Emergent Negotiations: Stability and Shifts in Process Dynamics

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ABSTRACT

Negotiation is a dynamic process in which negotiators change their strategies in response to each other. We believe mutual adaptation is best conceptualized as an emergent process and is a critical determinant of negotiators’ abilities to identify mutually beneficial solutions. We argue that two factors drive the process of negotiation and influence the quality of agreements: alignment of negotiators’ strategies across individuals (strategy sequences) and with the negotiation-wide dynamic (phases) and congruence of negotiators’ goals.
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Negotiation provides a process for mutually dependent individuals to resolve conflicting goals (Lewicki, Saunders & Minton, 1999). In that organizations are comprised of interdependent collections of people (Weick, 1979), this definition makes clear the ubiquitous role of negotiation in organizational life. Whether they are about individual contracts, the coordination of activities to meet organizational goals, or industry-wide employment conditions, negotiations occur because managers and employees alike believe that reaching agreement and working together is a preferable, if not necessary, means for achieving their goals.

Negotiation researchers are predominantly concerned with how individuals reach their outcome goals. Outcome goals can be distinguished on the basis of resource allocation preferences. Negotiators can allocate resources in a way that creates value because it maximizes their own and the other party’s outcomes (cooperative goals) or in a way that claims value because it maximizes personal outcomes (individualistic goals; De Dreu, Weingart & Kwon, 2000; Putnam, 1990). A central question for negotiation researchers is how negotiators enact these goals to reach mutually beneficial solutions.

In addressing this question, negotiation research has largely taken a contextually-based, deterministic approach. That is, past research has primarily focused on exogenous factors that influence negotiation outcomes (e.g., power, social motives) without giving serious consideration to the ways in which negotiations unfold. However, context alone cannot explain all of the variance in negotiators’ outcomes: empirical findings show that negotiators in objectively identical situations obtain very different outcomes (e.g., Bazerman, Magliozzi & Neale, 1985; Olekalns, Smith & Walsh, 1996; Putnam & Jones, 1982a).
In this article, we identify two related reasons for the failure of context-based models to fully account for the variance in negotiated outcomes. First, context-based models focus on the individual. This focus neglects the need for individual negotiators to take account of the other party’s goals and behaviors. To move negotiations forward, individuals need to adapt their strategies in response to the other party (e.g., Ikle & Leites, 1967). Second, although context may increase the salience of individualistic or cooperative outcome goals, individuals need to steer the negotiation towards settlement. To reach settlement, negotiators need to balance the dual goals of creating value to reach agreement and claiming value to ensure a personally satisfactory outcome. This means that negotiators need to blend the use of strategies that create value with strategies that claim value, that is, they need to move back and forth between strategies that are potentially inconsistent with their outcome goals (Putnam, 1990). Both reasons imply that how and when negotiators switch between strategies will be critical to their final outcomes: negotiators’ outcomes are shaped by both the negotiation context and this emergent aspect of negotiation processes.

In summary, our argument is that the unexplained variance in negotiators’ outcomes is attributable to the dynamics of negotiators’ strategy choices throughout a negotiation. Context-based explanations, which focus on antecedent-outcome linkages, fail to consider how antecedent conditions and outcomes are linked (Abbott, 1990; Langley, 1999; Lawrence, 1997; Mohr, 1982; Putnam, 1990). Consequently, they fail to capture the emergent aspect of negotiation processes, which is critical to understanding variation in outcomes. Our argument is that negotiation processes are subject to both periods of strategic stability and strategic shift. Understanding how and when negotiators shift from one period of strategic stability to another is central to understanding how negotiators craft mutually beneficial outcomes within specific
contextual constraints. Capturing this dynamic and the emergent aspect of the negotiation process is important because it helps negotiators to manage and respond to the other party’s behaviors in a way that meets the broad goal of reaching agreement.

**Process Dynamics: Process Maintenance and Process Shifts**

Fundamentally, negotiation strategies reflect combinations of tactical behaviors. Individual behaviors are tactical and their combinations are strategic because they are enacted to move the individual or dyad closer to goal attainment. Depending on their outcome goals, negotiators’ initial strategic approach may be integrative, supporting the cooperative goal of maximizing own and others’ outcomes, or distributive, supporting the individualistic goal of maximizing own outcomes (Lewicki, Saunders & Minton, 1999; Pruitt, 1981; Putnam, 1990; Walton & McKersie, 1965). Although many negotiations are mixed-motive, requiring negotiators to blend integration and distribution, we will argue that one of these approaches is dominant at any given point in time.

Negotiations start with the actions taken by individuals. These actions reflect individual goals at the beginning of negotiations. They are represented by the specific tactics that negotiators choose, for example to make demands, to attack the other party or to share information. These tactics aggregate over time to signal negotiators’ dominant strategic approach, which can be either integrative or distributive. Although negotiation processes can be analyzed at the level of either tactics or strategic approaches, in this paper, we limit our discussion to the strategic level. However, our theory can be extended to the tactical level.

Despite starting with the actions of individuals, negotiation processes are defined by the interplay of actions between two negotiators. This is because negotiators monitor progress towards their goals. In the absence of goal discrepancies, negotiators make strategic choices that
maintain the negotiation process. When discrepancies arise between where negotiators are and where they want to be, they take corrective action by shifting the strategic focus of the negotiation (Brett, Northcraft, & Pinkley, 1999). The emergent aspects of negotiations are thus best understood by focusing on how strategies aggregate over time. Adding a temporal perspective to our analysis of negotiations captures the dyadic and dynamic nature of negotiation processes and allows us to model process maintenance and process shifts.

In the following section, we describe the mechanisms underlying process maintenance and process shift. To capture the emergent nature of negotiation processes, we consider process dynamics at two levels, inter-individual and negotiation-wide. Inter-individual processes are represented by strategic sequences, that is, by how one negotiator responds to another at any given point in time. A sequence is defined by the immediate actions between negotiators, as is the case when one negotiator makes an offer and the other negotiator accepts (or rejects) that offer. Negotiation-wide processes are captured by phases of activity, that is, by how strategies aggregate over longer periods of time. A phase is defined by an uninterrupted run of the same strategy, for example, the prolonged exchange of information about underlying priorities by both negotiators. Negotiators’ actions can maintain or change the negotiation process at either level of aggregation (see Table 1). Table 1 summarizes patterns of process maintenance and process shifts at both the inter-individual and negotiation-wide levels. We elaborate on these patterns in the next section. We also consider cross-level dynamics, that is, how process maintenance and shift interact across the two levels of aggregation. While examining process maintenance and shift at either level captures and describes the negotiation process, we argue that it is the cross-level dynamics that capture how individuals manage the negotiation process and move to settlement.
Process Maintenance

Process maintenance describes periods of stability in negotiators’ strategic approach. During these periods, negotiators signal a shared strategic approach and common goals across negotiators. Consequently, process maintenance establishes a dominant phase orientation that can be either integrative or distributive. How process is maintained depends on the level of aggregation. At the inter-individual interaction level, maintenance requires that negotiators match, or reciprocate, each other’s strategies. Strategically, this is observed as a sequence of two identical strategies (integrative → integrative; distributive → distributive). Reciprocity establishes and maintains a shared approach because it provides immediate reinforcement of each negotiator’s interpretation of the context (Brett, Weingart & Olekalns, 2004; Donohue, Diez & Hamilton, 1981; Putnam, 1990; Putnam & Jones, 1982b). At the negotiation-wide level, maintenance occurs when negotiators continue to use the same strategy (integrative or distributive) for an extended period of time, that is, when reciprocity extends beyond one speaking turn. As integrative or distributive strategies continue uninterrupted over time, they build into coherent phases of activity. These uninterrupted “runs” of the same strategy signal the continuation of a shared approach (Baxter, 1982; Holmes, 1992).

Process Shifts

Process shifts signal divergent strategic approaches and discrepant goals. They challenge the dominant phase orientation established through process maintenance. At the inter-individual level, process shifts occur when negotiators introduce strategies that mismatch the immediately
preceding strategies used by the other party, that is, when they use “structural” sequences (e.g., integrative $\rightarrow$ distributive, distributive $\rightarrow$ integrative; Brett, Shapiro & Lytle, 1998; Olekalns & Smith, 2000, 2003). Process shifts can also be observed at the level of the negotiation, as is the case when negotiators move from phases of distribution to phases of integration, or vice versa (Donohue & Roberto, 1993; Holmes & Sykes, 1993; Lytle, Brett & Shapiro, 1999; Olekalns, Smith & Walsh, 1996; Olekalns, Brett & Weingart, 2003; Putnam, Wilson & Turner, 1990). These shifts (or turning points) act as temporal brackets that create discontinuities in negotiation phases (e.g., Druckman, 1986, 2001; Druckman, Husbands & Johnston, 1991; Olekalns & Smith, 2005; Olekalns et al., 2003).

Process shifts are triggered when negotiator’s progress towards their goals is impeded. At the inter-individual level, there are two reasons that negotiators mismatch the immediately preceding strategy. The first reflects an attempt by the negotiator to change the dominant phase orientation. The second occurs when the other party has introduced a strategy that diverts negotiators from the dominant phase orientation, and the mismatch is an attempt to return to this approach. At the negotiation-wide level, adjustments arise when a dominant phase orientation prevents negotiators from achieving super-ordinate goals. For example, negotiators employing distributive strategies may recognize their approach is making settlement more difficult and shift to an integrative strategy. The recognition that the process is directing negotiators away from the super-ordinate goal of reaching agreement triggers a strategic shift. Each negotiator can thus shape the negotiation process and trigger adjustments to strategy (e.g., Donohue, 1981; Kelley, 1997; Weick, 1979).
Cross-level Dynamics: Maintenance and Shifts

An implication of identifying these two levels of analysis is that negotiation processes develop along two parallel, but interdependent, tracks in which sequences play out in the context of phases (e.g., Kelley, 1997; Kelley & Thibaut, 1978; Langley, 1999; Leifer, 1988; Wilson & Putnam, 1990). Consequently, the negotiation process is shaped not only by processes within levels of aggregation but also by the interplay of processes across levels of aggregation. The actions that negotiators take at the inter-individual level can either support or challenge the dominant phase orientation at the level of the negotiation.

Cross-level process maintenance. Negotiators further support a shared strategic approach when the two levels of action, inter-individual and negotiation-wide, are aligned. For example, an integrative strategy that is used in an integrative phase is aligned with that phase. It therefore builds and supports the emergent integrative phase. When negotiators also reciprocate these integrative strategies, they add structure to their communication, further reinforcing and strengthening an integrative phase. Thus, individual choices (integrative strategy) can establish a dominant phase orientation when the other party reciprocates (integrative $\rightarrow$ integrative). When this reciprocity continues over time, negotiators build an integrative phase which creates a self-perpetuating cycle of cooperation. Similarly, negotiators can build distributive phases that create self-perpetuating cycles of competition.

One consequence of cross-level alignment is that negotiators progressively reduce strategic variability. As strategic variability decreases, negotiators become increasingly susceptible to the pitfalls associated with their dominant phase orientation: yielding and premature closure when the dominant phase orientation is integrative, escalating conflict and
impasse when the dominant phase orientation is distributive. The process shifts that we describe in the next section are triggered by the recognition that negotiations are at risk.

**Cross-level process shifts.** Negotiators challenge the dominant phase orientation when they introduce strategies that are *misaligned* with that orientation. For example, when an integrative strategy is used in a distributive phase, it is misaligned with the phase. It disrupts the phase and may trigger a phase shift. This means that whenever negotiators initiate a process shift at the inter-individual level by using structural sequences, they can trigger a phase shift. Whether they do so successfully depends on the actions of the other party, who can respond in one of two ways. When negotiators reject the introduction of a phase-misaligned strategy, we will observe isolated disruptions that do not change the dominant phase orientation whereas when they accept those strategies, we will observe reciprocated disruptions that change the dominant phase orientation.

*Isolated disruptions* occur when one party introduces a phase-misaligned strategy and the other responds by continuing to use a phase-aligned strategy (i.e., not reciprocating). For example, a negotiator using an integrative strategy (e.g., priority information) in an integrative phase might respond to the distributive strategy (e.g., argumentation) of the other party with an integrative strategy, as a mechanism for maintaining the integrative phase. This implies a strategy sequence of the form phase aligned$_{\text{Negotiator A}} \rightarrow$ misaligned$_{\text{Negotiator B}} \rightarrow$ aligned$_{\text{Negotiator A}}$. When Negotiator A rejects the introduction of a phase misaligned strategy by failing to reciprocate it, the dominant phase orientation is temporarily disrupted but remains fundamentally unchallenged. While these interruptions can serve an important function, the critical feature of isolated disruptions is that the dominant phase orientation of the negotiating dyad remains unchanged.
Reciprocated disruptions occur when one party introduces a phase-misaligned strategy and the other party switches strategies, that is reciprocates the use of this strategy. Returning to the example in the preceding paragraph, a negotiator using an integrative strategy (e.g., priority information) in an integrative phase could instead respond to the distributive strategy (e.g., argumentation) of the other party with a distributive approach to prevent exploitation, thus reciprocating the use of a phase misaligned strategy. This implies a sequence of the form phase aligned\textsubscript{Negotiator A} $\rightarrow$ misaligned\textsubscript{Negotiator B} $\rightarrow$ misaligned\textsubscript{Negotiator A}. When Negotiator A accepts the introduction of a phase misaligned strategy by reciprocating it, the dominant phase orientation is challenged (Weingart, Prietula, Hyder, & Genovese, 1999) and has the potential to trigger a phase shift. If negotiators continue to reciprocate the phase-misaligned strategy beyond this initial speaking turn, they converge to a new dominant phase orientation, that is, they initiate a new phase (e.g., Holmes & Sykes, 1993; Poole, 1989ab). We summarize these two patterns in Figure 1.

Insert Figure 1 about here

PROCESS DYNAMICS AND VALUE CREATION

In this section, we consider how process maintenance and process shifts affect the value creation process, that is, the process through which mutually beneficial agreements are crafted. We argue that both process maintenance and process shifts shape negotiators’ outcomes. Importantly, it is the interplay between processes across inter-individual and negotiation-wide levels that determine whether negotiators are able to create value.
**Process maintenance and process shifts**

A dominant phase orientation is maintained when negotiators use the same strategies. At the inter-individual level, this is signaled by reciprocal sequences; at the negotiation-wide level, it is signaled by stable and prolonged phases. The consequences of reinforcing a dominant phase orientation are well-documented: Broadly, reinforcing distributive strategies limits negotiators ability to create value whereas reinforcing integrative strategies enhances that ability (Olekalns & Smith, 2000; Putnam & Folger, 1988; Putnam & Jones, 1982a; Roloff, Tutzauer & Dailey, 1989; Weingart & Olekalns, 2004). These limits are challenged and changed by process shifts. At the inter-individual level, a dominant phase orientation is disrupted when negotiators introduce structural sequences; at the negotiation-wide level, disruption occurs when negotiators move from phases of integration to distribution, or vice versa (Olekalns et al., 2003). Both kinds of process shifts redefine the range of settlement options for negotiators. However, the consequences of process maintenance and process shifts cannot be fully understood by considering inter-individual and negotiation-wide levels of action in isolation. To fully capture the relationship between negotiation processes and outcomes, we need to consider not just what negotiators do but the timing and context of their strategic actions.

**Cross-level dynamics**

When negotiators reinforce each others’ strategies, they establish either a dominant integrative or dominant distributive phase orientation. Negotiation theory and research suggest that maintaining a one-dimensional strategic approach creates challenges for negotiators. The longer negotiators remain in stable phases, the more exposed they become to the risks associated with prolonged integration or distribution. In the case of integration, negotiators risk losing sight of their personal goals when trying to maximize own and others’ outcome, resulting in
agreements that might be minimally acceptable, but are not optimal (Ben-Yoav & Pruitt, 1984; Pruitt, 1981); in the case of distribution, negotiators risk escalating the level of contentiousness to the point where they are unable to reach agreement (Pruitt, 1981).

It is for this reason that negotiators are advised to blend integration and distribution in order to achieve optimal agreements (Lax & Sebenius, 1985). Given this advice, it is important to understand how integrative and distributive strategies can be blended most effectively. Our discussion suggests that both isolated and reciprocated disruptions affect the value creation process. Isolated disruptions, which help negotiators manage the obstacles associated with their dominant phase orientation, determine the extent to which negotiators create or claim value within the limits established by that orientation without actually changing the dominant phase orientation (Brett et al., 1998; Olekalns & Smith, 2000, 2003). Isolated disruptions occur when negotiators reject the introduction of a previously under-utilized strategy, that is, a strategy that does not reflect the dominant phase orientation. The adjustments that result from isolated disruptions are short-term and do not change the dominant phase orientation or the possibilities for settlement. Reciprocated disruptions are more likely to change the dominant phase orientation and redefine what is possible in terms of settlement options. They are triggered when negotiators reinforce the introduction of a previously under-utilized strategy. Consequently, they have the potential to trigger shifts in the dominant phase orientation. Shifts will be triggered when (a) a misaligned strategy is used increasingly frequently and (b) the use of this strategy is consistently reciprocated. These adjustments are long-term and initiate a new negotiation phase.

When the dominant phase orientation is integrative, such that negotiators are focused on value creation, an isolated disruption occurs when the introduction of a distributive strategy is rejected. For example, a negotiator might introduce contention via a structural (integrative →
distributive) sequence to refocus negotiators on their own interests. Rejection of the phase misaligned (distributive) strategy allows the overall integrative approach to be preserved. In this case, structural sequences allow negotiators to push to the upper limits of what is possible, that is, they assist in identifying all of the available settlement options. Against a background of integration, negotiators can create value when they introduce threats or respond to conciliation with contention (Olekalns & Smith, 2000; Putnam & Wilson, 1989).

Reciprocated disruptions within integrative phases occur when one negotiator introduces a distributive strategy and the other party accepts and reinforces the move to competition by reciprocating this strategy. As negotiators continue to reciprocate each other’s use of distributive strategies, competition gains momentum and triggers a new, distributive phase. One consequence of this phase shift from integration to distribution is that negotiators place limits on the value creation process. When the initial, dominant phase orientation is integrative, isolated disruptions support value creation whereas reciprocated disruptions challenge value creation.

When the dominant phase orientation is distributive and negotiators are focused on value claiming, isolated disruptions occur when the introduction of an integrative strategy is rejected. For example, negotiators can use a structural sequence to introduce a necessary element of cooperation to offset escalating contention and impasse. However, the rejection of the integrative strategy means that the overall distributive approach is preserved. One consequence is that, in a distributive phase, these sequences shift the balance of power away from the integrating negotiator and can result in an uneven split of resources. For example, when individuals introduce agreeability or conciliation into a dominant distributive approach, they obtain low join gain and a smaller share of resources (Donohue, 1981; Olekalns & Smith, 2000).
Within distributive phases, reciprocated disruptions occur when one negotiator introduces an integrative strategy and the other party accepts and reinforces the move to cooperation by reciprocating this strategy. As negotiators continue to reciprocate each other’s use of integrative strategies, cooperation gains momentum and triggers a new, integrative phase. A consequence of this phase shift from distribution to integration is that negotiators extend the upper limits to the value creation process. When the initial, dominant phase orientation is distributive, reciprocated disruptions support value creation whereas isolated disruptions amplify value claiming and challenge value creation.

**PROCESS DYNAMICS AND GOAL CONGRUENCE**

Most analyses of negotiations focus on individual goals and strategies. In this paper, we have shifted the level of analysis to the dyad. One implication of this shift is that negotiators’ strategy choices can be congruent or incongruent with the choices of the other party. To the extent that strategic choices are driven by negotiators’ goals, this further implies that negotiators can hold congruent or incongruent goals. Recent theory and research suggest that the degree to which negotiators are “in sync” with one another in terms of goals or timing affects both their strategy choices and patterns of strategy over time (Adair & Brett, 2005; Blount & Janicik, 2000, 2001; McGinn & Keros, 2003).

Interdependence increases the likelihood that individuals will strive to be in sync (Blount & Janicik, 2002). This may be because being in sync enhances intangible aspects of the negotiation experience, for example increasing trust (McGinn & Keros, 2002) and satisfaction (Pinkley & Northcraft, 1994), or because it increases the likelihood of settlement (Brodt & Dietz, 1999; Drake & Donohue, 1996). Although this implies that being “out of sync” is more likely to trigger strategic shifts as negotiators attempt to align themselves with one another, our earlier
arguments imply that strategic shifts are necessary for all negotiators, even within dyads that are in sync. However, the patterns of strategic shifts that emerge will differ, depending on whether negotiators are in or out of synch. We explore this argument further, differentiating between goal type (individualistic or cooperative) and goal strength (strong or weak).

Negotiator goals are cued by structural features of the negotiation as well as the characteristics associated with individual negotiators (De Dreu et al., 2002). We start with the assumption that it is possible to ascribe a dominant outcome goal to a negotiator in a given negotiation. As stated earlier, outcome goals drive negotiators’ strategy choices: cooperative goals (maximize own and other’s outcome) focus negotiators on value creation and increase reliance on integrative strategies whereas individualistic goals (maximize own outcome) focus negotiators in value claiming and increase reliance on distributive strategies (Carroll & Payne, 1991; De Dreu et al., 2000; Deutsch, 1982; Putnam, 1990; Walton & McKersie, 1965).

Although it is possible to ascribe dominant goals to negotiators, those goals can vary in strength. Goal strength is shaped by the extent to which the negotiation context provides negotiators with unambiguous cues about their goals, that is, by whether negotiators are in a strong or weak context (Druckman, 2003). By definition, strong situations arise when contextual cues reduce strategic ambiguity, implying that negotiators are more likely to present a predictable, one-dimensional approach. The structural context – factors such as power, accountability and explicit instructions – creates strong situations that signal a dominant phase orientation because they are often explicit and relatively immutable. For example, task
instructions that explicitly set cooperative goals elicit integrative strategies whereas instructions that set individualistic goals elicit distributive strategies (Carnevale & Lawler, 1987; Lewis & Fry, 1977; O’Connor, 1997; O’Connor & Carnevale, 1997; Olekalns & Smith, 2003; Schulz & Pruitt, 1978; Weingart, Bennett & Brett, 1993). **Weak situations** arise when contextual cues are more ambiguous, implying that negotiators will present a multi-dimensional approach because ambiguous goals will cue a variety of interpretations and a range of potential action. The social context – factors such as culture and the other party’s disposition – creates weak situations because it generates cues that are more implicit and thus less readily accessible to either party. Culture, for example, exerts its influence on behavior at a subconscious level, through a value system (Chen, Chen, & Meindl, 1998). As a result, negotiators are more likely to implement a multi-dimensional strategy (Adair, Okumura & Brett, 2001; Cai, Wilson & Drake, 2000; Greenhalgh & Chapman, 1998).

**Implications for Process Dynamics**

When negotiators have **congruent goals** (both parties are cooperative or both are individualistic), they employ the same strategies. At the inter-individual level, this results in sequences of reciprocal integration or distribution. Negotiators reinforce each other’s strategies and signal a dominant strategic orientation (Olekalns & Smith, 2000, 2003). At the negotiation level, this ongoing reciprocity aggregates to form a stable phase of either integration or distribution. Congruent cooperative goals increase the likelihood and duration of integrative phases; congruent distributive goals increase the likelihood and duration of distributive phases. This pattern is largely unaffected by goal strength: in both settings, individuals initiate negotiations with congruent strategies, resulting in reciprocity and the establishment of stable, goal-congruent phases.
When negotiators have *incongruent goals* (one cooperative, one individualistic), negotiators initiate different strategies. At the inter-individual level, this results in mismatching or structural sequences. Negotiators challenge each other’s strategies and signal their discrepant goals. At the negotiation level, this pattern of structural sequences means that strategies do not easily aggregate into phases and so a dominant phase orientation is less likely to emerge. Following our earlier argument, negotiators with incongruent goals are likely to show behavioral adaptation, that is, a shift to increasingly similar strategies as they strive for the benefits of being in sync. However, research suggests that the specific patterns of adaptation will be affected by goal strength.

In strong contexts, negotiators have unambiguous goals that trigger a one-dimensional, highly consistent strategy, sending a clear signal of strategic intent. When these goals are incongruent (e.g., when one party’s business will benefit from a long term relationship whereas the other’s business will not), negotiators are placed in an asymmetrical position: the individualistic negotiator sees the potential of exploiting the other party’s cooperation whereas the cooperative negotiator sees the likelihood of being exploited (Camac, 1992). Here, process shifts are more critical for the negotiator holding cooperative goals, because they serve a self-protective function (e.g., Kelley & Stahelski, 1970; Weingart, Brett & Olekalns, 2002). This implies that cooperative negotiators are more likely to reciprocate distributive strategies than are individualistic negotiators likely to reciprocate integrative strategies. The consequence of process shifts on the part of cooperative negotiators is that distributive phases are more likely to become established than integrative phases. We therefore expect that, over time, the process in dyads with strong, incongruent goals will come to resemble those of dyads with congruent individualistic goals.
In weak contexts, negotiators have more ambiguous goals that trigger a multidimensional strategy. As a result, weak contexts are less likely to trigger strategic shifts by the cooperatively-motivated negotiator. This is because each negotiator displays a multidimensional strategy that is not internally consistent, that is, has elements of both integration and distribution. This lack of stability can be interpreted as a willingness to adapt and change strategies. For the individualistic negotiator, the ability of the cooperative negotiator to introduce distributive strategies places checks on attempts to exploit; for the cooperative negotiator, the ability of the individualistic negotiators to introduce integrative strategies provides some safeguards against exploitation. Consequently, there is no clear incentive for one party to change strategies. One consequence is that dyads may establish a dominant integrative approach (Miller & Holmes, 1975), a dominant distributive approach or maintain a multi-dimensional approach (Olekalns & Smith, 1999; 2003). This implies that, in weak situations, we will not observe consistent strategic changes on the part of one party. Instead, the first strategy to be consistently reinforced will determine the dominant phase orientation, but the more flexible strategies of both negotiators imply that the dominant phase orientation will be readily disrupted. Relative to negotiators in strong contexts, negotiators in weak contexts will maintain phases for shorter periods of time.

**Implications for Value Creation**

In the preceding section, we argued that dyads with congruent and incongruent goals will differ in two ways: (a) whether negotiators start with a phase of strategic alignment or misalignment and (b) how long stable phases are maintained. We now consider how these patterns affect value creation. We argue that, independent of goal congruence, process shifts are necessary for value creation. However, the nature of these shifts will differ, depending on goal type and strength. The patterns that we expect to emerge are summarized in Table 3.
We argued that when negotiators have *congruent* goals, long phases of integration or distribution expose them to the risks of satisficing and impasse, respectively. In both cases, negotiators need to effect process shifts in order to create value. In the case of congruent, cooperative goals, this shift is likely to be triggered by negotiators’ need to meet their own interests and the consequent introduction of distributive strategies (Pruitt, 1981). In the case of congruent, individualistic goals, this shift is likely to be triggered when negotiators reach a temporary impasse (Harinck & De Dreu, 2004), resulting in the introduction of integrative strategies. This implies that, in order to create value, cooperatively-oriented negotiators need to introduce distributive strategies that disrupt their dominant integrative approach whereas individualistically-oriented negotiators need to introduce integrative strategies to disrupt their dominant distributive approach.

However, the scale of these process shifts associated with value creation will differ depending on goal type, because integration is a more fragile and readily disrupted process than distribution (Weingart et al., 1999). In order to maximize the benefits of cooperative goals, negotiators need to sustain a dominant integrative approach while introducing the requisite level of contention. This implies that, in order to create value, cooperatively-oriented negotiators will inject isolated disruptions into the process. When dyads have shared cooperative goals (and thus, their dominant phase orientation is integrative), we expect that dyads’ ability to find mutually beneficial solutions will be associated with the limited introduction of distribution, that is, sequences of the form integrative$_{Negotiator\ A} \rightarrow$ distributive$_{Negotiator\ B} \rightarrow$ integrative$_{Negotiator\ A}$. 
Conversely, the greater stability of a distributive approach implies that individualistically-oriented negotiators need to effect reciprocated disruptions in order to successfully offset the risks associated with distribution and create value. Consequently, we expect goal-congruent, individualistic dyads that reciprocate integrative strategies (e.g., distributive_{Negotiator A} \rightarrow integrative_{Negotiator B} \rightarrow integrative_{Negotiator A}) to be more likely to shift from distributive to integrative phases and increase value creation than those who do not reciprocate integrative strategies.

When negotiators hold *incongruent* goals they are out of synch (McGinn & Keros, 2003). This signals the absence of a shared perspective making value creation more difficult. Negotiators with a shared perspective more readily maximize joint gain (Adair et al., 2001; Olekalns & Smith, 1999). The need to converge leads to the emergence of a dominant phase orientation (either integrative or distributive), potentially exposing negotiators to the associated risks. Building on our earlier arguments, we expect that when negotiators have strong, incongruent goals the process shifts associated with value creation will parallel those observed in dyads with congruent, individualistic goals – value is primarily created through reciprocated disruptions that shift the negotiation from distribution to integration. This is because we expect dyads with strong incongruent goals to initially converge to a dominant distributive phase orientation (as the cooperative negotiator engages in self-protection), implying that the most critical factor in value creation is the ability to introduce integrative strategies. When negotiators have weak and incongruent goals, we expect the process shifts associated with value creation to parallel those in dyads with congruent, cooperative goals such that isolated disruptions create value via structural sequences within integrative phases. This is because when both negotiators have a multi-dimensional approach, they are less likely to settle into a dominant phase.
orientation, instead cycling between phases of integration and distribution. The longer they are able to maintain phases of integration, the greater the prospects for value creation.

In summary, we have argued that negotiators will cycle between periods of stability and instability, as negotiators introduce instability to manage the risks associated with stable phases (i.e., satisficing or impasse) and strive for stability to signal shared goals and improve both intangible and tangible outcomes. We have further argued that that the duration of stable phases and the kind of instability that results in value creation will be determined by goal congruency, goal type and goal strength.

**IMPLICATIONS FOR THEORY AND PRACTICE**

Although negotiation theory recognizes the need to blend integrative and distributive strategies (Lax & Sebenius, 1985; Walton & McKersie, 1965), only phase models of negotiation have addressed how such blending occurs (Holmes, 1990; Putnam, 1990). We have extended these models, arguing that negotiators can blend strategies at two levels: inter-individual and the overall negotiation. Moreover, we have argued that negotiators’ goals and their dominant phase orientation determines the length and stability of integrative and distributive phases of negotiation as well as the within-phase strategic adjustments that negotiators make.

We also addressed the question of how strategic shifts occur, arguing that negotiators can either accept or reject each other’s attempts to change the dominant phase orientation. This argument extends negotiation theory by identifying the need to examine double interact sequences (Negotiator A → Negotiator B → Negotiator A) (Weick, 1979) and beyond. Only by examining these sequences in the context of the dominant phase orientation can we predict the consequences of negotiators’ decisions to accept or reject attempts to introduce a new strategic approach. It also links to a broader literature demonstrating that group processes are punctuated
by a series of interruptions that provide the opportunity for redirecting processes (Jett & George, 2003; Gersick, 1989; Okhuysen & Eisenhardt, 2002). This has implications for both theory and practice. To date, negotiation theory has been one of action and continuity. We believe that it needs to be extended to become a theory of action and inaction, and of continuity and discontinuity.

There are two practical implications of this theoretical development. The first is that negotiators need to be attuned to sequences of strategies and their fit to the dominant phase orientation. In particular, negotiators need to recognize when strategies are being used in a self-reinforcing way. This provides negotiators with important information about their likely outcomes. The second is that negotiators can shape the dominant approach by introducing and reinforcing the use of non-dominant strategies. When considered in conjunction with the dominant phase orientation, this enables negotiators to determine the most effective interventions for value creation.

Continuing this argument, the consequences of process shifts cannot be determined independent of the dominant phase orientation in which they are used. We have argued that when the dominant phase orientation is integrative, negotiators will benefit from isolated disruptions, that is, patterns in which the introduction of a distributive strategy is rejected. Conversely, when the dominant phase orientation is distributive, negotiators will benefit from reciprocated disruptions, that is, patterns in which the introduction of an integrative strategy is accepted. Theoretically, this extends the argument that a blend of integration and distribution is necessary for value creation, demonstrating that the effects of blending these approaches are asymmetrical. In practice, this means that negotiators need to be aware that when limited distribution is introduced against a background of integration negotiators obtains high joint gain,
but that the introduction of limited integration against a background of distribution does not similarly lead to high joint gain. Instead, when the dominant phase orientation is distributive, negotiators must introduce coherent phases of integration in order to create value.

Finally, we considered antecedents of process shifts. We challenged the argument that negotiators benefit from being “in sync”, arguing instead that negotiations need both periods of synchrony and asynchrony. We also considered how goal incongruency shapes the emergence of a dominant phase orientation. We extended past theory showing that negotiators in goal incongruent dyads do not necessarily persist with their dominant strategies (e.g., Chatman & Barsade, 1995; de Dreu et al., 1994; Kelley & Stahelski, 1970; Wagner, 1995) by identifying two conditions that determine strategic adaptation: (a) whether goals are cooperative or individualistic and (b) whether they are cued by strong or weak contexts. The combination of these factors determines who is more likely to display strategic adaptation and how long dyads sustain a dominant strategic orientation. These arguments have implications for individuals in the planning stage of negotiations. Individuals and organizations need to undertake a strategic analysis of the negotiating context and assess the benefits of a one-dimensional or a multidimensional strategic approach before determining their strategic approach. When the negotiation context is characterized by clear and unambiguous cues about the other party’s goals, negotiators should plan to match the other party’s strategy and effect the strategic changes we have linked to value creation. In the absence of clear cues, when individuals are likely to adopt a multi-dimensional approach, negotiators will benefit from initiating and reinforcing an integrative approach.

In developing our theory, we reviewed research that focused on face-to-face interactions and analyzed negotiators’ communication. We have suggested that process maintenance and
process shifts occur at two levels: inter-individual and overall negotiation. The interplay between these levels determines negotiators’ ability to craft mutually beneficial solutions. We extended this basic model of negotiation to processes, to take onto consideration both the nature and strength of negotiators’ goals, as well as goal congruency in negotiating dyads. In developing this theory, we have shown not only that negotiation is a highly adaptive process but that understanding the emergent properties of negotiation is critical to understanding the unexplained variance in negotiators’ outcomes.
REFERENCES


Table 1. Patterns of process maintenance and shifts at different levels of aggregation

<table>
<thead>
<tr>
<th>Process</th>
<th>Level of Aggregation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inter-individual Interaction</td>
</tr>
<tr>
<td>Maintenance</td>
<td>reciprocal sequences</td>
</tr>
<tr>
<td>Shift</td>
<td>structural sequences</td>
</tr>
</tbody>
</table>
Table 2. Patterns of process shifts as a function of goal strength and congruency

<table>
<thead>
<tr>
<th>Goal Congruency</th>
<th>Goal Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weak</td>
</tr>
<tr>
<td>Congruent</td>
<td>Long phases of goal-congruent strategies: cooperative goals establish long phases of integration, individualistic goals establish long phases of distribution.</td>
</tr>
<tr>
<td>Incongruent</td>
<td>Negotiators display mutual adaptation; adaptation triggers cyclical phases of integration and distribution</td>
</tr>
</tbody>
</table>
### Table 3. Process shifts that create value

<table>
<thead>
<tr>
<th>Goal Congruency</th>
<th>Goal Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Weak</strong></td>
</tr>
<tr>
<td>Congruent,</td>
<td>Reciprocated (integrative) disruptions create value; requires shift from</td>
</tr>
<tr>
<td>Individualistic</td>
<td>distributive to integrative phases.</td>
</tr>
<tr>
<td>Congruent,</td>
<td></td>
</tr>
<tr>
<td>Cooperative</td>
<td></td>
</tr>
<tr>
<td>Incongruent</td>
<td>Pattern parallels that for cooperative congruent goals</td>
</tr>
</tbody>
</table>
Figure 1. Cross level dynamics: process maintenance (top) and process shift (bottom)