Relational Variables and Ethical Behaviour of Negotiator

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Abstract
The literature review on ethics in business negotiation points out to the importance and determinacy of three relational variables likely to play a great role and act on the evolution of the negotiation process ethics-wise. These variables are: trust, dependence towards the other party and knowledge-sharing. In this paper, we will examine and measure their respective impact on the ethical behaviour of negotiators. In order to answer our research questions and test our research hypotheses, we surveyed a sample of 120 negotiators by means of an auto-administered questionnaire. The theoretical contribution of this study is the combination of relational variables likely to influence ethical behaviour during business negotiations. The study’s contribution to management thinking and practice is putting the focus on the importance of relational variables during the negotiation process.

Keywords: Ethic, unethical practices, negotiation, trust, dependence, knowledge-sharing.

Introduction

Relevance and need for an ethical conduct during negotiations has been studied by several authors (Adler and Bigoness, 1992), (Lewicki et al., 1998). In 2001, Leahy (2001) surveyed a number of articles dealing with ethics in negotiations during the last 20 years. Even though a small number of studies on the nature and importance of some ethical practices in negotiations stood out with reliable research problems, often from the managers’ perspective, a few of them relied on solid empirical procedures or surveyed samples well fit for the population studied.

Reviewing studies on ethics in negotiations that focused primarily on negotiation tactics and techniques, we would like to signal out the tactic or tactics that are found to be the most frequently used: the integrative (cooperative) method, the distributive method, and the reasoned method (the most recommended and considered ethical by the authors). Practically, we express our awareness of the different methods used by the negotiating parties during the negotiation process (Ross, 1992).
The “reasoned” method of negotiation, developed mainly by the work of Fisher, Ury and Patton (1991), is the most frequently used one. The principles on which this method is based are discussed by Bourque (1994) and Grant and Paquet (1998).

However, some authors note that this approach to negotiation hardly answers to the different aspects and elements of this process and rather call for a “traditional” method of negotiation (Bourque, 1994), (Grant and Paquet, 1998). Many authors (Pruitt, 1991); (Bergeron and Bourque, 1998) point out that a negotiation which aims at applying interests-based negotiation will be more or less characterized by a combination of two methods, i.e. the reasoned and the traditional methods. Having said that, it is difficult to think that one negotiating party will be ethically concerned, whereas the other one will not. Friedman and Shapiro (1995) insist that none of the negotiation methods is ethical or unethical in itself. Then, we can say that ethics in negotiations are independent from the different negotiation methods. Some ethical rules may more or less be more relevant for the distributive type of negotiation or for the integrative type. The literature review on ethics in business negotiation points out to the importance and determinacy of three relational variables likely to play a great role and act on the evolution of the negotiation process ethics-wise. These variables are: trust, dependence towards the other party and knowledge-sharing. In this paper, we will examine and measure their respective impact on the ethical behaviour of negotiators.

Our research problem that we would like to test is the following:

To what extent trust, dependence and knowledge-sharing jointly or separately influence ethical behaviour of a negotiator in an inter-organisation context?

Definitions and dimensions of the concepts trust, dependence and knowledge-sharing

- **Trust**

  Trust within an inter-organisational context has been extensively studied. Failure of the economic approach to explain the nature of these relationships made it necessary the study of social factors in which trust is the most significant element. Furthermore, uncertainty and the risks around the negotiation process highlight the importance of studying the role of trust as an explanatory variable of ethical behaviour. The richness of the theoretical approaches on trust created confusion on the real components of this concept (Vachon, 2007). Ambiguities relate essentially to the construct, dimensions and consequences of trust (Seppänen et al., 2007). This confusion stems primarily from the diversity of the functions of this concept and the evolution of its contribution to innovation and creativity all along the negotiation process, hence, enrichment of the concept with new dimension and components is needed (Svensson, 2004).

  Nowadays, trust has an important theoretical stand, and although its role has grown important and recognised within inter-organisational relationships, the definition of the concept still remains ambiguous. This ambiguity results from an absence of an agreement among researchers and the change of the concept from one discipline to another (Seppanen et al., 2007) as well as the multiplicity in its meanings and roles (Brulhart, 2002).

  Measurement-wise, this concept knew disagreements as to its dimensions, yet, most researchers agree on the fact that the concept is a multidimensional one (Chouk and Perrien, 2005) and assume that viewing it as unidimensional does not do justice to essence of the concept (Seppänen et al., 2007). However, worth noting is that within a similar multidimensional view,
the number of dimensions may vary from one study to another (Seppänen et al., 2007). Among the definitions given to the concept of trust, we can mention that of Anderson and Narus (1992) who considers trust as “the fact of believing that one party will deploy actions able to be translated into positive results for the company and will not undertake unexpected measures able to have negative effects on the results”. Moorman (2000) define trust as a belief, a feeling or an expectation of exchange which results from the party’s expertise, intentions and reliability. This element of trust, which Ganesan (1994) describes as credibility, is based on the extent with which the buyer assumes that the supplier has the necessary competences to perform the activity in a reliable and efficient manner. Trust relates as well to the company’s main intention of trusting their exchange partner. Ganesan (1994) describes this component as good-will, in the sense where the company assumes that its partner has intentions and motives beneficial to the company. Heide and Goorge (1988) assimilate inter-organisational trust with a governance mechanism that moderates opportunistic transactions exchange characterised by uncertainty and dependence. Trust lower down recourse to control mechanisms and companies learn to become more and more interdependent (Achrol, 1997). When there is trust, buyers and suppliers may make long-term investments with a limited risk, since the two parties will refrain themselves from terminating contracts. Trust increases as well tolerance towards each partner’s behaviour to ease conflict resolutions, which allows partners a better adjustment to their needs and respective aptitudes. Other researchers have attempted to define inter-organisational trust with an economics line of thinking. Trust may be presented as “the result of a relational computation meant to reduce transactions costs” (Williamson, 1993). In this line of thinking, each party rationally decides whether they would better trust as a function of the evaluation of the benefits associated with this decision on transactions costs (Zaheer and Venkatraman, 1995), (Seppänen et al., 2007). Möllering (2002) indicate that economic theories allowed for explaining trust through defining key elements such as uncertainty, information asymmetry and opportunism. The authors pointed out as well that studying this concept does not only reply to an economic approach but it calls for other disciplines, mainly social and psychological. Nevertheless, Seppänen et al (2007) insist that within an economic exchange context, we can neither understand nor explain a polymorphic and a multidimensional concept like trust without a combination of different theoretical approaches (economic and socio-psychological). Then, in this paper, we align ourselves with this proposition and define trust in line with Gao et al (2005) who claimed that “There is trust when a company believes in the partners’ good-will to respect their promises, they are able to make a satisfactory performance, and they are benevolent” (Gao et al., 2005). This conception allows for distinguishing between two types of attributes. Whereas respecting promises (or more integrity) and goodwill relate to ethical and moral assumptions, the partner’s competence reflects a cognitive aspect in terms of tangible expectations. This conception distinguishes itself from other approaches which consider trust as a simple reflection of vulnerability resulting from an irrational choice that one party faces in an uncertain event. Moreover, the two dimensions: goodwill and integrity, favour the fostering of a relationship that exceeds conventional methods of control, in order to move towards a tighter relationship where the two parties seek to mutually benefit and develop a cooperation relationship (Kern and Willcocks, 2000). The three-dimensional nature of trust turns out to be the most enriching, coherent and relevant to this study as it jointly includes affective dimensions (goodwill and integrity as related to ethics and moral) and cognitive ones (competence as related to tangible expectations).
There are many theoretical stands to dependence. Porter (1980) examines this concept from a strategic point of view and establishes his famous model of which one of the main elements resides in suppliers’ and customers’ negotiation power. The model allowed for analysing intensity of competition and evaluating the appeal of a market segment (Remili and Carrier, 2006). According to this model, the more the degree of dependence is important the more the company’s negotiation power diminishes, as this latter cannot afford losing an important supplier (the opposite holds true for customers). The concept was treated by Emerson in 1962 who defined dependence of an agent Y to an agent X as proportional to Y’s investment, following the objectives he/she wishes to reach through X, and inversely it is proportional to Y’s possibility to achieve these objectives without X. The resources dependence theory of Pfeffer and Salancik (1978) rests on three main elements that determine dependence of an agent Y to an agent X:

- the importance of X’s resources to Y,
- the degree of X’s control of these resources,
- the possibility of Y to have these resources without X.

On another hand, Frazier (1983) proposes another operationalisation of the concept according to which dependence is defined through one party’s satisfaction degree towards the quantity and quality with which the other party accomplished its role, i.e. performance; the more X is performing, the more his/her replacement probability is very low and inversely X’s dependence is much higher (Lepers, 2003). Buchanan (1992) highlighted the utility of resources being

**Goodwill:** it is the fact of believing that the partner is worth the trust and respects the mutual well being and interests of the two parties (Mayer et al., 1995), (Doney and Cannon, 1997). Klein (2007) plead in favour of a non-opportunistic negotiating behaviour.

**Integrity:** it is believing that the promises of the other party will be respected and that information exchange will be sincere (Mayer et al., 1995), (Coote et al., 2003). In other words, it measures the partner’s degree of compliance with principles judged acceptable (Amami and Thévenot, 2006), (Klein, 2007).

**Competence:** believe that the partner has the skills, qualifications and resources to efficiently intervene within their expertise (Klein, 2007). It is executing the relationship that binds suppliers and customers (increasing trust and respecting written or spoken promises).
transacted. Then it is about dependence that is linked, on the one hand, to potential alternatives and on the other hand to subjective estimations like respect or satisfaction.

- Dimensions of dependence

Research on dependence disagrees on the number of its dimensions. Some researchers such as Heide and John (1988), Ganesan (1994), Johnson (1999) and Bahli (2002) consider dependence as a unidimensional concept while others like Yilmaz and Kabadayi (2006) argue for a two-dimensional concept. Worth noting is that for the first conceptualisation although these authors agree on one dimension, they deliver different definitions. Ganesan (1994) and Bahli (2002) rely in their definitions on one party’s degree of importance to the other whereas for Heide and John (1988) and Johnson (1999), dependence rests essentially on the irreplacement effect when we desire to switch partner. The combination of these two definitions led to the second conceptualisation. Other researchers (Young and Wiersma (1999), Ryu et al., (2007), and Golicic & Mentzer (2006)) opted for a three-dimensional conceptualisation of dependence which mainly includes three dimensions highly correlated i.e. utility of relationship, difficulty of replacement and availability of alternatives for the negotiator. In this study, we opt for a two-dimensional conception of dependence which rests essentially on utility of relationship and the difficulty of replacement.

- Utility of relationship: it is about the contribution of the opponent in the company’s activities: what happens if we change partner?

- Difficulty of replacement: it is about problems, obstacles and concessions that a party might incur if it decides to terminate a relationship with the opponent, in other words it brings up the issue of switching costs (Whitten & Wakefield 2006). In addition, this dimension includes unavailability of alternatives for the negotiator, i.e. this latter might face difficulties finding a new negotiating partner.

• Knowledge-sharing

The concept of knowledge-sharing has become central to research in strategic management (Prévot, 2007). There are many studies on inter-organisational relationships which refer to knowledge-sharing as a central issue (Sargis, 2001). Importance of knowledge-sharing is obviously linked to the increasing role of knowledge in organisational performance. The definition of knowledge adopted by Ke and Wei (2007) clearly reflects this conclusion, “Knowledge is defined as a justified belief that increases an entity's capacity to take effective action” (Ke and Wei, 2007). Availability of necessary knowledge and its diffusion at the moment of launching an action increases its chance of success. The main idea consists of the fact that knowledge necessary to achieve actions meant to create value of a given service is rarely the property of one company. This knowledge is distributed within a group of companies. (Pardo et al., 2006), (Prévot, 2007). Dyer and Singh (1998) define this concept as an exchange process or routine or else “a regular context of interactions between firms that allows for transfer, combination or creation of a specific knowledge”. Soekijad and Andriessen (2003) assimilate knowledge-sharing between parties to “a process of transfer, distribution, and creation of knowledge” or as “a means of performance and learning”. Lee (2001) defines this concept as “an
activity of transfer or diffusion of knowledge from a person, a group or an organisation to another”. Nevertheless, it is convenient at this level to distinguish between knowledge transfer and knowledge sharing. Table x summarizes the main properties of each concept:

(Insert Table 1 About Here)

Knowledge transfer relates essentially to a one-way movement of knowledge, which is irrelevant to our present research. For this reason, we favoured the concept of sharing which would allow for establishing a relationship between the parties and for transforming, integrating and managing knowledge so as to improve performance of the parties (Lee, 2001). Bandyopadhyay and Pathak (2007) modelled the interaction between the company and its partners as a possibility of sharing their knowledge and competence in order to work together as a team, while remaining good adversaries. Although a reciprocal process is often evoked, each party should take care of its advantage before engaging into a knowledge-sharing process whose success depends on the parties’ own motivations (Soekijad and Andriessen, 2003). This sharing is made easy by the quality of communication and interaction between parties (Bandyopadhyay and Pathak, 2007). Moreover, Lin (2008) focuses on the effect of culture and organisational structure. The author shows that innovation-oriented cultures, as well as a less formal structure positively influence the knowledge-sharing process. Others speculate on the ability of each party to share knowledge that is essentially linked to the ability of absorption and access to knowledge (Soekijad and Andriessen, 2003).

Knowledge-sharing dimensions:

There are several forms of shared knowledge Prévot (2007). Lee (2001) and Renzel (2008) have distinguished between two forms of knowledge; implicit and explicit knowledge based on efficiency and affordability of sharing.

Properties of explicit knowledge:

- it exists under a written and a symbolic form (Lee, 2001)
- it can be articulated and documented (Renzl, 2008)
- it is easily and directly observed, processed (Prado et al., 2006)

Properties of implicit knowledge:

- it can be under a verbal, symbolic or written form but unexpressed (Lee, 2001)
- it includes the know-how, expertise, training on and knowledge of the market and competitors (Lee, 2001)
- it needs more partnering interaction and efforts to be shared (Lee, 2001). With reference to the works of Lee (2001) and Renzel (2008), knowledge-sharing is considered as two-dimensional. Most researchers retained these two dimensions in their empirical studies, confirming then the relevance of such a two-dimensional structure.
Impact of relational attributes on the negotiator’s ethical behaviour

- Impact of trust on ethics during negotiation

Goles and Chin (2006) and Seppänen et al. (2007) insist that many concepts have been deployed to study inter-organisational relationships, yet the most known and accepted is the concept of trust. Many studies proved that trust is an important element in developing and making these relationships successful (Morgan and Hunt, 1994), (Ring and Van de Ven, 1994), (Zaheer et al., 1998). Barthélemy (2004a) insists that trust-based relationships allow for achieving better performance than trust-less relationship. Dyer and Chu, (2003) illustrate that trust as a management mode may combine three main advantages: (1) reduction in transfer and renegotiation costs, (2) elimination of control and evaluation mechanisms, and (3) development of adaptive behaviour and higher organisational flexibility. Thanks to a trust relationship, if mutual adjustments are needed, a simple informal negotiation between parties would be enough. In addition, the presence of a trust relationship encourages the service provider to take initiatives and be open to propositions. Otherwise, the partner will stick rigidly to the terms of the contract. Finally, Lee (2001) shows that trust-based relationships give rise to knowledge and information sharing allowing for improving the negotiation process since trust seems to be the drive for more efficient and costless coordination. As for the relationship of this concept with ethics, several researchers paid a great deal of attention to this axiom. Walton and McKersie (1965) point out that trust is linked to the integrative type of negotiation while Butler (1995) notes that expecting mutual trust increases and improves information sharing between negotiating parties. This concept has been also linked to some types of negotiation tactics. Melvin et al. (1980) show that when negotiators (mainly B2B negotiators) possess some higher expectations, trust is positively linked to information exchange. In other words, a higher level of trust leads to a better communication between negotiating parties. Similarly, in a study conducted by Burnham et al (2003), trust accounts for 25% of the variance in unethical behaviour during negotiations. Provis (2000), who focused on the relationship between trust and ethics, showed that although trust is prevailing during the negotiation process, unethical and deceiving practices may arise during traditional competitive bargaining (the tendency to exploit the partner). Negotiators use mainly bluffing and deception as self-defence tactics. Strudler (2000) insists for example on the high probability of opting for deception during traditional competitive bargaining and this despite the presence of trust between parties.

We can say that this concept plays an important role in negotiators’ ethical behaviour. Then, we can hypothesise that trust is negatively linked to an “unethical” set of negotiation tactics.

**Hypothesis 1: Trust towards the partner is negatively linked to the negotiator’s unethical behaviour.**

Given the multidimensionality of ethics, we formulate the following sub-hypotheses:

Hypothesis 1a: The more there is trust towards the partner, the less there will be information misrepresentation during negotiations.
Hypothesis 1b: The more there is trust towards the partner, the less there will be bluffing during negotiations.

Hypothesis 1c: The more there is trust towards the partner, the more there will be competitive bargaining during negotiations.

Hypothesis 1d: The more there is trust towards the partner, the less there will be inappropriate information gathering during negotiations.

- **The impact of dependence on ethics during negotiations**

Any relationship between two organisations is based on exchange of resources, whether tangible or intangible. Rare are those relationships which are based on mutual interdependence and on an equal distribution of power. In most cases, there is what is called power asymmetry where one firm depends on another one (Remili and Carrier, 2006). Concept-wise, dependence changes interactions between two parties from a spontaneous exchange based on a fair negotiation to a dominance structure where one party loses its ability to retaliate (Kenneth and Heide, 2000). Young-Ybarra and Wiersma (1999) empirically tested that dependence is negatively linked to the flexibility of the two firms. Lonsdale (2001) claims that when there is no opportunism in business relationship dependence is harmless. Moreover, the choice of the opponent is not often a success. It is probable that the negotiator may face another incompetent party. Sanders et al. (2007) believe that being dependent to an incompetent party may have both short-term effects like disruptions in negotiations and long-term strategic effects. Usunier (2004) showed that within communication during a negotiation, mainly in terms of knowledge-sharing, lying and the resulting ethical concerns are often present. This theoretical assumption leads us to hypothesise that dependence of a negotiator to the partner positively influences the use of unethical tactics during negotiations.

**Hypothesis 2: Dependence to the partner positively influences unethical behaviour during negotiations.**

**Hypothesis 2a:** The more there is dependence to the partner, the more there is information misrepresentation during negotiations.

**Hypothesis 2b:** The more there is dependence to the partner, the more there will be bluffing during negotiations.

**Hypothesis 2c:** The more there is dependence to the partner, the more there will be competitive bargaining during negotiations.

**Hypothesis 2d:** The more there is dependence to the partner, the more there will be inappropriate information gathering during negotiations.

- **The impact of knowledge-sharing on ethics during negotiations**

Bandyopadhyay and Pathak’s (2007) study illustrates that when knowledge compatibility level between parties is high, many benefits may be achieved if senior managers encourage
cooperation and knowledge-sharing between employees. Hitt et al., (2000), cited by Prévot (2007) consider that a firm’s commitment to looking for usable external knowledge allows for a better use of its own knowledge as the main influential factor in choosing a partner. Lee (2001) confirmed that knowledge-sharing is significantly correlated to the level of benefits achievement as a function of the individual’s ability to absorb the necessary knowledge and quality of the relationship binding the parties. Knowledge-sharing is one of the main factors of business success (Lee, 2001). Knowledge-sharing can be viewed as a strategy in itself. Dyer and Nobeoka (2000) illustrate this approach with the partnership network implemented by the multinational Toyota. This latter favours collaboration with its suppliers and encourages valuable knowledge-sharing, yielding exceptional results, superior to those of the competitors. However, this concept has another facet to it, exposed by the works of Langlois et al. (2000), according to which information transparency and knowledge-sharing are important elements for negotiations and may be used for unethical ends. Indeed, shared knowledge may be incomplete or false and this may compromise credibility or induce the other party into being deceived. Ultimately, it should be tested whether the shared knowledge is precise, reliable and verifiable. On the other hand, researchers cautioned about cognitive manipulation like Bacharach and Lawler (1982) who showed that the negotiator may try to influence the target without this latter being aware. In other words, the negotiator may target behaviour control by manipulating the shared knowledge, lie on its authenticity or manipulate it to deceive the other party.

Consequently, our third hypothesis may be formulated as follows:

**Hypothesis 3: Knowledge-sharing between the two parties positively influences the negotiator’s unethical behaviour.**

Hypothesis 3a: The more there is knowledge-sharing between the two parties, the more there will be information misrepresentation during negotiations.

Hypothesis 3b: The more there is knowledge-sharing between the two parties, the more there will be bluffing during negotiations.

Hypothesis 3c: the more there is knowledge-sharing between the two parties, the more there will be competitive bargaining during negotiations.

Hypothesis 3d: The more there is knowledge-sharing between the two parties, the more there will be inappropriate information gathering during negotiations.

(The Empirical Study)

Our procedure to answer our research problem and validate our research hypotheses rests on a quantitative survey of a sample of 120 negotiators working in the service, production and consulting sector. Three main criteria of selecting the sample are retained. Education level, i.e. respondents should have completed a secondary or a university level education (in order to have well structured and clear responses), experience in negotiation and belonging to a senior
management position (useful for large negotiations). Respecting these criteria would ensure better quality responses and credibility.

A questionnaire including all the items discussed in the literature was designed and auto-administered to the respondents to fill in at home. The obtained responses have been statistically processed. First, we checked the psychometric quality of our scales. Second, we used a linear regression model to test the relationships between the studied variables. The respondents used a 7 point Lickert-type scale ranging from (1) “strongly disagree” to (7) “totally agree”.

(Insert Table 2 About Here)

- Selection of the measurement scales

  Trust measurement scale

Similar to its conceptualisation, a great deal of debates are recorded in the literature on the way it should be measured. Most researchers consider the construct as multidimensional. However, two approaches seem to summarize those controversies. The first uses multidimensionality and conceived its measurement in terms of separated dimensions with multiple items (Ganesan, 1994), (Möllering, 2002), (Gattiker et al., 2007). The isolated effect of goodwill, integrity and other dimensions of trust may then be measured.

The second defends the fact that some dimensions have been shown as being strongly correlated to each other and that their separation is difficult to conceive. Doney and Cannon (1997) insist that credibility and goodwill overlap so much as they are conceptually inseparable. Geyskens et al., (1999) did not find evidence attesting for the need to separately measure honesty and goodwill. This latter view perceives trust as a unidimensional construct.

Table 3 presents the main scales from the literature measuring trust and its relevant definitions.

(Insert Table 3 About Here)

The measurement scale retained in this research is that of Klein (2007), which rests on the following three dimensions, competence, goodwill and integrity. The scale includes 11 items. It was initially developed by McKnight et al., (2002) in an inter-organisational context. The items of the scale are presented in Table 4 below:

(Insert Table 4 About Here)

- Measurement of professional dependence

Bahli (2002) insists that whereas there exists no formal measurement of dependence within economics research, the concept has been operationalized in many marketing studies. Ganesan (1994) developed a unidimensional scale consisting of 8 items to measure dependence in terms
of supplier or customer importance for the firm. This scale shows a high level of reliability and coherence, yet it measures only the effect of relationship importance. Others like Yilmaz and Kabadayi (2006) used a multidimensional scale consisting of 4 items for irreplaceability and 3 items for the importance of the relationship with the supplier. Nevertheless, this scale is very specific to the context of the firm’s supply chain logistics. Some items of the irreplaceability dimension cannot be adapted to the context of this study. Recently, Ryu et al., (2007), referring to the work of Lusch and Brown (1996), have adapted a reduced measurement scale of 4 items. The items reflect the attributes of the need for the relationship, switching costs, availability of alternatives and dependence in general towards the opponent. The items of this scale are the following:

(Insert Table 5 About Here)

- **Measurement of knowledge-sharing**

To measure knowledge-sharing, we used the scale developed by Lee (2001). The scale is justifiable on three grounds. First, the scale is exceptionally compatible with the definition we opted for. Knowledge-sharing is defined for the purpose of this study as a reciprocal exchange of knowledge between the negotiator and the partner. In addition, this scale has the advantage of testing separately the effect of the two dimensions of knowledge-sharing, i.e. explicit (4 items) and explicit (3 items) sharing of knowledge, on the efficiency of the exchange during the negotiation process, showing good coherence between our scale and our conceptualisation. Second, the scales’ items are highly specific to the context of this study. These items show some indicators on the nature of the documents (explicit) and information and knowledge (implicit) exchanged during a negotiation.

(Insert Table 6 About Here)

- **Measurement of the negotiator’s ethical behaviour**

Lewicki (1983) proposes five categories of ethical practices in business negotiations; misrepresentation of value to the opponent, bluffing, falsification, deception and misrepresentation to constituencies. The work of Anton (1990) showed that these five categories have been really perceived differently and that the respondents’ characteristics are at the origin of this difference. The results of several studies meant to enrich the work of Lewicki are found in the models of Lewicki and Spencer (1991), Lewicki and Stark (1996) and Lewicki and Ronbinson (1998) who proposed a five-factor model. Robinson, Lewicki and Donahue (2000) developed a 30-item scale with a 10-factor model, enriching thus the first model of Lewicki.

Table 7 presents the results of the main studies measuring negotiators’ ethical and unethical practices.
After purification and improvement of Robinson, Lewicki and Donahue’s (2000) scale, the final model consists of five dimensions. The number of retained items is 16, scoring a reliable scale (Alpha coefficient between 0.6 and 0.7 for the five dimensions) and hence named SINS SCALE (Self Reported Inappropriate Negotiation Strategies Scale) and retained for this study.

**Analysis of the Results**

- **The psychometric quality of the scales**

Validity of the measurement scales retained for this study has been tested through a Principal Component Analysis (PCA). The results are presented in table 9.

- **Results of linear regression**

  - The relationship between misrepresentation of information to the opponent and the dimensions of trust.

The variables of integrity and goodwill have a significant relationship with the variable misrepresentation of information to the opponent, \((p = 0.0024 \text{ and } 0.000)\).

Non-standardized coefficients allowed us to rebuild the equations of their respective intercepts which are written as follows:

- \(\text{Misrepresentation of information to the opponent} = 6.04 - 0.43 \text{ (Integrity)}\)
- \(\text{Misrepresentation of information to the opponent} = 6.04 + 0.56 \text{ (Goodwill)}\)

Moreover, the variable competence is not significantly related to misrepresentation of information to the opponent \((p = 0.065)\). The Beta coefficient is negative for the dimension of integrity; the direction of relationship cannot be tested. Consequently we reject the hypothesis on this dimension, and if we accept the R-square value \((0.208)\), to attest for the variance of the dependent variable (misrepresentation of information to the opponent) which explains 21% of variance, we can then say that that hypothesis 1a is confirmed for the one single dimension of trust, i.e. goodwill.

  - The relationship between bluffing and trust dimensions
The variables goodwill and competence have a significant relationship with the variable bluffing \((p = 0.03 \text{ et } 0.01)\) while the variable integrity is not \((p = 0.25)\). The beta coefficient is negative for the dimension competence and the direction of relationship cannot be tested. Accordingly, we reject the hypothesis for this dimension. The equations for the intercept are written as follows:

- **Bluffing** = 5.78 + 0.49 (goodwill).
- **Bluffing** = 5.78 - 0.65 (competence).

The hypothesis 1b is then confirmed for the one single dimension of goodwill.

- The relationship between traditional competitive bargaining and trust dimensions.

No relationship between these variables is significant. Moreover, the R-squares are very low \((0.024; 0.02; \text{ and } 0.013)\) to retain the regression model. The hypothesis 1.c is then rejected.

- The relationship between inappropriate information gathering and trust dimensions.

Only the dimensions goodwill and competence have a significant relationship with the variable inappropriate information gathering, \((p = 0.000 \text{ and } 0.009)\). The beta coefficient of the variable competence is negative, suggesting that the more there is trust in the partner’s competence, the more there will be inappropriate information gathering. This hypothesis is then confirmed and consequently only the hypothesis for the dimension goodwill is confirmed. The regression intercept for this relationship is written as follows:

**Inappropriate information gathering** = 4,86 + 0,524(bienveillance).

- The relationship between dependence and the negotiator’s ethical behaviour

With the exception of the variable inappropriate information gathering, the three variables misrepresentation of information the opponent, bluffing and traditional competitive bargaining show significant relationships with dependence. Nevertheless, the beta coefficient for the traditional competitive bargaining is negative, leading us to reject hypothesis 2c.

Consequently, only the two hypotheses 2a and 2b are confirmed.

The regression equations for these two hypotheses are written as:

- **Misrepresentation of information the opponent** = 1.54 + 0.76(dependence)
- **bluffing** = 1.65 + 0.58(dependence).
The relationship between knowledge-sharing and the consumer’s ethical behaviour.

All the relationships between the two dimensions of knowledge-sharing and the dependent variables of the consumer’s ethical behaviour are significant. We can then reject the hypotheses of these relationships.

Interpretation and discussion of the results

The hypotheses for the variable trust have been partially validated in the extent where the dimensions competence and integrity have not been validated in relation to the variable misrepresentation of information to the opponent. This conclusion fails to confirm the results reported in the literature on this issue, although they are moderated. The work of Cramton and Dee (1993) indicated that trust, and in particular the negotiator’s competence, may play a major role in moderating the use of unethical negotiation tactics. Likewise, the work of M. Olekalns and P.L. Smith (2009) claim that the more the degree of competence is high the more the risk of opting for lies and unethical tactics is low. For the variable bluffing, only the hypothesis on the dimension goodwill is retained. Several studies showed that indeed trust does not mean systematically the non-use of bluffing. Recourse to bluffing, misrepresentation of facts and exaggerating offers are real although trust prevails between the parties (Volkema, 1999). Dependence is treated as well by Tenbrunsel (1950) who considers it as a triggering factor of ethical tensions, which primarily result in information misrepresentation. The author joins Hostadter (1985) who was able to show that dependence may reduce cooperation between parties, while Lewicki and Litterer (1985) consider it as a situational factor that may touch upon the ethical aspect of negotiations.

In another way of thinking, recourse to unethical practices in a dependence situation is justifiable on a desire to be protected ground (Carson et al., 1982), (Cramton and Dees, 1991), (Tenbrunsel, 1998) or by justice-fulfilment motives Liwicki and Litterer (1985). Then, many researchers highlighted the dependent party as a suspect and tending to be aggressive and often opting for bluffing (Rubin and Zartman, 1995).

The results indicate that there is a significant impact of dependence on unethical tactics. These results are supported by Olekalns and Smith (2009) who largely reveal the issue of dependence in a context where there is no power relationship balance between parties. Dependence to the other may lead to the party to use deceiving negotiation tactics. We could show in addition that exploiting one party may lead this latter to misrepresent information and bluffing during negotiations.

Olekals and Smith (2009) simulated a negotiation which proved that when there is some kind of balance between parties, there is less deception, however, for dyads characterised by a strong dependence relationship, unethical practices may emerge (in particular misrepresentation of information and rank), where the weakest party is inhibited and the dominating party is activated. Wokutch and Carson (1981), Reitz, James and Mary (1998), pointed to the recourse to unethical practices mainly bluffing and lies in situations where there is dependence between negotiators.

Concerning the variable knowledge-sharing, our results indicate that this latter (in its implicit form) does not contribute to adopting unethical tactics since all our hypotheses are rejected. Worth noting is that knowledge-sharing is according to Walkert and Hampson (2002)
an important variable in conflict resolutions during negotiations and is an important aspect of the whole process. They assimilate knowledge-sharing as a factor that reinforces the position and flexibility of negotiators.

This variable seems difficult to contain. It is both a trigger of unethical practices when it is assimilated with a competitive advantage and a key success factor of the relationship when it contributes to raising the negotiator’s credibility and performance (Weiss, 1998). This latter conclusion is supported by the studies of Bandyopadhyay and Pathak (2007) who insist on the fact that establishing a climate of trust and ethical behaviour rhymes very well with an efficient sharing of knowledge. We can conclude that our results join and largely confirm the previous studies and theoretical approaches of major authors who examined this issue. The contribution of this study is the fact that we were able to work on all the dimensions of each variable. Taken separately, we are able to show as well that for the same variable it is possible to separately test one or many hypotheses. This led us to conclude that for some concepts, considered complex like trust or dependence; their respective dimensions do not systematically favour the same assumptions when considering their impact on ethical behaviour.

Conclusion

The theoretical contribution of this study is the combination of relational variables likely to influence ethical behaviour during business negotiations. The literature review showed that although there is abundance of research on negotiation and ethics, issues related to negotiator’s behaviour (organisations, groups, individuals) and the conditions of negotiations (circumstances, competence, resources, roles, culture, environments) should be studied in relation to ethics. The study’s contribution to management thinking and practice is putting the focus on the importance of relational variables during the negotiation process.

Considering the role of theory in structuring experience, practitioners could further kept faith and see themselves in the knowledge they have and their ethical behaviour. Thinking about establishing a climate conducive to good negotiations and focusing closer on the relationships they build along the way is the best to win. An important point to underline is the need for a reliable legislation standing against unethical practices and protecting parties against any type of power abuse. Nevertheless, we cannot forget the role of negotiators who should further learn to be open-minded, trustful, professionally committed, and sympathetic and initiative-takers. Parties in dependence kind of relationship should work with a team spirit and equality (Dovidio et al., 2006). This set of criteria is in fact strongly related to ethical behaviour and is the basis upon which the other party is treated (the do-not-harm-principle).

Our study is not without limitations. The used sample cannot generalise to all activities and sectors. This is true for some domains, where firms consider information on business negotiation as confidential. This is ultimately true for strong competition sectors. The second limitation is that our study rests entirely on negotiators’ subjective offline feedback which is not submitted to direct confirmation through online and real time negotiations. This could have tested, even confirmed or rejected some assumptions. Such real time feedback would have been subject of more justifiable and argued analysis and interpretations, allowing for more objective results. Concerning future research, it is the intention of the author to undertake further examination of this issue in different contexts and on a larger sample. It would be interesting to include new situational, psychological and intercultural variables to study the effect they may have on negotiators’ ethical behaviour.
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Tables and figures in the text

Table 1: Knowledge-sharing vs Knowledge transfer

<table>
<thead>
<tr>
<th>Knowledge transfer</th>
<th>Knowledge sharing</th>
</tr>
</thead>
<tbody>
<tr>
<td>- originates in communication theories</td>
<td>- it is the reciprocal process of knowledge exchange (Renzl 2008)</td>
</tr>
<tr>
<td>- it implies the presence of the deliverer’s message, a receiver, a channel of communication and a code (Sargis 2001)</td>
<td>- it resides within a dynamic approach to knowledge (models of processing) (Sargis 2001)</td>
</tr>
</tbody>
</table>

Schematic 1: Presentation of the different relationships between relational variables and behavioural variables
### Table 2: Sample structure

<table>
<thead>
<tr>
<th>Education level</th>
<th>Professional category</th>
<th>Negotiation experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School</td>
<td>University</td>
<td>2 to 5 years</td>
</tr>
<tr>
<td></td>
<td>Senior position</td>
<td>6 à10 years</td>
</tr>
<tr>
<td></td>
<td>Company’s Manager</td>
<td>11 à 15 years</td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td>More than 16 years</td>
</tr>
<tr>
<td>24 %</td>
<td>76 %</td>
<td>56 %</td>
</tr>
<tr>
<td></td>
<td>32 %</td>
<td>12 %</td>
</tr>
<tr>
<td></td>
<td>30 %</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>28%</td>
<td>18 %</td>
</tr>
</tbody>
</table>
### Table 3: Trust measurement scales in the literature

<table>
<thead>
<tr>
<th>Authors</th>
<th>Items</th>
<th>Reliability</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ganesan (1994)</td>
<td>-7 items for credibility  -5 items for goodwill</td>
<td>-Very low  - Very low</td>
<td>-Trust consists of 2 dimensions: credibility and goodwill.</td>
</tr>
<tr>
<td>Doney and Cannon (1997)</td>
<td>-8 items for trust towards the partner  -7 items for trust towards the representative</td>
<td>- Very low  - Very low</td>
<td>-Trust is considered as a one-dimension concept (the dimensions are strongly correlated)</td>
</tr>
<tr>
<td>Zaheer et al, 1998</td>
<td>-5 items for inter-organisational trust.  -5 items for inter-personal trust.</td>
<td>-Reliable  - Very low</td>
<td>-Measurement of trust is unidimensional (according to objective and subjective attributes)</td>
</tr>
<tr>
<td>Young-Ybarra and Wiersma (1999)</td>
<td>-4 items for inter-organisational trust.</td>
<td>- Very low</td>
<td>- Trust is three-dimensional and consists of reliability, predictability and faithfulness.</td>
</tr>
<tr>
<td>Möllering (2002)</td>
<td>-6 items for cognitive trust  -5 items for affective trust</td>
<td>- Reliable  - Very low</td>
<td>- Trust is a two-dimensional concept.</td>
</tr>
<tr>
<td>Moorman (2000)</td>
<td>-4 items for inter-organisational trust.</td>
<td>- Very low</td>
<td>- Trust analysis is unidimensional, its structure reflects the dimensions of competence and goodwill.</td>
</tr>
<tr>
<td>Klein (2007)</td>
<td>-11 items : (adapted from McKnight et al, 2002 for the inter-organisational context) :  o competence : 4  o goodwill : 3  o integrity : 4</td>
<td>- Reliable</td>
<td>- Trust is three-dimensional: competence, goodwill and integrity of the partner. This scale agrees with our conceptualisation.</td>
</tr>
</tbody>
</table>
Table 4: Trust towards the partner: (Klein’s 2007 scale)

| Competence | - The opponent is competent and efficient in his/her interactions with our firm.  
|            | - The opponent accomplishes very well all his/her assignments.  
|            | - Generally, the opponent is able and competent.  
|            | - Generally, the opponent is well informed about our services.  
| Goodwill   | - We believe that the opponent will act in our best interest.  
|            | - If our firm needs help, the opponent does his/her best to help.  
|            | - The opponent is motivated by the well-being of our firm and not only his/her own well-being.  
| Integrity  | - The opponent is honest in his/her dealings with our firm.  
|            | - Our firm considers the opponent as being honest.  
|            | - The opponent respects his/her commitments.  
|            | - The opponent is sincere and serious/professional.  

Table 5: Dependence: Ryu et al’s scale (2007)

| Dependence | - It is difficult to our firm to compensate the offers gained from a negotiation with a usual opponent than from another.  
|            | - Total cost of switching to a new party is higher for our firm.  
|            | - If our firm would like to, we can find other parties who can provide us with similar offers.  
|            | - Our firm strongly depends on the party with whom we negotiate.  

Table 6: Knowledge-sharing items: Lee’s scale (2001)

| Sharing of explicit knowledge | - The opponent and I exchange business plans and reports.  
|                               | - We and our service provider exchange work manuals, models and methodology.  
|                               | - The opponent and I exchange our failures and successes.  
|                               | - I share with opponent knowledge obtained from newspapers, magazines, and TV.  
| Sharing of implicit knowledge | - The opponent and I exchange the know-how of our professional experience.  
|                               | - The opponent and I exchange knowledge of market and competitors.  
|                               | - The opponent and I exchange expertise obtained from education and training.  

Table 7: Ethical and unethical practices items.

<table>
<thead>
<tr>
<th>Authors of the scale</th>
<th>Dimensions of the proposed scales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lewicki (1983)</td>
<td>- Misrepresentation of value to opponent.</td>
</tr>
<tr>
<td></td>
<td>- Bluffing.</td>
</tr>
<tr>
<td></td>
<td>- Falsification.</td>
</tr>
<tr>
<td></td>
<td>- Deception.</td>
</tr>
<tr>
<td></td>
<td>- Misrepresentation to constituencies.</td>
</tr>
<tr>
<td>Anton (1990)</td>
<td>- Misrepresentation of value to opponent.</td>
</tr>
<tr>
<td></td>
<td>- Bluffing.</td>
</tr>
<tr>
<td></td>
<td>- Deception.</td>
</tr>
<tr>
<td></td>
<td>- Falsehood.</td>
</tr>
<tr>
<td>Lewicki and Stark (1996)</td>
<td>- Traditional competitive bargaining.</td>
</tr>
<tr>
<td></td>
<td>- Misrepresentation to the opponent.</td>
</tr>
<tr>
<td></td>
<td>- Misrepresentation to constituencies.</td>
</tr>
<tr>
<td>Robinson, Lewicki and Donahue (2000)</td>
<td>- Traditional competitive bargaining.</td>
</tr>
<tr>
<td></td>
<td>- Misrepresentation to the opponent.</td>
</tr>
<tr>
<td></td>
<td>- Misrepresentation to opponent’s network.</td>
</tr>
<tr>
<td></td>
<td>- Manipulation of opponent’s network.</td>
</tr>
<tr>
<td></td>
<td>- Inappropriate information gathering.</td>
</tr>
</tbody>
</table>
Table 8: Robinson, Lewicki and Donahue’s scale (2000)

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Items</th>
</tr>
</thead>
</table>
| Information misrepresentation       | - Intentionally distorting information given to the opponent so as to reinforce your negotiation position.  
- Intentionally distorting the nature of negotiation for the party you represent so as to hide critical discussions which took place during negotiation.  
- pretending that the information given by the opponent is unreliable when this latter weakens your position, even if it is true and reliable.  
- not communicating the real progress in the negotiation to the party you represent so as your position is always deemed strong. |
| Bluffing                            | - promising the opponent achieving good deals if they grant you what you want although you know you will not/cannot keep your promise once the deal is done.  
- bring the opponent to make concessions by promising to do the same in the future although you know you would not.  
-guarantee the opponent that the party you negotiate on behalf insures the respect of the deal although you know it would not. |
| Competitive bargaining              | - exaggerate initial demands during negotiation (they go beyond what you expect).  
- pretend that you are not in a hurry to close a deal and this to put pressure on the opponent for him/her to give way quickly.  
- exaggerate initial demands during negotiation in order to minimise opponent’s trust in his/her ability to negotiate a satisfactory deal. |
| Manipulation of opponent’s network. | - provoke the opponent’s replacement by a new person to keep a strong negotiating position.  
- threaten to damage the opponent’s image in front of his/her boss or the part he/she represents although you know you wouldn’t.  
-try to directly influence the people in relation with the opponent by telling them things likely to minimise trust in the ability of this party to negotiate. |
| Inappropriate information gathering | -obtain information on the opponent’s position by building up a friendly relationship (personal favours, gifts …).  
- obtain information on the opponent’s position by recruiting some one from his/her team provided he/she provides you with personal information.  
- obtain information on the opponent’s position by means of corruption. |
Table 9: Results of PCA

<table>
<thead>
<tr>
<th>Variables</th>
<th>KMO</th>
<th>Chi 2</th>
<th>P</th>
<th>Dimensions</th>
<th>Number of items retained</th>
<th>Alpha of Cronbach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>0.67</td>
<td>376.21</td>
<td>0.00</td>
<td>3</td>
<td>10(^1)</td>
<td>0.81 0.75</td>
</tr>
<tr>
<td>Dependence</td>
<td>0.70</td>
<td>41.15</td>
<td>0.00</td>
<td>1</td>
<td>4(^2)</td>
<td>0.61</td>
</tr>
<tr>
<td>Knowledge-sharing</td>
<td>0.74</td>
<td>340.18</td>
<td>0.00</td>
<td>2</td>
<td>4(^3)</td>
<td>0.93 0.88</td>
</tr>
<tr>
<td>Negotiator’s ethical behaviour</td>
<td>0.76</td>
<td>933.34</td>
<td>0.00</td>
<td>4</td>
<td>12(^4)</td>
<td>0.92 0.90 0.78 0.74</td>
</tr>
</tbody>
</table>

\(^1\): The item « information quality » that the negotiator has on his/her activities was eliminated as it has low factor loadings.

\(^2\): The item « compensation for the offers provided by the opponent » was eliminated as it has low factor loadings.

\(^3\): The two items: « sharing failures and successes » and « sharing knowledge coming from press and TV » were eliminated as they have low factor loadings.

\(^4\): The item « gathering information on the opponent through corrupt means was eliminated as the prompt bothered respondents most of whom did not provide an answer.