Article

Interpersonal Effects of Emotions in Negotiations: Emotional Intelligence in Decoding and the Decoder's Concessions^{1, 2}

Mika SASAKI*

INTRODUCTION

What does one think upon hearing that someone is negotiating by expressing his or her emotions? One may feel that expressions of emotion will lead to a breakdown of the negotiations. This is a valid concern, given the commonly held notion that we risk the loss of our self-control in emotion-based negotiation. However, recent studies have repeatedly demonstrated that the use of emotions can benefit interpersonal negotiations, just as they can an individual (e.g., Sinaceur & Tiedens, 2006; Van Kleef, 2008; Van Kleef, De Dreu, & Manstead, 2004; Van Kleef, De Dreu, & Manstead, 2006).

Negotiation is defined as a mutual decisionmaking process conducted in order to resolve divergent interests (Carnevale & Pruitt, 1992; Pruitt & Carnevale, 1993). Ury, Brett, & Goldberg (1988) indicated that negotiators tried to avoid making struggles worse in interpersonal relations. Thompson and Hastie (1990) demonstrated that the level at which one considers his or her counterpart's interest affects the conclusion of the negotiation. This negotiator's tendency to avoid struggles may enable the negotiator to give attention to their counterpart's emotions.

Moreover, some politician and business persons have shown that their negotiation style is not itself emotional but instead involves the strategic use of emotions (Sinaceur & Tiedens, 2006). From this perspective, it may be inferred that the ability to use emotions tactfully in negotiations is and will remain a valuable strategy in day-to-day business as well as in global economics and politics.

Van Kleef (2008) emphasized the need for giving attention to the interpersonal effect of emotions and emotional information processing by individuals in negotiations. Whereas he does not treat individual differences in processing emotional information, we focused on emotional intelligence (EI) to describe the individual factors involved in processing interpersonal emotions in negotiations.

Scholars in the field of psychology have developed and elaborated on a concept called EI with which to refer to competence in the tactfully strategic use and handling of emotions. Mayer and Salovey (1997) defined emotional intelligence as "the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth" (p. 5). Considering that definition, it is conceivable that emotional intelligence plays an important role in negotiations, and thus we attempt to apply the concept of EI to better understand the role of emotions in negotiations.

From this point of view, we singled out the ability to accurately perceive and understand the counterparts' emotions, given that previous research (Van Kleef, 2008; Van Kleef et al., 2004; Van Kleef et al., 2006) has demonstrated its key

^{*} School of Commerce, Meiji University, 1–9–1 Eifuku, Suginami-ku, Tokyo 168–8555, Japan Phone/Fax: +81–3–5300–1244 E-mail: mikasa@meiji.ac.jp

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role in negotiations. Negotiation researchers determined that consideration for one's counterpart, or interpersonal consideration, is very important to result of negotiations. Thus, we have focused on the interpersonal aspect of emotional intelligence, especially the ability to understand another's emotions, in negotiations. We have developed an EI measure attentive to the interpersonal aspects of the negotiation setting and have empirically examined the effects of the negotiating counterparts' emotions and the decoder's emotional intelligence in negotiations.

The negotiator's emotions and the decoder's behavior

Researchers have endeavored to discern which types of emotions are advantageous in negotiations. Generally, negotiations are thought to go smoothly if the negotiators are expressing favorable emotions to one another. In such an amicable situation it is easier for the negotiators to act based on the principle of reciprocity. In other words, positive behavior in negotiations has been demonstrated to elicit reciprocal behavior in counterparts (Thompson, Peterson, & Brodt, 1996).

Other empirical studies have illustrated that hostility conveyed through verbal and nonverbal messages elicits competitive behavior from the receiver of such messages (Sasaki, 2006; Sasaki & Ohbuchi, 2000). In these studies, the interpersonal effects of emotions in negotiations have been examined mainly in terms of the dichotomies between kind and hostile and between positive and negative. However, more recent studies have revealed the effects of specific emotions in negotiations.

Van Kleef et al. (2006) showed that regret, guilt, disappointment, and worry are related to the decoder's impression formation of the expresser in negotiation. However, expressions of the abovementioned specific emotions affect the counterpart's perceptions and intentions in negotiations, though the emotions do not have a direct influence on negotiation behavior, whether demanding or conciliatory. In fact, anger is the most noteworthy among the various emotions examined. A number of studies have demonstrated the significant effects of anger on negotiation behavior (Sinaceur & Tiedens, 2006; Steinel, Van Kleef, & Harinck, 2008; Van Kleef, 2008; Van Kleef, De Dreu, & Manstead, 2006). The researchers examined various mediating factors in facilitating concessions, and they all found that expressions of anger elicited concessions from the negotiating counterparts. As we have seen, previous research has examined the effects of anger in negotiations by focusing on social-relational factors: the negotiation partner's situation (e.g., power), perception (e.g., the portrayal of toughness), and the directed target of anger.

Reviewing these studies, Van Kleef (2008) proposed an "emotions as social information" (EASI) model based on suppositions about the interpersonal effects of emotions in negotiations. These interpersonal effects indicate how negotiators are affected by their counterparts' emotions. Each emotion conveys something signaling the counterpart's strategies, impression formation, interpersonal liking, feelings, and attitudes toward the negotiation itself. Van Kleef (2008) provides the idea that emotional expressions affect the observer's behavior through two paths—affective reactions and strategic inferences—in the EASI model.

Van Kleef (2009) rewrites this model, adding that emotional expressions may affect an observer's behavior by triggering inferential processes and/or affective reactions. He hypothesized that these two paths are mutually influential. If an observer infers the expresser's emotions, those emotions elicit the concrete emotions that facilitate particular behavior. Based on this model, Van Kleef assumed that facilitation of concessions by the counterpart's anger expression would be engendered through inferential processes.

If one is to accept this model, then one can easily infer that the negotiation results are affected by individual differences in the ability to process the emotions of the counterpart negotiator. However, little attention has been paid to the abilities or characteristics of the decoders of expressed emotions. Emotional intelligence has come into the spotlight as an avenue by which to better understand this ability to process a negotiating counterpart's emotions.

Emotional intelligence and EI measures

Mayer and colleagues categorize emotional intelligence into the following four abilities: the ability to perceive, appraise and express emotions; the ability to utilize and generate emotions; the ability to understand the information that emotions convey; and the ability to regulate emotions (Mayer & Salovey, 1997; Mayer, Caruso, & Salovey, 1999).

Based on this definition, many scholars have developed emotional intelligence measures including the EIQ (Emotional Intelligence Questionnaire; Schutte, Malouff, Hall, Haggerty, Cooper, Golden, & Dornheim, 1998), TEIQue (Trait Emotional Intelligence Questionnaire; Petrides & Furnham, 2000), the Wong and Law EI Scale (WLEIS; Wong & Law, 2002), the ESCQ (Emotional Skills and Competence Questionnaire; Taksic, 2002), EQS (Uchiyama, Shimai, Utsuki, & Otake, 2001), and the EI measure for children (Komatsu, Hakoda, & Kawabata, 2006).

ESCQ is a three-dimensional measure that focuses on the abilities to perceive and understand emotions, to name and express emotions, and to regulate and adjust emotions. A Japanese version of ESCQ has been developed by Toyoda, Morita, Kanashiki, and Shimizu (2005).

Uchiyama et al. (2001) have developed an emotional intelligence measure called EQS, which consists of intrapersonal, interpersonal, and situational domains. According to Uchiyama et al. (2001), the situational domain refers to emotional intelligence in judging a given situation and adapting to changes in social situations. It can be inferred that this domain of emotional intelligence has ties to abilities in negotiations.

Petrides and Furnham (2000) proposed the concept of Trait EI, which concerns emotional self-efficacy consisting of adaptability, emotional regulation, and social competence. Based on that study, Sevdalis, Petrides, and Harvey (2007) conducted an experiment to examine the effects of emotional intelligence on behavior in negotiation. The results demonstrated that negotiation participants with high EI had more affective control

than those with low EI. This result implies that emotional intelligence concerns the ability to handle one's emotions well.

Komatsu, Hakoda, and Kawabata (2006) examined other domains of emotional intelligence such as the ability to perceive or recognize emotions. They developed a group test of facial-expression recognition in order to measure the ability to recognize others' facial expressions. Facial expressions provide the best clue by which to recognize another's emotions, and a study by Komatsu et al. (2006) implies that the ability to decode facial expressions may affect the results of negotiations. The aforementioned studies point to the possibility that various domains of emotional intelligence are closely linked to negotiation behavior.

Effects of emotions and EI in negotiations

For the relationship between the results of negotiations and the emotions of the negotiators, we can refer to the series of research studies conducted by Van Kleef and others, which have consistently found that expressions of anger elicit concessions from the decoder of anger (Sinaceur & Tiedens, 2006; Steinel et al., 2008; Van Kleef et al., 2006). More specifically, Van Kleef et al. (2004) demonstrated that negotiators made significantly more large concessions to angry counterparts than to happy or non-emotional ones.

In Van Kleef's studies, the counterpart's emotions were conveyed by verbal messages in e-mail. However, as suggested by Komatsu et al. (2006), emotions concerning negotiation can be conveyed by facial expressions. Sasaki (2006) demonstrated that nonverbal messages such as facial expressions are equally effective as verbal messages in conveying emotions.

Based on the above considerations, we designed our study in such a way that expressed emotions would be manipulated with a combination of verbal messages and facial expressions, so that the findings by Van Kleef and others could be applied to more diverse, real-life negotiation settings. In this design, we conducted experiments to test the following hypothesis: Negotiators make greater concessions to counterparts who express anger than to those who express happiness in a negotiation on a video intercom (hypothesis 1).

As previous studies have demonstrated, emotions such as anger affect negotiations and are, more specifically, shown to facilitate concessions (Sinaceur & Tiedens, 2006; Steinel et al., 2008; Van Kleef et al., 2006). If we accept that emotions influence the process of concessions, it is conceivable that people with greater emotional decoding are more susceptible to influence by emotions (Komatsu et al., 2006).

Moreover, some studies related to trait emotional intelligence reported that high emotional intelligence provokes a stronger sensitivity to negative emotions such as anger (Petrides & Furnham, 2003; Sevdalis et al., 2007). Based on these studies, we advanced a second hypothesis: Negotiators with high emotional intelligence (high EI) decode stronger anger from the counterparts who express anger than those with low emotional intelligence (low EI) (hypothesis 2).

If we apply the above findings to decoding anger expressions in negotiation, we can expect that concessions will be related to the level of emotional intelligence regarding the decoding of negative emotions such as anger.

Based on such inferences, we advanced a third hypothesis: Negotiators with high EI make greater concessions to counterparts who express anger than to those who expressed happiness in a negotiation, whereas negotiators with low EI do not show any such difference in concessions to their counterparts (hypothesis 3).

To test these hypotheses, we developed an emotional intelligence measure tailored to the negotiation setting and then used it to examine the effects of the negotiating counterpart's emotions and the decoder's emotional intelligence in negotiations.

PRELIMINARY EXPERIMENT 1

Purpose

We conducted this preliminary experiment to develop a measure of the negotiator's emotional intelligence. To that end, we first referred to the existing EI measures, paying special attention to the domains that have, in previous research, been linked to negotiation behavior. These domains include the perception of the counterpart's emotions, the utilization of one's emotions, and interpersonal adjustment. We then added the items we considered most specifically linked to negotiation behavior. We ran a factor analysis to select the final items for measuring EI in negotiations.

Method

Participants A total of 104 students of M university (59 males, 45 females; average age=20.61, SD=1.49) participated. The participants were volunteers from a psychology class.

Questionnaire A list of 43 items was generated for measuring emotional intelligence by referring to relevant domains in the EQS (Uchiyama et al., 2001), the Japanese version of the ESCQ (Toyoda & Shimazu, 2006), and the EI measure for children (Komatsu et al., 2006). We adopted interpersonal emotional intelligence items tailored to negotiation situations, excluding intrapersonal items. For the selected items, we asked the participants to rate themselves using a five-point response scale on which a "1" represented "strongly disagree" and a "5" represented "strongly agree."

Result

We conducted a factor analysis (maximum likelihood estimation and promax rotation) for the 43 items measuring emotional intelligence. A number of factors produced items with high load values (exceeding than 0.40); consequently several more factor analyses were run after excluding these. Of course, we considered statistical indicators such as factor loading in order to extract and determine those factors. More importantly, we did our best to select domains that have the strongest influence on the effects of emotions expressed by negotiating counterparts for this study, namely the development of a measure for emotional intelligence in negotiations.

For example, we paid close attention to the ability to accurately perceive and understand the counterparts' emotions, given that previous research had indicated the role of this factor in negotiations. The ability to consider one's counterparts was also examined. As mentioned above, consideration for one's counterpart, or interper-

Table 1. Interpersonal EI Scale (IEIS)

		Factors				
	1	2	3	4	h^2	<i>M</i> (SD)
Interpersonal adjustment ($M=3.37$, $SD=0.83$)						
I often facilitate positive moods among people around me	.80	.21	.02	.26	.68	3.1 (1.13)
I can behave adaptively to people around me	.77	.10	09	02	.51	3.71 (.93)
I can make sure that people around me are comfortable	.62	.24	.36	.21	.52	3.31 (.99)
Emotion decoding $(M=3.43, SD=0.79)$						
I can recognize the changes in others' emotions	.23	.78	13	.17	.55	3.39 (.93)
I can identify a person's emotion when I look at his/her facial expres-	.06	.73	.19	.16	.82	3.69 (.92)
sions						1007 000 000 000 000 000 000 000 000 000
I'm good at perceiving others' emotions	.27	.61	.29	.13	.54	3.20 (1.02)
Self controlling ($M=3.14$, $SD=0.78$)						
I can calmly handle unexpected situations	.09	.23	.73	.19	.60	2.97 (.97)
I don't conform to others' opinions	11	07	.71	.10	.45	2.81 (1.05)
I can behave flexibly in responding to the needs of a given situation	.33	.38	.53	.12	.51	3.63 (.88)
Self-expression ($M=3.05$, $SD=0.91$)						
I can express my opinion if I don't agree with another's opinion	.18	.22	.22	.74	.68	2.93 (1.07)
I can express my emotions	.09	.15	03	.66	.50	3.11 (1.04)
I usually express my opinion clearly	.08	.06	.38	.64	.64	3.11 (1.14)
Factor correlation matrix						
Factor 1						
Factor 2	.34	+				
Factor 3	.52	.34				
Factor 4	.45	.51		.36		

sonal consideration, is another important interpersonal aspect of emotional intelligence in negotiations. The last domain considered was related to intrapersonal skills, since the ability to remain calm and clearly state one's opinions in negotiations is necessary for a good negotiator.

Considering the above domains, we conducted factor analyses and identified four factor structures (accumulative contribution ratio: 55.57%, E = 4.06, 1.92, 1.25, 1.17; see Table 1). The first factor was called the interpersonal adjustment factor ($\alpha = 0.74$), the second factor was the emotion decoding factor ($\alpha = 0.78$), the third factor was the self-controlling factor ($\alpha = 0.72$), and the fourth factor was the self-expression factor ($\alpha = 0.79$). We called this the Interpersonal EI scale (IEIS).

PRELIMINARY EXPERIMENT 2

Purpose

This preliminary experiment sought to confirm the manipulation of expressed emotions by creating scenarios for negotiation. Using these scenarios, which contain verbal and nonverbal messages implying emotion conditions, a confederate's expressed emotion will be manipulated.

Participants A total of 22 students of M University (12 males, 10 females; average age = 19.41, SD = 0.91) participated. The participants were volunteers from a psychology seminar.

Factorial Design Expressed emotions (angry/ happy) of the negotiating counterparts

Dependent variables The dependent variables were the check items for manipulation of confederates' emotional expressions (five items that measured favorable impressions ("smiling," "calm," "friendly," "gentle," "approachable") and three items that measured unfavorable impressions ("menacing," "unpleasant," and "arrogant"), on a seven-point scale with "1"representing "not at all" and "7" representing "strongly agree"). Particular facial expressions imply particular emotions, for example smiling implies "happy." This relationship between facial expressions and emotions is not individual but universal. Thus, we checked the manipulation of expressed emotions by facial expressions.

Manipulation of expressed emotions

The trained male confederate in this experiment expressed either happiness or anger in his facial expression and in his words or behavior toward the participants through the video-intercom system. In the happiness condition the participants received the following message from the confederate: "Well... I still want to buy it under this condition I realize that I'm asking for the impossible ... but is there anything you can do for me ...?" In this way, the confederates negotiated gently and smiled, with the corners of their mouths turned up.

In the anger condition, the participants heard the following message from an overpowering simulated negotiator: "This is nonsense. [Banging on the desk] I came all the way here, because I heard that I could negotiate and get a good price on it. You gotta help me out here!" In this case, the confederates knitted and raised their eyebrows, tightly closed their lips, and crossed their arms at the end.

Negotiation scenario

The participating university students engaged in role-playing individually in a hypothetical negotiation scenario. The participants played the role of a shop clerk at a retail electronics store and engaged in negotiations with a customer (the confederate) who had come to the store to buy a computer. A trained male confederate played the part of the customer. The participant and the confederate negotiated over the conditions under which a computer was to be sold, using the Sasaki-Hanada pay-off chart (Appendix) that was shown in the questionnaire in this experiment. This pay-off chart was modified and tailored to the Japanese situation based on the pay-off chart used by Van Kleef et al. (2004). It is customary for Japanese clerks who sell computers in large electronics stores such as AKIBA shops to negotiate with customers directly. So many Japanese students work for companies as salespersons that they can easily imagine the situation and engage in this negotiation realistically.

Procedure

When a participant arrived in the experiment

room, they were told that the purpose of the present experiment was to investigate the buyer's negotiations. After an unacquainted male confederate was introduced to the participant, they were asked to sit in separate booths and interact with each other via a video intercom system. They were asked to negotiate in a hypothetical situation based on the above-mentioned pay-off chart (Appendix).

The information contained in the row for condition (4) in the pay-off chart is the standard condition for sales at the store. However, the shop clerks (participants) were given the authority to change the conditions of sale based on how the customer (confederate) negotiated. The participant's negotiation score was calculated by totaling the points written in brackets in the level columns of the pay-off chart. The participant interacted four times with the confederate.

After the negotiations, the participants answered a questionnaire in which they rated items related to the check items for manipulating the confederates' emotional expressions. They were told that the purpose involved manipulating the confederate's emotions after they filled out the questionnaire. Moreover they were asked to permit their questionnaire to be used as experiment data. Only questionnaires which participants permitted to be used were analyzed.

Result

All of the participants recognized this negotiation scenario and allowed their data to be analyzed. ANOVA performed on the five items that measured favorable impressions found significant main effects of the confederates' emotions on the favorable impressions received by the participants (F(1, 21) = 142.75, p < 0.01), and participants in the happiness condition (M=4.76, SD=0.68) rated their confederates' impressions as more favorable than participants in the anger condition (M =1.56, SD=0.57). We also ran ANOVA for the three items that measured unfavorable impressions using the confederates' expressed emotions and found significant main effects of the confederate's emotions on unfavorable impressions received by the participants (F(1, 21) = 24.22, p < 0.01), and participants in the anger condition (M = 5.64, SD = 1.08) rated the impression of their confederates as more unfavorable than participants in the happiness condition (M = 2.85, SD = 1.54). Based on those results, the confederates' emotional expressions were successfully manipulated.

EXPERIMENT

Purpose

This experiment examines the hypotheses using the scale developed in the preliminary experiment (IEIS) in order to clarify the effect of emotions and the participants' ability to handle emotions in negotiations. In this experiment, we manipulated the counterpart's emotions by facial expressions and verbal messages.

Method

Participants A total of 45 university students (25 males and 20 females, average age = 20.04, SD = 1.02)

Factorial design Expressed emotions (angry/ happy) of the negotiating counterparts (confederates) \times emotional intelligence (high/low) of the decoders (participants): interpersonal adjustment EI (high/low), emotion decoding EI (high/low), self-controlling EI (high/low) and self-expression EI (high/low). Twenty-two subjects were randomly assigned to the happiness condition, and 22 subjects were assigned to the anger condition.

Dependent variables The dependent variables were the check items for manipulating the confederates' emotional expressions (five items on a seven-point scale), their decoding of the confederates' emotional expressions (eight items on a seven-point scale: "the counterpart looks furious"; "the counterpart looks angry"; "the counterpart looks mad"; "the counterpart looks irritated"; "the counterpart looks sorry"; "the counterpart looks like they are feeling guilty"; "the counterpart looks sincere"; and "the counterpart looks kind"), and their scores on negotiation (the lower the score, the greater the concessions).

The ability to decode emotions from confederates' facial expressions is assumed to be measured (Komatsu et al., 2006). We determined the domains of emotional intelligence used for decoding emotions in preliminary experiment 1. In order to examine the relationship between this ability and the effect of emotions in negotiation, we treated the decoded emotions as dependent variables. We calculated the magnitudes of the concessions by subtracting the score of the first negotiation from the score of the last negotiation. A lower score implied a larger the concession because a lower score indicated that the negotiator demanded less in the final round.

Manipulation of expressed emotions We manipulated expressed emotions in the same manner as in preliminary experiment 2.

Procedures

The participants engaged in negotiations based on the Sasaki-Hanada pay-off chart as explained in preliminary experiment 2. Using this pay-off chart, the demand levels were measured the same as with Van Kleef's pay-off chart. The levels were set so that the demands proposed by the participants would be higher as the level went up, which meant that negotiation was more advantageous for the shop clerk (participant). In other words, the participants (shop clerks) would get higher scores if they could get their counterparts to concede to their demands.

In the negotiations, the confederates persistently tried to negotiate so that the participants' scores would be lower. The negotiation was conducted over a video intercom system between participants and confederates. They were each given four chances to pose their demands. In each turn they recorded the levels of the three conditions on which they negotiated: the price of the computer, the warranty period, and the duration of free Internet access. A negotiation score was calculated for each of the four negotiations.

After the negotiations, the participants answered a questionnaire in which they rated items related to the following: the check items for manipulation of confederates' emotional expressions; decoding of confederates' emotions by participants (decoding emotions); the negotiation performance measurement (i.e., the selected level in the pay-off chart); and the participants' emotional intelligence, as measured by IEIS. Participants rated IEIS last so that they would not notice our real purpose of investigating the relation between the emotional intelligence and negotiation.

The participants were told the real purpose of the experiment after they filled out the questionnaire. They were also asked to permit their questionnaire to be used as experiment data. Only questionnaires which participants permitted to be used were analyzed.

Result

Manipulation check ANOVA was performed on five items that measured favorable impressions ("smiling," "calm," "friendly," "gentle," and "approachable") on a seven-point scale, using the confederates' expressed emotions as factors. Significant main effects of the confederates' emotions on the favorable impressions received by the participants were found (F(1, 43) = 17.37, p < 0.01), and participants in the happiness condition (M =4.28, SD=1.41) rated their confederates' impressions as more favorable than participants in the anger condition (M=1.89, SD=1.01). We then ran ANOVA for the three items that measured unfavorable impressions ("menacing," "unpleasant," and "arrogant") using the confederates' expressed emotions and found significant main effects of the confederate's emotions on unfavorable impressions received by the participants (F(1, 43))=20.58, p < 0.01). Participants in the anger condition (M=4.35, SD=1.19) rated the impression of their confederates as more unfavorable than participants in the happiness condition (M=2.21, SD=1.19). Based on those results, we concluded that the confederates' emotional expressions had been successfully manipulated.

Participants' emotional intelligence To measure the participants' emotional intelligence, we conducted a factor analysis (maximum likelihood estimation, promax rotation, and four-factor assignment) and identified four factor structures that have almost the same factorial structures as preliminary experiment 1 (accumulative contribution ratio: 75.31%, E=2.57, 1.73, 1.70, 1.52). The first factor was "self-expression" (factor loading: 0.38 to 0.92, $\alpha=0.79$), the second factor was

"self-controlling" (factor loading: 0.71 to 0.96, $\alpha =$ 0.79), the third factor was "emotion decoding" (factor loading: 0.61 to 1.00, $\alpha =$ 0.76), and the fourth factor was "interpersonal adjustment" (factor loading: 0.44 to 0.86, $\alpha =$ 0.61). We divided the factors into two groups, based on the average value of the items constituting each factor, high EI and low EI, based on the criteria for each EI scale (self-expression: M=4.13, SD=1.20; self-controlling, M=4.19, SD=1.26; emotion decoding: M= 4.69, SD=1.15; interpersonal adjustment: M= 4.57, SD=1.20).

Emotion decoding Participants' emotion decoding was measured based on the eight items pertinent to the decoding emotions of the negotiating counterparts (confederates). Factor analysis (maximum likelihood estimation, promax rotation, standard eigenvalue) identified two factor structures (accumulative contribution ratio: 70.17%, E = 5.09, 1.12). The first factor consisted of four items: "the counterpart looks furious," "the counterpart looks angry," "the counterpart looks mad," and "the counterpart looks irritated" (factor loading 0.71 to 0.96, $\alpha = 0.93$). We named this the anger-decoding factor. The second factor consisted of "the counterpart looks sorry," "the counterpart looks guilty," "the counterpart looks sincere," and "the counterpart looks kind" (factor loading 0.71 to 0.80, $\alpha = 0.86$). We named this the embarrassment/kindness decoding factor. MANOVA was performed by setting these two emotion decoding factors (anger and embarrassment/kindness) as dependent variables and the expressed emotions and the domains of emotional intelligence as independent variables. The results revealed that the main effects of expressed emotions on emotion decoding were significant (Hotelling-t=3.08, F(2, 34)=52.38, p<.01). The simple main effects of expressed emotions on anger-decoding and embarrassment/kindness decoding were also found to be significant (F(1, 9))=93.63 and 41.39, p < 0.01). Participants in the happiness condition decoded the counterpart's anger less than participants in the anger condition and decoded the counterpart's embarrassment/ kindness more than the participants in the anger condition (Fig. 1). The effects of emotion-decod-



Fig. 1. The effects of Negotiating Counterpaart's Emotions on Decoder's Emotion-decoding

ing EI on emotion decoding were not significant (Hotelling-t=0.14, F(2, 34)=2.35, n.s.). However, hypothesis 2 was not supported. The simple main effect of emotion-decoding EI on anger decoding (F(1, 9)=3.99, p=0.05) was marginally significant, and participants in the high emotiondecoding EI group decoded the anger of the counterparts more than the low emotion-decoding EI group (M=4.81, SD=0.21 and M=4.16, SD=0.23). Hypothesis 2 was thus partially supported. The main effects of self-expression, selfcontrolling, and interpersonal adjustment were not significant (Hotelling-t=0.10, 0.03, and 0.08,n.s.). The interaction between expressed emotion and self-expression, self-controlling, emotion decoding, and interpersonal adjustment were not significant (Hotelling-t=0.01, 0.05, 0.12, and 0.00, n.s.).

Negotiation score An analysis of variance (ANOVA) was performed on the negotiation scores using 2 Emotional expressions (anger/happiness) \times 2 EI domains (high/low). The main effect of expressed emotions on the size of concessions was marginally significant (*F*(1, 9)=3.53, *p* = 0.07), and participants in the angry condition made greater concessions than those in the happiness condition (see Fig. 2). This result supports hypothesis 1.

Only the emotion-decoding EI had a significant main effect (F(1, 9) = 4.20, p < 0.05) on the sizes of concessions, and participants in the high emotion-decoding EI condition made greater concessions than those in the low emotion-decoding EI condition (Fig. 3). Interpersonal adjustment EI, self-expression EI, and self-controlling EI had no



Fig. 2. The effect of Expressed emotion on Negotiation



Fig. 3. The efect of Decoder's Emotion-decoding EI on Concessions

significant main effects (F(1, 9) = 0.89, 0.17 and 0.62, *n.s.*). The interactions of expressed emotion and self-expression, expressed emotion and emotion decoding, expressed emotion and self-controlling, and interpersonal adjustment were not significant (F(1,9)=0.25, 0.95, 0.10, and 1.67, *n.s.*). These results indicate that hypothesis 3 was not supported.

DISCUSSION

We conducted the main experiment in order to determine whether the effects of negotiators' emotional expressions on decoders' negotiation behavior are mediated by the decoders' emotional intelligence. In the experiment design, we set the negotiators' emotional expressions and the decoders' emotional intelligence as independent variables and then examined how they influenced the size of the concessions made. In our first hypothesis, we predicted that a negotiator would make a larger concession when his or her negotiating counterpart expressed anger than when the counterpart expressed happiness. The result of this experiment demonstrated that participants in the angry condition made larger concessions than participants in the happiness condition. Therefore, our first hypothesis was supported. This finding is consistent with previous research on the

effects of emotions in negotiations.

In the present study, we treated emotional intelligence as an individual difference in sensitivity toward emotions and the ability to utilize emotions. Based on that postulation, we advanced our second hypothesis: People with high emotional intelligence are more sensitive to anger expressed by their counterparts and will therefore exhibit stronger anger decoding. The result, in which a high decoding-EI group decoded the anger of counterparts more than a low decoding-EI group, partially supported hypothesis 2 (marginally significant).

Another side of the effects of decoding EI on negotiation was found in the area of making concessions. The results demonstrated that, among the domains of emotional intelligence of decoders that we examined, emotion-decoding EI significantly affected the size of concessions that the decoders made. This result indicated that people with high emotional intelligence make larger concessions to their counterparts. Thus, it did not support our third hypothesis, but it did indicate that the ability to decode emotions facilitates concessions.

This result is difficult to understand in terms of EI as a moderator in the interpersonal effect of emotions. Why does it not indicate the interaction of EI and expressed anger in making concessions? Perhaps the cause is a ceiling effect of anger, since a negotiator with high decoding EI can decode strong anger. From another viewpoint, high decoding EI (by IEIS) might reveal a stronger impact of the counterpart's anger on the decoder's concessions, just as high EI (by trait EI) caused overestimation of negative emotions (Sevdalis et al., 2007).

Although we observed facilitation of concessions by the decoding EI, we could not confirm the relation between the effect of anger on concessions and the decoding EI. In order to clarify the facilitation of decoding EI on concessions, we should increase the number of participants in future experiments and further develop the EI scale, IEIS.

GENERAL DISCUSSION

The purpose of this research was to empirically examine whether the expression of anger effectively yields concessions from the decoder of anger, and to see how this process may be related to the decoders' emotional intelligence. In the main experiment, we measured individual differences in the negotiators' ability to handle emotions using an EI measure developed by the author, and we examined how that influenced negotiation with counterparts who expressed explicit emotions.

The results generally suggest that people with high emotional intelligence are more easily affected by the emotions of their negotiating counterparts. More specifically, the study demonstrated that people with high emotion-decoding ability make greater concessions to their angry counterparts. Previous research has demonstrated that people with high emotional intelligence are more easily affected by emotions (Sinaceur & Tiedens, 2006; Steinel et al., 2008; Petrides & Furnham, 2003). The present study demonstrated that these findings are also applicable to negotiations.

The results of this study suggest that individual differences in decoding emotions influence the results of negotiations. However, this does not imply that a higher emotional intelligence will be more advantageous in negotiations. What it does imply is that people with high emotional intelligence react more strongly to the effects of emotions (both anger and happiness) in eliciting concessions.

We paid particular attention to gaining strategic emotional information from anger because past research demonstrated the effect of anger on concessions. Nevertheless, affective reactions of happiness may result in concessions based on the decoder's cooperative motivation. However, we cannot divide the two processes, the strategic information path and the affective reactions path, in this study, so we have to improve the experiment design in order to clarify the effect of anger/happiness on concessions.

Emotional intelligence involves both the ability to decode emotions and the ability to understand

and utilize emotions. In the EI measure we developed (IEIS), we considered individual differences in the ability to maintain good interpersonal relationships (interpersonal adjustment EI) as well as the ability to state one's opinion (self-expression EI).

If future research reveals the effects of both the ability to decode emotions and the ability to regulate one another's emotions and regulate interpersonal relationships in negotiations, we will be able to better understand the mechanism of how and in what situations the individual differences called emotional intelligence work advantageously in negotiations.

Negotiations and emotional intelligence

We developed an EI measure by assuming domains that are considered closely tied to negotiation settings, such as adaptability to given situations and interpersonal skills. This EI measure included a small number of items in order to lessen the burden on the participants. However, the preliminary experiment demonstrated that the measure is reliable. This EI measure (interpersonal EI Scale; IEIS) consists of four domains: the interpersonal-adjustment domain to measure interpersonal consideration, the emotion-decoding domain to measure the ability to perceive others' emotions, the self-controlling domain to measure the ability to regulate one's emotions, and the self-expression domain to measure the ability to express one's emotions.

Although we used the same scale items in the main experiment, the reliability coefficient of the interpersonal adjustment was low (α =0.61) among the four domains of emotional intelligence, and thus we might have been unable to fully examine the effects of this domain of emotional intelligence in negotiations. In negotiations, it is very likely that having consideration for others influences both the result of the negotiation and the long-term relationship with the counterpart. In the future, we may thus need to further improve the EI measure and increase its validity.

Implications for utilizing EI in negotiations

This study primarily examined the effects of ex-

pressed anger in promoting concessions by the decoder of the emotion, as demonstrated in a series of studies by Van Kleef and other researchers. In our experiment, we asked the participants to negotiate in an emotionally manipulated situation (anger/happiness), and they were motivated to negotiate to get greater rewards by referring to a pay-off chart (the Sasaki-Hanada pay-off chart). We also examined how the emotional intelligence of the decoder of emotions affected the negotiation results.

What we can draw from the results is that when we say "high emotional intelligence," the emotion-related ability to which this actually refers will differ, depending on which domain of emotional intelligence we are talking about. As has been proposed in the EASI model (Van Kleef, 2008/2009), any interaction that includes the catch-all term "emotion" involves both strategic and affective response processes.

Van Kleef particularly insisted that the facilitating of concessions by expressed anger is evoked by inference of the expresser's intention. Some studies have determined that the aggressive intention inferred from expressed anger facilitates the decoder being more aggressive toward the expresser (Sasaki, 2003; Sasaki & Ohbuchi, 2000). Steinel et al. (2008) demonstrated that persondirected anger (aggressive intention) resulted in smaller concessions. These effects of inferring the counterpart's intentions are compatible with Van Kleef's model in facilitating concessions in response to anger.

If an inference can mediate the making of concessions in response to anger, we should clarify the quality of the intentions inferred by the decoder of expressed anger. It may be that these multiple emotion-related processes are all shaped by the individual characteristics of negotiators, which we refer to collectively as emotional intelligence, in the sense of utilizing the other's emotions.

In any event, we need to collect more data in order to further examine the effectiveness of using emotions and ways of utilizing emotions in negotiation. Additionally, we need to develop EI measures that have higher validity. The experiment in this study was only designed for that one time, and was limited to short-term negotiations. Thus, one of the limitations of this study is that we could not extrapolate the results to create a model for long-term negotiations. In reality, there are many situations in which we negotiate with the same counterpart again and again. Therefore, in order to examine the effects of emotions in various negotiation settings and how they relate to the negotiators' emotional intelligence, we need to conduct experiments and research by considering long-term relationships.

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Situation: Sales Negotiations of PC

You are a sales clerk in charge of PC sales at an electronics store. In this store, the customers negotiate with the sales clerk to purchase products at the price that they agree on. The condition of sales is determined by negotiating on three factors: the PC price, the warranty period, and the duration of free inter-net service. Chart 1 will be used by both the shop clerk and the customer. The level you choose for each factor does not have to match with other two factors. Your reward will be based on the negotiation score, which is the sum of numerical values of the selected levels (refer to Chart 2).

Chart 2: Reward Chart

Negotiation points	Reward ¥100	
3-5 points		
6-7 points	¥200	
8-9 points	¥300	
10-11 points	¥500	
12-13 points	¥700	
14-15 points	14–15 points ¥800	
16–17 points ¥10		
18-19 points	¥1200	
20-121 points	¥1500	

Appendix: Sasaki–Hanada Pay-off Chart Chart 1: Sales Condition Chart

Prie	ce of PC	Warranty Period		Duration of service			
Level	Price	Level	Warranty period	Level	Free Internet		
(1)	¥180,000	(1)	18 months	(1)	7 months		
(2)	¥190,000	(2)	16 months	(2)	6 months		
(3)	¥200,000	(3)	14 months	(3)	5 months		
(4)	¥210,000	(4)	12 months	(4)	4 months		
(5)	¥220,000	(5)	10 months	(5)	3 months		
(6)	¥230,000	(6)	8 months	(6)	2 months		
(7)	¥240,000	(7)	6 months	(7)	1 months		

Example: Negotiation result

Condition of sales		Selected level
PC price	¥210000	Level (4)
Warranty period	12 months	Level (4)
Free Internet Service	4 months	Level (4)
		Total (12) points (=negotiation score) Your reward=¥700