. Employee empowerment seems to fall within the broader scope of stewardship theory (Davis, Schoorman, and Donaldson, 1997), which presents employees as being trustworthy, collectivist, and loyal to the organization.

Negotiations in value chains are often multiparty deliberations. The ever-more-prevalent buying and selling coalitions, cross-functional task forces, and multilateral alliances all require us to consider how negotiations change when they move beyond the presumed dominant bilateral (one-on-one) form. Situations such as this may include negotiations among multiple parties where each party strives to meet its own individual objectives and yet at the same time come together to achieve a collective or group consensus (Lewicki, Saunders, and Minton, 1999). Understanding the dynamics of coalitions and groups in attaining desired outcomes is necessary for a more enriched understanding of effective negotiation.

Briefly, a coalition can be defined as “an interacting group of individuals, deliberately constructed, independent of the formal organization structure, consisting of mutually perceived membership, issue oriented, focusing on a goal or goals external to the coalition, and requiring concerted member action” (Stevenson, Pearce, and Porter, 1985). Research (such as that done by Murnighan and Brass, 1991) has shown that the relative bargaining power among

parties and the nature of the relationships between parties has a profound impact on negotiating outcomes. These outcomes include how parties select coalition partners and how these partnerships are likely to endure over time. Coalitions are most likely to form when parties need the support or resources of others to increase the probability of achieving their own individual objectives.

The pursuit of a collective objective can be attained by group negotiations in which multiple parties are working together for the same purpose. Each party represents its own interests, which adds significant complexity over one-on-one negotiations (Lewicki, Saunders, and Minton, 1999). The greater the number of negotiating parties, the greater the number of negotiating positions represented. Multiparty dynamics introduce social norms and pressures, such as groupthink (Janis, 1982), which may produce dysfunctional group behaviors. The process involved in multiparty negotiations becomes more difficult to coordinate as the number of parties increases, and the strategic complexity increases as each party must monitor the actions of other parties involved. Such conditions increase the probability that the final decision will not be reached by a true consensus but rather by some subgroup that is able to dominate the decision-making process (Lewicki, Saunders, and Minton, 1999).

Future work in this area may benefit from the literature on groups and teams, especially as they relate to decision making. Research on goal setting may illuminate the processes multiparty negotiators use to set collective objectives, and the organizational justice literature may inform how groups determine the processes to reach their desired outcomes.

Organizational and national cultures will have a strong impact on the nature and texture of value chain negotiations. Research supports the notion that negotiators bring more to the table than just their personal needs, wants, and predispositions. Negotiators can be influenced by both internal characteristics—originating in the individual’s personality and experience—and external characteristics, such as the dispositions of outside constituents and national culture (Weiss, 1996). Because they emanate from the surrounding environment (such as parent organizations), these external dispositions are likely also to be held by constituents and thus are important for the negotiator to uphold. For example, if a group of constituents tends to have a value-claiming outlook on the negotiating process (as might occur, for example, among organized labor in a company), this disposition might carry over into the negotiator’s behavior outside that workgroup. If a negotiator’s internal disposition, however, is toward more of an integrative approach to negotiation, then a conflict between internal and external dispositions exists. According to strong-versus-weak situation arguments (Weiss and Adler, 1984), this conflict will likely be resolved by the strength of the situation.

A characteristic of organizations that is receiving increased attention from researchers is an organization’s “culture,” or system of shared values (Chatman, 1991). The culture of an organization might be conceptualized as either

a “strong” or “weak” situation according to the strong-weak distinction just mentioned (O’Reilly, 1989). Organization culture has been operationalized in a number of ways but has recently centered primarily on dimensions of work values that an organization espouses (Cable, Aiman-Smith, Mulvey, and Edwards, 2000; Chatman and Jehn, 1994). Various taxonomies of work values thought to represent organizational culture have been advanced; one that has received considerable empirical support is O’Reilly, Chatman, and Caldwell’s seven-dimensional taxonomy (1991): outcome orientation, respect for people, team orientation, innovation, detail orientation, aggressiveness, and stability.

From a negotiating standpoint, it is instructive to consider how these parameters of organizational culture might act as contextual factors that influence the way a negotiator negotiates. Furthermore, drawing on the strong-weak situation distinction, the strength of an organizational culture is likely to predict the extent to which organizational representatives (constituencies such as a boss or co-workers) adopt cultural beliefs as their own. This suggests that a negotiator may be influenced either internally by membership in an organization or externally through constituents, by the prevailing organizational culture of the parent organization for which he or she negotiates. Similarly, a negotiating counterpart is likely influenced to some degree by the organizational culture of his or her own parent organization. Based on this brief discussion, we might predict the following cultural influences:

- The greater the *outcome orientation* of a culture, the greater the pressure the organization puts on its members to pursue value-claiming approaches in order to maximize the outcome.
- The greater the *aggressiveness* of a culture, the greater the pressure to pursue value-claiming approaches. Aggressiveness is often synonymous with the use of “hardball” negotiating tactics.
- The greater the *respect for people* and *team orientation* in a culture, the greater the emphasis on pursuing value-creating strategies, as this approach holds relationships and collaboration in higher regard.
- The greater the *innovation* aspect of a culture, the greater the emphasis on pursuing value-creating strategies, since this process often requires finding innovative approaches that meet the needs and interests of all parties at the table.
- The greater the focus on *detail orientation*, the greater the tendency to minimize some of the systematic perceptual and cognitive biases that can affect negotiated decision making. Kahn identified these problems toward the end of his chapter, and they have been extensively elaborated by Bazerman and Neale (1992). Detail-oriented cultures may be under more pressure to “play by the facts” and avoid cognitive errors.

SUMMARY

As changes in the international business landscape continue to take shape, negotiators face a number of challenges that emanate from new and varied organizational forms and longer-term value chain relationships. While offering numerous advantages for today’s manager, the move from hierarchical to network organizational forms has also increased the complexity of decision making, expanded the scope of interdependence and relationship management, and forced a reexamination of boundary roles among organizational actors. These changes have direct implications for negotiations in organizations, including a greater need for value-creating approaches and a new paradigm for negotiation that accurately reflects its dynamics within long-term relationships. A better understanding of the role of trust, boundary-role behavior, multiparty dynamics, and the role played by organizational culture as an external influence on negotiator behavior are only a few of the elements that are emerging as significant in the new organizational paradigm.