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Relationships, Goal Incompatibility, and Communal Orientation in Negotiations

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We examined how relationships' perceived goal incompatibility and communal orientation affected the expectations people bring to negotiation, their actual performance, and retrospective judgments of the situation. Pairs of friends who perceived the task as a problem-solving situation and who were similar in communal orientation were most likely to capitalize on joint interests; however, when friends were dissimilar in communal orientation, their ability to identify compatible issues declined precipitously. Friends who were high in communal orientation were more likely to allocate resources equally among each other than were friends low in communal orientation. When friends negotiated car deals, they judged themselves to be less cooperative and as making fewer concessions when they were high in communal orientation than when they were low in communal orientation. We conclude that the impact of relationships on negotiation performance and judgment depends upon perceived goal incompatibility as well as participants' chronic attitudes toward relationships.

Negotiation is a joint decision-making situation in which two or more people mutually decide how to allocate scarce resources amongst themselves (Neale & Bazerman, 1991; Thompson, 1998). Most negotiation situations are not purely win–lose situations in which gains for one person come at the direct expense of another. Instead, most negotiation situations contain potential for integrative agreement in which people devise mutually beneficial settlements through creative problem solving (Neale & Bazerman, 1991; Pruitt & Carnevale, 1993; Thompson, 1998).

Integrative negotiation is desirable for several reasons—it improves people's outcomes and integrative outcomes are more stable than compromise agreements and can enhance the welfare of the broader community (Pruitt & Rubin, 1986). Despite the importance of reaching integrative settlements, many negotiators fail to attain readily available and mutually beneficial outcomes (Thompson & Hastie, 1990; Thompson & Hrebec, 1996). At the forefront of prescriptive advice are three key ideas: the relationship that the negotiators share, the perceived compatibility of their goals, and their orientation toward sharing resources. Whereas each one of these has been the focus of research on negotiation performance, the interplay between relationships, perceived goal incompatibility, and communal orientation has not constituted a major research question. It is precisely this question that our study examines.

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RELATIONSHIPS IN NEGOTIATION

It would seem that, to the extent that negotiators share a close relationship, the more likely they are to reach mutually beneficial outcomes (for a review see Thompson, 1998). Surprisingly, many negotiators in long-term relationships fail to attain integrative settlements; for example, Schoeninger and Wood (1969) examined negotiations between married couples and mixed-sex ad hoc dyads. Married couples were more cooperative than were ad hoc dyads and reached agreements more quickly, but their outcomes were of lower joint profit. Fry, Firestone, and Williams (1983) examined negotiation processes and outcomes among dating couples and strangers on an integrative bargaining task. Dating couples had lower aspirations for their outcomes on the task and ultimately

reached less integrative agreements than strangers.[1] Fry et al. (1983) concluded that couples' concern for relationship maintenance decreases their bargaining aspirations, which in turn decreases the use of integrative strategies. Similarly, examination of relationships among team members has not indicated that teams of friends are more effective negotiators than are teams of nonfriends (Thompson, Peterson, & Brodt, 1996; Peterson & Thompson, in press). Yet other findings suggest that friends can be successful in developing joint gain at the bargaining table (Valley & Neale, 1993).

Clearly, it is not a foregone conclusion that negotiators who share a long-term relationship will be successful at the bargaining table. Our hypothesis is that effective negotiations among friends depend on two factors: perceived goal incompatibility and communal orientation (i.e., attitudes concerning giving and receiving resources).

GOAL INCOMPATIBILITY

In his famous studies of person perception, Asch (1946) identified central traits that are thought to be traits of more importance in terms of understanding others. For example, "warm" and "cold" are central traits that dramatically affect the interpretation of all other information about a person. We suspect that like the perception of people, social interactions have central, core concepts that are key to our understanding. The central concept that we believe defines most interpersonal interactions is *goal compatibility*. That is, knowing whether our goals are compatible with those of another largely determines the nature of our interaction.

In the same way that people can be viewed as either warm or cold, negotiations may be viewed as either *problem-solving* or *bargaining* situations, both of which call up very different images. When negotiation is approached as a problem-solving situation, negotiators believe that they have compatible goals and that a best answer exists that can only be achieved through collaborative effort. Psychologically, negotiators are on the same side of the table when they problem solve. In contrast, when negotiation is regarded as a bargaining situation, an image of a buyer and a seller haggling comes to mind. At the core of bargaining is the belief that parties' interests are fundamentally opposed. Mutual settlement can only be achieved through compromise or through one party's capitulation. The distinction between problem solving and bargaining is similar to Laughlin's (1980) and McGrath's (1984) distinction between intellectual versus competitive tasks. In intellectual or problem-solving tasks, a correct answer exists that requires the collaboration of both parties to solve.

In most research investigations, negotiation tasks are labeled bargaining situations. We hypothesize that the bargaining label invokes a negative conflict schema that contains the belief that the task is competitive and that the other party is an opponent or adversary. According to Klar, Bar-Tal, and Kruglanski (1988), the core belief of conflict schemas is that the people involved have incompatible goals. In contrast, negotiation situations that individuals face in real life (outside the laboratory) are not usually associated with labels that imply clear competition. Thus, negotiation may be viewed negatively, as a competitive, threatening situation, or positively, as an opportunity for joint problem solving.

Our hypothesis is that the labels *problem solving* and *bargaining* affect people's attitudes about negotiation and consequently their actions, so that problem-solving situations produce more integrative processes than bargaining situations. Furthermore, we expect the relationship among parties will exacerbate these effects because the nature of the situation (e.g., problem solving or bargaining) is less clear in friendships. Friends who regard the negotiation as a bargaining situation as opposed to a joint problem-solving situation will view the situation as less cooperative and more competitive and threatening than unacquainted persons faced with the same situation. For this reason, we expect the bargaining label to adversely affect the ability of friends to reach integrative agreements because competitive tasks threaten existing relationships between people (Tesser & Smith, 1980). In contrast, when the situation is considered to be a problem-solving opportunity, we expect friends to perform especially well compared to unacquainted persons because unacquainted persons do not have a well-developed interpersonal system for solving problems.

COMMUNAL ORIENTATION

People have implicit rules that govern how they expect resources to be allocated in relationships. According to Clark and Mills (1979), people have chronic attitudes toward providing and receiving benefits in interpersonal interactions (Mills & Clark, 1982; Clark, Ouellette, Powell, & Milberg, 1987). Clark and Mills (1979) distinguish two main types of orientations that govern exchange resources in relationships: communal and exchange orientation. Of relevance to our discussion are communal orientations. People with communal orientations feel responsible for others' welfare, obliged to help other people, and expect others to be responsive to their needs and demonstrate concern for their welfare (Clark & Mills, 1979; Clark et al., 1987).[2]

In any given relationship, whether between friends or unacquainted persons, people may have high or low communal orientations. This means that parties to a negotiation may have high communal orientations, neither party may have a high communal orientation, or one party may have high concern for the relationship while the other has less concern.

[1] The effect was marginally significant.

[2] Whereas Clark et al. conceptualize relationship orientation both as a situational characteristic and as an enduring personality measure, our focus is on individuals' chronic relationship orientations as an enduring measure of relationship orientation.

In general, to the extent that both parties in the relationship are high in communal orientation, they should be more likely to reach highly integrative outcomes than when both parties are low in communal orientation because persons high in communal orientation are concerned with the needs of others and their own needs. However, our key prediction is that the lowest joint outcomes and most negative negotiation attitudes will be found in the mixed communal orientation pairs because of the discrepancy among beliefs. We believe that these differing expectancies will lead negotiators to be disappointed and resentful. Reaching mutually beneficial, integrative negotiation agreements requires understanding the other person's needs and underlying interests (Pruitt & Rubin, 1986). In the case where one party has a high concern and the other less concern, we expect that the party who has high relationship concerns will earn relatively less than his or her partner because the person high in communal orientation will meet the other party's needs (thereby enhancing the other's gain), but his or her own needs will not be met, which will result in a disparity.

Just because two people are friends, however, does not mean that they are high in communal orientation. Furthermore, the fact that two people are unacquainted does not mean that they do not have a communal orientation. In some cases, friends may behave competitively vis-à-vis one another; for example, friends often engage in what might be considered unsupportive behavior (Oskamp & Perlman, 1965; 1966). Friends are more critical of each other when working together on a task than are strangers (Barker & Lemle, 1987; Nelson & Aboud, 1985). For this reason, Shah and Jehn (1993) suggest that people in relationships excel in decision-making tasks because they are more likely to evaluate and challenge each other's viewpoints critically. Furthermore, friends are less helpful than strangers when their assistance will cause friends to outperform them on an ego-central task (Tesser & Smith, 1980); that is, friends are unsupportive when their assistance might cause their partners to look better than they do on a task that is important to their concept of self. From this literature, we derive a somewhat paradoxical prediction: Friends who are low in communal orientation should be more likely to reach mutually beneficial integrative agreements than unacquainted persons who are also low in communal orientation. We further predict that friends should fare worse than unacquainted individuals when the pair has mixed communal orientations (i.e., one person high and the other low) because friends expect their partners to be more like them whereas strangers do not.

OVERVIEW OF EXPERIMENT

We conducted an experiment to examine the impact of relationships, perceived goal incompatibility, and communal orientation on expectations and performance in negotiation. Because we were interested how these factors affect actual negotiated outcomes as well as subjective perceptions and expectations, we include both pre- and postinteraction measures. Specifically, we ask participants before the interaction about their expectancies concerning their own performance outcome as well as their expectations concerning the conduct or process of the interaction. Following the task, we ask participants to indicate their views of how cooperative, competitive, and so forth the interaction was. To recap our hypothesis, we predict that:

1. Parties who view the task as a problem-solving situation should have more positive expectations and reach more integrative outcomes than those who view the task as a bargaining situation.
2. This effect should be exacerbated when negotiators are friends rather than nonacquaintances.
3. Parties who are both high in communal orientation should have more positive attitudes concerning the negotiation and reach more integrative settlements than parties who are mixed in communal orientation.
4. This effect should be more pronounced among friends than among nonacquaintances.
5. In mixed-communal orientation dyads, the negotiator with low communal orientation should claim a significantly greater share of the resources than the party high in communal orientation.

METHOD

Participants and Procedures

One hundred and ninety people participated in the study for extra course credit. Participants were recruited in the following manner: Prior to the experiment, several students were given a questionnaire that asked whether they were interested in participating in a social psychology experiment and whether they could bring a friend or partner with them to the experiment. Later, an experimenter phoned those students who indicated they could, reminded them of the study, and asked if they were still interested in participating and if they could bring a friend. Students who said they could participate were then given a screening questionnaire to determine their suitability for the study (cf. Fry et al., 1983). The screening questionnaire asked students how long they had known their friend, how often they saw their friend, and to rate their relationship on a 5-point scale ranging from 1 (*acquaintance*) to 5 (*deep friendship*). Students who reported knowing their friend for at least 1 year, seeing each other at least 2 to 3 times a week, and rating their relationship at least a 3 were scheduled for a session. Those who did not meet these screening criteria were thanked and not scheduled. The final sample reported knowing their friend a mean of 3.96 years (range = 1–14 years), seeing their friend an average of 5.83 days per week, and rating their relationship a 4.3 on the 5-point scale. Thus, the friends shared a long history as well as engaged in frequent interaction.

Participants were scheduled in such a manner that four persons (two participants and their friends) arrived at the lab at the same time. Participants were led to believe that they would engage in two separate tasks: in one they were told they would interact with their friend; in the other, they were told they would interact with someone they did not know. Actually, participants completed only one task with either their friend or a stranger. One half of the participants were paired with their friend (friend condition); the other one half were paired with strangers (stranger condition). This procedure avoids the problems associated with using different participant samples for each group. The pairs of strangers were created by pairing members of different friendships.

Instructions and Materials

Participants in the problem-solving condition were told that they should think of the task as a situation in which two people face a common problem and must work together to resolve it. Two bargaining conditions were created: purchasing a car (classic bargaining situation) and negotiating a vacation. This allowed us to unconfound the type of negotiation (car, vacation) from the label used to describe the task (problem solving, bargaining). Participants in the two bargaining conditions were told that they should think of the task as a bargaining situation in which each person is trying to get what he or she wants and must bargain for it—whether for a car or a vacation. Participants in all three conditions (problem-solving–vacation; bargaining–vacation; and bargaining–car) were asked to write their understanding of the instructions in their own words and to describe personal experiences that were similar to the one described in the current experiment. This procedure was used as both an induction and a check on the experimental manipulation. The experimenter read participants' responses immediately afterward; virtually all participants answered the questions correctly.

The vacation and car tasks were objectively identical in terms of their underlying structure with only the labels and issues differing (Thompson, 1990). Each task had five issues to resolve. Each person was given a chart indicating the five issues and possible alternatives (see Appendix A and B). A number in parentheses next to each alternative on the chart indicated the points the participant would earn if that particular alternative was mutually agreeable. As evidenced in Appendix A and B, the points associated with each alternative were identical for each variation of the task. In both tasks, integrative solutions existed in which participants could maximize their joint gain by logrolling and identifying compatible interests (Thompson & Hastie, 1990). *Logrolling* involves trading off pairs of issues (e.g., destination and mode of travel for the vacation task; financing and price for the car task; see Appendix A and B). For example, a Northwest destination and air travel yield a higher joint outcome (840 points) than a Midwest vacation via motor home (500 points). Similarly, 11% financing and a $12,000 sticker price yield a higher joint outcome (840 points) than 7% financing and $13,000 (500 points).[3] Joint gain could also be increased by identifying compatible interests (e.g., length of stay for the vacation task; color for the car task; see Appendix A and B).

Participants were told that they should try to earn as many points as possible, and as an incentive, they could earn $100 in a lottery in which the probability of winning was determined by the number of points they earned. Participants were further told that if they failed to reach an agreement on all five issues with the other person within 25 min, neither person would earn any points. Participants were given a short quiz to ensure that they understood the instructions (cf. Thompson & Hastie, 1990). The quiz asked participants to indicate their most preferred alternative for each issue and how many points they would get if they did not reach agreement on all five issues. Following the quiz, pairs of participants were led to separate rooms where they interacted face to face; communication was not restricted, except that they could not physically exchange their payoff sheets.

Communal Orientation Scale

Prior to the task and the experimental manipulations, participants completed the communal relationship inventory (Clark et al., 1987), a 14-item questionnaire that assesses chronic orientation toward giving and receiving help in relationships. A communal orientation score was assigned to each participant by taking the mean of the 14 questions, each on a 1–7 Likert scale. Three types of dyads were created using scores of each individual within pairs. High–high dyads comprised individuals who both scored high on the measure ($N = 30$, $M = 5.81$, $SD = .27$, lowest individual score = 5.29); low–low dyads comprised individuals who both scored low on the communal orientation scale ($N = 28$, $M = 5.27$, $SD = .37$, highest individual score = 5.78). Mixed dyads comprised individuals in which one member was high in communal orientation while the other was low ($N = 37$, M average disparity in scores = 1.11, $SD = 4.6$, minimum disparity = .71).

Dependent Measures

Performance expectations. Participants were asked to indicate how many points they thought they would earn in the task. (The minimum possible was 0 points; the maximum possible was 1,120.)

Task expectancies. Following the task construal manipulation, but before participants actually interacted, participants were asked about their expectations concerning the interaction: "How cooperative do you expect the interaction to be?"; "competitive?"; "enjoyable?"; "How important is it

[3] No effects were seen for any of the independent variables on the logrolling measure, so it will not be discussed further.

TABLE 1
Intercorrelations Between Preinteraction Measures

	Coop	*Comp*	*Earn*	*More*	*Fair*	*Equal*	*Together*	*Enjoy*
Comp	−.37	1.0						
Earn	.18	−.04	1.0					
More	.63	−.52	.26	1.0				
Fair	.60	−.56	.25	.86	1.0			
Equal	−.16	.33	.21	−.12	−.17	1.0		
Together	.15	−.04	.39	.21	.25	.21	1.0	
Enjoy	.27	.12	−.01	.15	.07	.22	.18	1.0

Note. All judgments made prior to actual interaction. *Coop* = I expect interaction to be cooperative. *Comp* = I expect interaction to be competitive. *Earn* = I want to earn a lot of points. *More* = I want to earn more than the other person. *Fair* = It is important to be fair. *Equal* = We should give and take equally. *Together* = It is important to work together. *Enjoy* = I expect to enjoy the task.

TABLE 2
Intercorrelations Between Postinteraction Measures

	Coop	*Comp*	*Like*	*Help*	*Welfare*	*Points*	*Enjoy*	*Concede*
Comp	−.44	1.0						
Like	.01	.18	1.0					
Help	−.29	.53	.39	1.0				
Welfare	.32	−.24	−.14	−.26	1.0			
Points	.37	−.24	−.05	−.32	.78	1.0		
Enjoy	.40	−.15	−.05	−.19	.62	.67	1.0	
Concede	.29	−.17	.02	−.12	.04	.16	.14	1.0

Note. All judgments made prior to actual interaction. *Coop* = I was cooperative. *Comp* = I was competitive. *Like* = I like the other person. *Help* = I wanted to help the other person. *Welfare* = I was concerned for the other's welfare. *Points* = I was concerned with earning a lot of points. *Enjoy* = I enjoyed the task. *Concede* = I made concessions to the other person.

to reach a fair solution?"; "to give and take equally?"; "to work together?"; "to earn as many points as you can?"; "to earn more than the other party?". For all measures, participants indicated their responses using a 7-point scale, with endpoints labeled 1 = *not true/not characteristic* and 7 = *very true/very characteristic.* The different measures were included as dependent variables in a multivariate analysis of variance; intercorrelations among variables are indicated in Table 1.

Task performance. Participants' performance on the task was assessed in terms of joint performance on compatible issues and individual performance (the difference between individuals' scores within a dyad).[4]

Retrospective judgments. Immediately following the task, participants were asked about their perceptions of the interaction: "How cooperative were you?"; "competitive?"; "How much did you like the other person?"; "want to help the other?"; "concerned for the other's welfare?"; "enjoy the task?; "How important was it to earn as many points as the other?"; "How many concessions did you make to the other person?". For all questions, participants indicated their responses by choosing a number on a 7-point scale with endpoints labeled 1 = *not true/uncharacteristic* and 7 = *very true/very characteristic*. Again, the measures were included as a set of dependent variables in a multivariate analysis of variance; a matrix indicating inter-item correlations was computed (see Table 2).

Design

The experimental design consisted of three between-participants variables: relationship (pairs of friends, nonacquaintances), task (problem solving, bargaining–vacation, bargaining–car), and dyadic communal orientation (high–high, low–low, high–low), resulting in 18 experimental cells. Accordingly, for the following analyses, we determined the 17 orthogonal and independent contrasts allowed for the analysis of variance (Keppel, 1982).[5]

RESULTS

Multivariate analyses of variance (MANOVAs) were performed for each of the four major dependent measures: performance expectations, task expectancies, performance measures, and retrospective judgments. In the following analyses reported, we indicate the omnibus *F* effect for the multivariate

[4] Joint performance on logrolling issues was also assessed, but no significant findings occurred so this measure will not be discussed further.

[5] The 17 contrasts tested all possible main effects (relationship, perceived goal compatibility, and dyadic communal orientation) and all two- and three-way interactions. For a complete list of the 17 orthogonal and independent contrast weightings, please contact the authors.

tests, followed by the individual *F*s for each of the univariate measures. We performed simple effects tests to examine the locus of the effect for all interactions; means that do not share a common subscript differ at $p < .05$ or less. For all the following measures reported, dyad measures were used because individual participant scores were not independent.

Performance Expectations

Relationship. There was a significant main effect for relationship, such that participants who interacted with friends had lower performance expectations ($M = 754.04$, $SD = 167.40$) than did those who interacted with strangers ($M = 812.40$, $SD = 148.69$), $F(1, 77) = 3.99$, $p < .03$.

Task. There was a significant effect of task on performance expectations, such that participants who perceived the task as a joint problem-solving situation had higher performance expectations ($M = 843.67$, $SD = 150.99$) than did those who viewed the task as a bargaining situation ($M = 752.98$, $SD = 156.97$), $F(1, 77) = 9.62$, $p < .004$. Furthermore, participants who negotiated vacation plans had higher performance expectations ($M = 794.08$, $SD = 174.51$) than did those who negotiated a car sale ($M = 715.61$, $SD = 130.84$), $F(1, 77) = 3.99$, $p < .05$.

Relationship × Task. These main effects were qualified by a significant interaction between relationship and task, $F(1, 77) = 5.89$, $p < .02$. As Figure 1 illustrates, whereas performance expectations held by friends did not depend on task type ($M = 719_a$ and $M = 724_a$ for the vacation and car tasks respectively), unacquainted individuals had higher performance expectations when the task concerned vacation plans ($M = 860_b$) than when the task was a car sale ($M = 707_a$).[6]

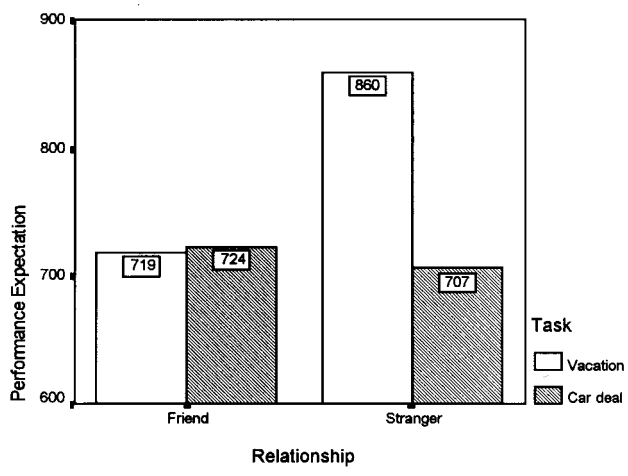

FIGURE 1 Effects of relationship and task on performance expectations. Note: Higher numbers indicate higher performance expectations.

Task Expectancies

Relationship. There was also a significant effect for relationship, omnibus $F(8, 70) = 4.71$, $p < .001$. Participants who negotiated with friends were more likely to want to earn as many points as possible ($M = 6.67$, $SD = .66$) compared to those who negotiated with strangers ($M = 6.11$, $SD = .66$), $F(1, 77) = 15.92$, $p < .001$.

Task frame. There was a significant task effect, omnibus $F(8, 70) = 3.1$, $p < .006$. Participants who perceived the task as a joint problem-solving opportunity expected the interaction to be more cooperative, $F(1, 77) = 4.99$, $p < .03$; less competitive, $F(1, 77) = 9.68$, $p < .004$; desired to reach a fair solution, $F(1, 77) = 10.41$, $p < .003$; and to work together, $F(1, 77) = 7.83$, $p < .007$, more than did participants who perceived the task as a bargaining situation. However, participants who perceived the task as a joint problem-solving situation were more concerned with earning points, $F(1, 77) = 3.26$, $p < .08$, and earning more than their opponent, $F(1, 77) = 8.45$, $p < .006$. There was no effect for task on beliefs about giving and taking equally and expected enjoyment of the task. Participants who negotiated a car deal expected the interaction to be more competitive, $F(1, 77) = 6.70$, $p < .02$, and wanted to earn more than the other party, $F(1, 77) = 8.32$, $p < .006$, than participants who negotiated vacation plans. In contrast, participants who negotiated car deals were more concerned with reaching a fair solution, $F(1, 77) = 10.32$, $p < .003$, and working together, $F(1, 77) = 14.43$, $p < .001$, than were participants who negotiated vacation plans.

Performance

Relationship and task issues. As noted earlier, the task contained issues for which individuals had identical preferences. The question was whether the dyads would reach optimal joint agreements on compatible issues or overlook readily available opportunities for mutual gain. There was a significant interaction between relationship and task on performance on compatible issues, $F(1, 77) = 4.42$, $p < .04$. Whereas task frame did not affect friends' ability to discover compatible issues ($M_{\text{problem solving}} = 253.75_a$, $SD = 56.44$; $M_{\text{bargaining}} = 250.65_a$, $SD = 47.04$), unacquainted persons were more likely to discover compatible issues when the task was labeled as a bargaining situation ($M = 273.44_b$, $SD = 27.31$) rather than as a joint problem-solving situation ($M = 231.88_c$, $SD = 66.25$).

This interaction was further qualified by a three-way interaction between relationship, task, and communal orientation, $F(1, 77) = 5.72$, $p < .02$. As can be seen in Figure 2 and in support of the hypothesis, friends who perceived the task as

[6] Means that do not share a common subscript differ at $p < .05$ or less.

a problem-solving situation and who were similar in communal orientation reached more integrative agreements on compatible issues ($M = 280_a$) than when they had dissimilar communal orientations ($M = 210_b$). Friends in the bargaining task did not differ significantly from other groups ($M = 249_{ab}$ and $M = 255_{ab}$). The pattern was quite different for unacquainted parties: Strangers who perceived the task as a bargaining situation ($M_{\text{similar orientation}} = 273$; $M_{\text{dissimilar orientation}} = 274_a$) reached significantly more integrative outcomes than did strangers in the problem-solving task who had similar communal orientations ($M = 219_b$). Strangers in the problem-solving/dissimilar condition did not significantly differ from other groups ($M = 245_{ab}$).

In terms of the disparities in points earned by negotiations, there was a significant interaction between relationship and communal orientation, $F(1, 77) = 4.25$, $p < .05$. As can be seen in Figure 3, among friends, greater disparities in resource allocation occurred when friends were both low in communal orientation; in contrast, less disparity (i.e., greater equality) of resources occurred when friends were high in communal orientation.[7] The pattern was reversed for strangers but less dramatic: greater disparities (unequal allocation) occurred when parties were both high in communal orientation; more equality occurred when both parties had low communal orientations.

Retrospective Evaluations

Relationship. There was a significant effect for relationship on participants' retrospective judgments about the interaction, $F(8, 70) = 4.04$, $p < .002$. Participants who interacted with friends reported liking their partners less, $F(1, 77) = 5.88$, $p < .02$; wanting to help their friends less, $F(1, 77) = 8.57$, $p < .005$; and as being more concessionary, $F(1, 77) = 15.66$, $p < .001$, than those who interacted with strangers.

Task. There was a significant effect for task on participants' retrospective judgments about the task, omnibus $F(8, 70) = 6.79$, $p < .001$. Participants who perceived the task as a problem-solving situation viewed themselves as more cooperative, $F(1, 77) = 12.81$, $p < .001$; less competitive, $F(1, 77) = 17.28$, $p < .001$; more concerned with the other's welfare, $F(1, 77) = 5.11$, $p < .03$; enjoying the task more, $F(1, 77) = 14.35$, $p < .001$; and as making more concessions to the other, $F(1, 77) = 3.58$, $p < .07$, than participants who perceived the task as a bargaining situation. However, participants who perceived the task as a problem-solving situation were less inclined to want to help the other person, $F(1, 77) = 12.44$, $p < .002$; and more concerned with how many points the other person received, $F(1, 77) = 17.44$, $p < .001$. Participants who negotiated vacation plans regarded themselves as more cooperative, $F(1, 77) = 13.46$, $p < .001$; less competitive, $F(1, 77) = 3.18$, $p < .08$; enjoying the task more, $F(1, 77) = 11.81$, $p < .002$; and making more concessions, $F(1, 77) = 13.99$, $p < .001$. However, participants who negotiated vacation plans were less likely to want to help the other, $F(1, 77) = 5.81$, $p < .02$, and more concerned with how many points the other person received, $F(1, 77) = 3.2$, $p < .08$.

[7] The mixed communal orientation pairs were not included in this analysis because doing so would have added a potentially confounding variable of role in addition to communal orientation.

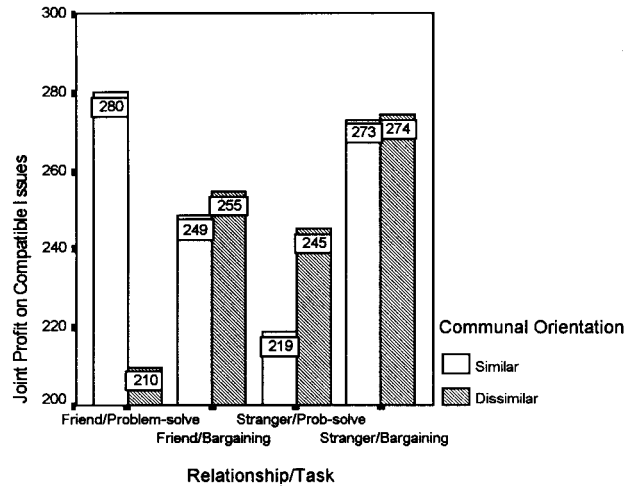

FIGURE 2 Effect of relationship and task on discovery of compatible issues. *Note.* Higher scores indicate more integrative agreements on compatible issues.

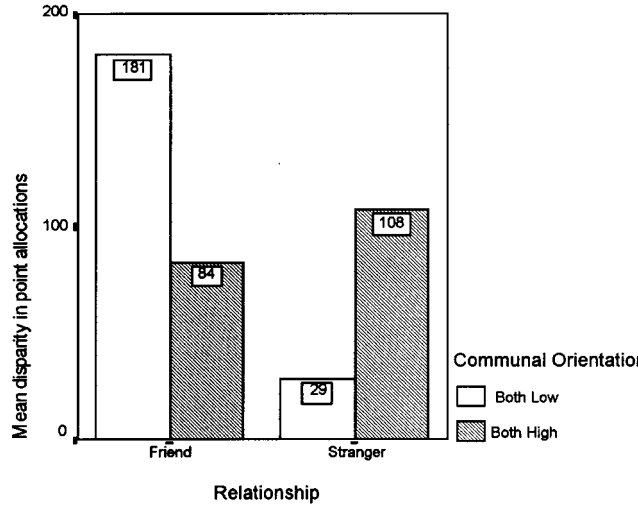

FIGURE 3 Effect of relationship and communal orientation on allocation of points within dyads. *Note.* Higher scores indicate greater disparities in points earned by each member of dyad; lower scores indicate greater equality of point distributions.

Communal Orientation The preceding main effects were qualified by two significant interactions, involving relationship, task, and communal orientation; omnibus $F(8, 70) = 2.53$, $p < .02$, described later.

Perceived cooperation. As can be seen in Figure 4, when friends negotiated a car purchase and were high in communal orientation, self-ratings of cooperation were significantly lower ($M = 3.8_a$) than when they had negotiated vacation plans and were high in communal orientation ($M = 5.5_b$) or low in communal orientation; $M = 5.7_b$, $F(1, 77) = 5.24$, $p < .03$. Friends who negotiated car deals and were low in communal orientation did not differ from other groups ($M = 4.5_{ab}$). In contrast, strangers' judgments of cooperation were quite different: self-ratings of cooperation were lowest when strangers negotiated a car purchase and were low in communal orientation ($M = 4.0_a$) compared to when they negotiated a car purchase and were high in communal orientation ($M = 5.6_b$) or negotiated vacation plans and were low in communal orientation ($M = 5.9_b$). Strangers who negotiated vacation plans and were high in communal orientation did not significantly differ from any group ($M = 5.3_{ab}$).

Perceived concessions. Judgments of perceived concessions paralleled judgments of cooperation. As can be seen in Figure 5, friends who negotiated a car purchase and were high in communal orientation judged themselves to make significantly fewer concessions to the other party ($M = 3.5_a$) than friends who negotiated vacation plans and were low in communal orientation ($M = 5.8_b$), friends who negotiated vacation plans and were high in communal orientation ($M = 6.0_b$), and friends who negotiated a car purchase and were low in communal orientation; $M = 6.4_b$, $F(1, 77) = 9.9$, $p < .003$. In contrast, the pattern was quite different for strangers: Strangers who negotiated a car purchase and were low in communal orientation judged themselves to make significantly fewer concessions ($M = 3.0_a$) than strangers who negotiated vacation plans and were low in communal orientation ($M = 5.1_b$), strangers who negotiated vacation plans and were high in communal orientation ($M = 5.6_b$), and strangers who negotiated a car purchase and were high in communal orientation ($M = 4.4_b$).

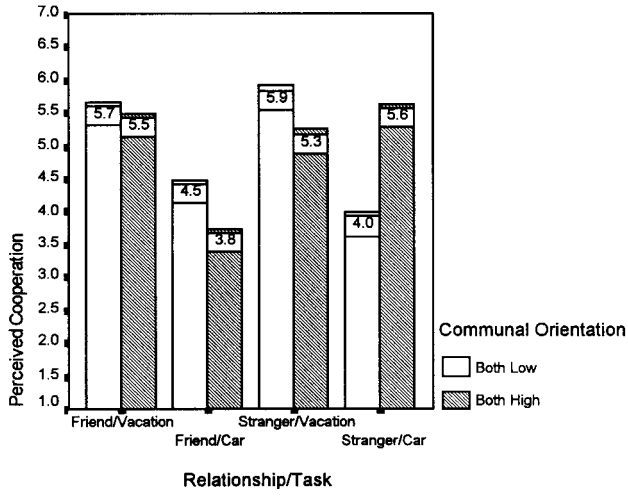

FIGURE 4 Judged cooperation during interaction. *Note.* Higher scores indicate greater judgments of own cooperation.

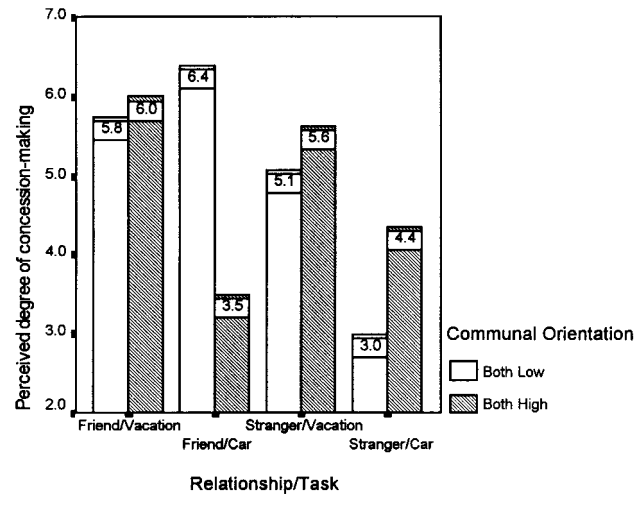

FIGURE 5 Judged concession-making in the task. *Note.* Higher scores indicate greater perceived degree of concession making.

Summary

The following conclusions provide a summary of the key results:

1. Whereas the label used to describe the task (joint problem solving versus bargaining) did not affect performance expectations among friends, those who negotiated with strangers had higher performance expectations when negotiating vacation plans than when negotiating a car purchase.

2. In terms of actual performance, friends who perceived the task as a problem-solving situation and were similar in communal orientation reached the most integrative agreements on compatible issues; however, when friends were dissimilar in communal orientation, their ability to identify compatible issues declined precipitously.

3. The opposite was true for unacquainted negotiators; those who perceived the task as a problem-solving situation and were similar in communal orientation were less likely to discover compatible issues than were strangers who were dissimilar in communal orientation.

4. Friends who were high in communal orientation were more likely to allocate resources equally than were friends low in communal orientation. In contrast, the opposite was true for strangers; that is, strangers who were high in communal orientation allocated resources less equally than did those low in communal orientation.

5. Following negotiation, friends and strangers who negotiated vacation plans did not differ in terms of how cooperative they judged themselves to be. However, when they negotiated a car purchase, friends judged themselves to be least cooperative when they were high in communal orientation; in con-

trast, strangers judged themselves to be least cooperative when they were low in communal orientation.

6. The pattern was the same for perceived concession making during the negotiation: friends and strangers who negotiated vacation plans did not differ in perceived concession making. However, when friends negotiated a car purchase they judged themselves to make many fewer concessions when they were high in communal orientation as opposed to low; the opposite was true for strangers, who judged themselves to make more concessions when they were high in communal orientation as opposed to low.

DISCUSSION

The purpose of this investigation was to understand how relationships, perceived goal compatibility, and communal orientation affect people's expectations about interdependent decision-making situations, the quality of outcomes reached, and their retrospective judgments about such situations. We hypothesized that negotiation behavior and outcomes among friends depend on whether they perceive the situation as a problem-solving opportunity or bargaining enterprise. Next, we discuss the results in terms of the five major hypotheses.

Our first hypothesis was that parties who view the task as a problem-solving situation will have more positive expectations and reach more integrative outcomes than people who view the task as a bargaining situation.

Overwhelmingly, people's expectations about interactions were driven by the label used to describe the task. In support of Hypothesis 1, those who viewed the task as a joint problem-solving situation expected the interaction to be more cooperative, less competitive, and more fair than those who viewed the interaction as a bargaining situation. We manipulated task labels in two ways: in terms of the description of the task (i.e., problem solving vs. bargaining) and also in terms of the content or subject matter of negotiation (e.g., vacation plans vs. car purchase). People who negotiated vacation plans anticipated the interaction to be more cooperative than those who anticipated purchasing a car. By themselves, these results for task labels on perceived compatibility of goals are not too surprising. However, two points are noteworthy: First, whereas expectancies might have led to a self-fulfilling prophesy, such that those who had more cooperative expectations would reach more integrative outcomes than those who had more competitive expectations, this was not observed. Thus, the second part of Hypothesis 1 was not supported. Second, we might have expected participants to revise their retrospective judgments of the task to be congruent with their actual performance. However, there was a strong perseverance effect (Lord, Ross, & Lepper, 1979). Even following the interaction, in which participants' expectancies were not confirmed (at least as measured by the outcomes reached in the task), people clung to their initial perceptions of the task—those who were initially led to believe that the task would be a bargaining situation (as opposed to a problem-solving situation) continued to judge the interaction to be more competitive and less cooperative—even though their outcomes were not significantly different from those who perceived the task as a problem-solving situation.

Hypothesis 2 was that this task-label effect should be exacerbated when negotiators are friends, as opposed to nonacquaintances. We hypothesized that friends, unlike nonacquaintances, would have a well-developed joint problem-solving schema for tackling their mutual concerns in contrast to unacquainted persons who do not share a previously established working relationship. Similarly, we expected the bargaining task to be especially threatening to friends who are not accustomed to competing with one another. Whereas friends' performance expectations did not differ as a function of the task label (problem solving/bargaining), unacquainted persons expected to do better for themselves when negotiating vacation plans (a nontraditional task) than when negotiating a car purchase (traditional task). Furthermore, whereas the labeling of the task did not affect friends' ability to discover compatible issues, unacquainted persons were more likely to discover compatible issues when the task was labeled as a bargaining condition as opposed to a joint problem-solving condition. This finding is almost a direct contradiction to the predicted finding. Our speculation is that bargaining is a more straightforward behavior for unacquainted persons to engage in than joint problem solving. Our suspicion is that individuals did not know how to problem solve effectively with someone with whom they were not acquainted, but that they were more comfortable bargaining with that person.

Traditional negotiation tasks, such as a car purchase, may be ego threatening because they are perceived to be more competitive with one person emerging as a winner and another as a loser. People who expect a car negotiation may depress their performance expectations because they anticipate they will be forced to make concessions. In contrast, people may perceive the vacation-planning task to be less competitive, and those negotiating with strangers may be more likely to believe that their goals can be attained.

As predicted, friends' ability to reach outcomes that capitalized on compatible interests depended upon the task description and their communal orientation. This finding supports and extends our hypothesis that friends who perceived tasks as joint problem-solving situations rather than bargaining situations would be more likely to reach integrative agreements. When communal orientation among friends was similar—that is, either both friends were high in communal orientation or both were low in communal orientation—they were more likely to discover the compatible interests in tasks described as problem-solving situations but not in tasks described as bargaining situations. In fact, every group of friends in the problem-solving situation who were high in communal orientation reached the optimal agreement on the compatible issue. However, when friends were dissimilar in communal orientation—one was high and the other was low—the quality

of their negotiated settlements declined precipitously. These findings support Hypotheses 2, 3, and 4.

We suggested that congruence in communal orientation was especially important among friends. Our speculation is that congruence in the ways that people approach resources in interpersonal relationships allows individuals to have accurate expectations about the behavior of the other in interpersonal interactions. For this reason, the mixed orientation pairs most likely confused, disappointed, and frustrated each other. We suspect that the mixed groups produced a clashing of orientations among friends that was not as strongly felt by the unacquainted individuals, who presumably had no expectations to be shattered or unmet.

In contrast, the pattern was quite different for unacquainted strangers, who were most likely to reach compatible outcomes in the bargaining situation, but their performance dropped precipitously when they were in a problem-solving situation and had similar communal orientations. Gruenfeld, Mannix, Williams, and Neale (1996) report findings consistent with this interpretation. Specifically, on an information-sharing task, friends did better when information was distributed among them (i.e., not totally redundant), but strangers did better when all members had the same (full set of) information.

After the pie of resources is expanded through integrative problem solving, the task of dividing resources among parties still remains. We predicted that parties who were dissimilar in communal orientation would divide resources in an unequal fashion. However, this was not observed. Instead, friends distributed resources more equally when both were high in communal orientation and less equally when both were low in communal orientation. In contrast, the opposite pattern happened for unacquainted individuals: they distributed resources less equally when both were high in communal orientation and more equally when both were low in communal orientation. Unacquainted people who are low in communal orientation may have distributed resources most equally because they are more likely to keep track of benefits received and concessions made. Indeed, record keeping of costs and benefits characterizes most exchange relationships (Clark & Mills, 1979). When two unacquainted people are high in communal orientation, they may be less concerned with keeping track of benefits and costs and, therefore, inequity may result. The pattern is quite different for friends. When friends are low in communal orientation, this does not necessarily imply that they treat the relationship as a pure economic exchange—as might strangers. However, it may imply that friends do not feel obligated to ensure that others' needs are met, which could result in inequity to the extent that one member of the pair is more vigorous in serving his or her own needs than is the other. When friends are high in communal orientation, they are more concerned with meeting others' needs, which leads to more equitable allocations. Friends, as opposed to unacquainted persons, may have different interpretations of what constitutes a fair settlement. This, of course, raises the issue of whether communal orientation tapped the same thing within pairs of friends and unacquainted persons. Undoubtedly friends differ from nonacquaintances in terms of the expectations they hold for their partner in a particular interaction; for example, we expect our friend to offer us assistance in an emergency and to sell us his lawn furniture for a good price. Communal orientation, as measured in the current investigation, does not pertain to caring about the needs of a friend versus a stranger; rather, a person's attitudes toward sharing and providing resources with others in a general sense.

Probably one of the most surprising (and potentially disturbing) findings is that friends reported liking their partners less following the interaction, were less likely to want to help their friends, and viewed themselves as making more concessions to friends compared to strangers. This general finding is consistent with the body of research that suggests that friends are often not helpful and can be unsupportive in interdependent situations. Interdependent, mixed-motive tasks may pose a threat to the relationship between friends; furthermore, to the extent that the task is ego involving, it may be especially threatening if one's friend performs better (Tesser, 1988). We thought that describing the task as a problem-solving situation and removing the traditional competitive trappings associated with negotiation tasks would lead friends to engage in supportive behavior. However, the results suggest that even the interdependent problem-solving tasks may have been threatening to friends. The problem-solving situation may have led friends to anticipate more cooperation than they received. Unacquainted individuals, on the other hand, may not have anticipated cooperation and were thus pleasantly surprised with any cooperation they received from the others.

Friends judged themselves to be least cooperative when negotiating a car purchase and when they were high in communal orientation. This is certainly a situation where friends' relationship concerns come into sharpest conflict with situational competition and threats to self-esteem; that is, friends high in communal orientation feel obligated to respond to their friends' needs, but the traditional car-negotiation task is especially competitive and threatening. As a result, friends may feel that they have failed their partners by not behaving cooperatively. Friends' judgments about the concessions made to the other party mirrored their judgments of cooperation: Friends who were high in communal orientation negotiating a car purchase judged themselves to make the fewest concessions.

The ability of friends to reach mutually beneficial, integrative agreements depends upon the meaning they attach to the interaction (i.e., problem-solving opportunity or bargaining) and their communal orientation. As hypothesized, friends who perceive tasks as joint problem situations and who are similar in communal orientation are most likely to discover mutually beneficial compatible interests. The fact that compatible interests may be realized if both members of the dyad are high in communal orientation or both are low in communal

orientation suggests that more than one route to integrative agreement exists when friends are seated across the bargaining table. Thus, for parties to reach integrative outcomes, they need not necessarily express concern for the welfare of the other party. Settlements of high joint value can be achieved if parties are low in communal orientation, provided that they interact with a friend who holds the same views. The most detrimental combination occurs when friends are heterogeneous in communal orientation. This implies that friends lack a shared sense of reality concerning how scarce resources should be apportioned between them (Higgins, 1992; Hardin & Higgins, 1994).

Our results suggest that communal orientation is not a proxy for close relationships. That is, communal orientation among friends is not uniformly high; similarly, strangers may be high in communal orientation. This gives further support to the assertion that communal orientation is a chronic, individual difference that cuts across relationships, rather than simply being defined by them. In understanding friendship in negotiation it is important also to understand people's chronic attitudes toward giving and receiving help in relationships and the correspondence in orientations within dyads.

Interdependent decision making and negotiation with friends is an inevitable aspect of social relationships. Friends often must resolve conflicts of interests with one another. Understanding how individuals anticipate, perform, and recollect such situations is of theoretical and practical importance. To the extent that friends fail to identify compatible issues, valuable resources are needlessly wasted, which hurts not only the individuals involved, but the larger community.

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APPENDIX A
Payoff Schedules for Vacation Task

Destination	*Hotel*	*Mode of Travel*	*Length of Stay*	*Season*
Person A				
Northeast (80)	5-star (220)	Air (420)	3 weeks (140)	Spring (260)
Southeast (60)	4-star (165)	Car (315)	2.5 weeks (105)	Early summer (195)
Midwest (40)	3-star (110)	Motor home (210)	2 weeks (70)	Late summer (130)
Southwest (20)	2-star (55)	Bus (105)	1.5 weeks (35)	Fall (65)
Northwest (0)	1-star (0)	Train (0)	1 week (0)	Winter (0)
Person B				
Northeast (0)	5-star (0)	Air (0)	3 weeks (140)	Spring (0)
Southeast (105)	4-star (55)	Car (20)	2.5 weeks (105)	Early summer (65)
Midwest (210)	3-star (110)	Motor home (40)	2 weeks (70)	Late summer (130)
Southwest (315)	2-star (165)	Bus (60)	1.5 weeks (35)	Fall (195)
Northwest (420)	1-star (220)	Train (80)	1 week (0)	Winter (260)

APPENDIX B
Payoff Schedules for Car Task

Financing	*Number of Extras*	*Price*	*Color*	*Delivery Date*
Buyer				
3% (80)	10 (220)	$12,000 (420)	Gray (140)	1 week (260)
5% (60)	8 (165)	$12,500 (315)	White (105)	2 weeks (195)
7% (40)	6 (110)	$13,000 (210)	Beige (70)	3 weeks (130)
9% (20)	4 (55)	$13,500 (105)	Silver (35)	4 weeks (65)
11% (0)	2 (0)	$14,000 (0)	Black (0)	5 weeks (0)
Seller				
3% (0)	10 (0)	$12,000 (0)	Gray (140)	1 week (0)
5% (105)	8 (55)	$12,500 (20)	White (105)	2 weeks (65)
7% (210)	6 (110)	$13,000 (40)	Beige (70)	3 weeks (130)
9% (315)	4 (165)	$13,500 (60)	Silver (35)	4 weeks (195)
11% (420)	2 (220)	$14,000 (80)	Black (0)	5 weeks (260)