"BEHIND THE TABLE" IN NEGOTIATION: BEHAVIORS AND FUNCTIONS OF EFFECTIVE EXTERNAL LEADERS

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DOCTOR OF BUSINESS ADMINISTRATION PROGRAM

MAY 2017

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Abstract

Negotiation group dynamics research has focused on the negotiators at the bargaining table, while limited attention has been given to those who manage the negotiators. This study used an inductive exploratory approach to investigate the behaviors and functions of effective external leaders in a negotiation setting. Thirty experienced negotiators and external leaders from large multinational organizations were interviewed, and the transcripts were analyzed for consistently identified behaviors.

In addition to negotiator-focused behaviors (*strategizing*, *empowering* and *developing*), and intra-organizational behavior (*championing*), inter-organizational behaviors (*scene-setting* and *intervening*) were also identified. This finding is significant because previous research in a manufacturing setting did not identify inter-organizational behaviors, and the behaviors that involve directly engaging with the negotiation counterparty are important for an effective external leader in a negotiation setting.

This study highlights the importance of considering the behaviors and functions of external leaders in a negotiation setting, and has implications for previous negotiation team research that ignored the external leader's contribution as part of an "expanded team". Implications for practitioners at the negotiator and external leader level are presented, as well as the potential for external leaders to play an important role in developing negotiation as an organizational capability. Finally, a research agenda is proposed to better understand how external leaders of negotiators contribute to successful negotiation outcomes for organizations.

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Acknowledgements

This thesis could not have been completed without the support and help of many people, and I would like to acknowledge their contributions. Firstly, I would like to express my special gratitude to the thirty talented negotiators who generously shared their time and experiences. These interviews were under the condition of confidentiality and so I cannot name them all here. However their willingness to share their interesting experiences and insights made this study both possible and enjoyable.

I have also been fortunate to be supported by many people at the Graduate School of International Corporate Strategy, Hitotsubashi University, Tokyo. I am heavily indebted to my thesis supervisor, Associate Professor Kangyong Sun, for his clear direction, thoughtful discussion, and ongoing encouragement. He has given very generously of his time and energy, and always known how to best support or challenge me at the right time. I would also like to thank Professor Satoshi Akutsu, Assistant Professor Jin Suk Park and Associate Professor Kangyong Sun for kindly acting as my thesis committee members, and providing valuable and insightful feedback and recommendations. I have also benefited from the thoughts and suggestions of Associate Professor Patricia Robinson and Professor Erica Okada, and am also grateful to Akemi Mizuto for her support in administrative matters.

My family also deserves thanks for their ongoing support and patience. While I have been devoting time to undertaking this thesis, Tom, our son, and Emily, our daughter, have both graduated themselves. In wishing them the pleasure of lifelong learning, a quote from Gandhi in closing; "Live as if you were to die tomorrow; learn as if you were to live forever".

1. Introduction

1.1 Research Question

In this study, we research the behaviors and functions of effective external leaders of negotiators. The external leader is part of the same organization and has responsibility for a negotiator or a negotiation team, but is *external* in the sense that they are not normally present at the negotiation table. While they may on occasion join the table, they mainly contribute to the negotiation from "behind the table", as illustrated in Figure 1.

Figure 1. External Leaders Operating 'Behind The Table'

"Managing negotiators is really quite different. I've managed various areas including technical and customer service, but they have clear technical problems to solve or services to deliver, and it's task-focused. In negotiation, things are not as black and white - there are trade-offs, working on different scenarios, seeing where each side will and won't move, and you don't know if you are even going to get a result in the end! You get directly involved and sometimes play a role in front of the customer. There's also greater emotional involvement, so you need to do more counseling as deal fatigue hits."

The above quote is from an experienced manager, and it highlights the differences between managing negotiators and managing other disciplines, such as customer service, technical or product development. Negotiation group dynamics research has focused on the negotiators at the bargaining table, while limited attention has been given to those who manage the negotiators.

External leadership of negotiators is important at both the practitioner and theoretical levels. Negotiators need to understand what contributions they should expect from their external leaders in order to work with them constructively, while external leaders need to understand how they should behave in order to be effective and make valuable contributions towards desirable negotiation outcomes. For organizations, an understanding of effective external leadership in negotiation is needed to made decisions on selection, training, and tasking, with implications for developing organizational negotiation capability. Therefore, developing an understanding of the behaviors and functions of effective external leaders of negotiators is a crucial issue for negotiators, external leaders, and organizations.

At the theoretical level, research into negotiation group dynamics has been heavily focused on the negotiation team, while largely ignoring the contribution of external leaders; additionally, the leadership behavior literature has not been researched in a negotiation setting. Both bodies of literature are therefore in need of a greater understanding of the behaviors and

functions of effective external leaders. The objectives of this research, therefore, include extending existing theory as well as providing guidance for negotiation practitioners.

While "thousands of studies on leader behavior and its effects have been conducted over the past half century" (Yukl, 2012), to my knowledge, no research has been undertaken specific to the behaviors of external leaders of negotiators. It has been noted that "there is an extensive literature on negotiation, but historically group negotiation has represented only a small part of that dialogue" (Northcroft, 2011), and the "small part" that constitutes group negotiation has also been almost entirely focused on teams (Thompson, Peterson, & Brodt, 1996; Polzer, 1996; Behfar, Friedman, & Brett, 2008). Any consideration of external leaders has been limited to the presence or absence of accountability as an imposed condition in experiments involving graduate students (Peterson & Thompson, 1997; O'Connor, 1997; Gelfand & Realo, 1999), and to how negotiators can help the other side "meet their behind the table challenges" (Sebenius, 2012).

Consideration of the potential contribution of external leaders was not considered in simulated negotiation experiments that sought to compare negotiation teams with solo negotiators (Thompson, Peterson, & Brodt, 1996; Polzer, 1996), and findings from this current study are likely to have implications on how the results from these experiments should be interpreted. While intra-team challenges and strategies have been researched (Behfar, Friedman, & Brett, 2008), how negotiators and their external leaders manage interactions has not yet been considered.

External leaders have been recognized as a relevant level of analysis in negotiations (Thomson & Fox, 2001), but no consideration has been given to what makes them effective, and what behavior characterizes an effective external leader of negotiators. Furthermore, in a non-negotiation setting, effective external leader behaviors were found to be either intra-organizational or team-focused (Druskat & Wheeler, 2003), and reflected earlier leadership research (Yukl, 1989). In subsequent research, the same author added external leadership

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behaviors in addition to task, relations and change-oriented behaviors (Yukl, 2012). This research is, therefore, timely in echoing the call to include leadership behavior that focuses outside of the organization, and is expected to be highly relevant in the negotiation setting given the presence of other organizations in negotiation.

The negotiation setting also differs from manufacturing or product development settings in that negotiators generally "perform live" (Friedman, 1994). A limited ability to consult with those not at the negotiation table also makes clarity on agreed strategy and delegated authority more important than settings where ongoing communication is possible.

To summarize, practitioners require guidance on how an effective external leader should behave and what functions they should perform in a negotiation setting, and the existing academic literature is incomplete at best. To help fill this gap, the research question addressed in this study is as follows:

What are the observed behaviors of effective external leaders in a commercial negotiation setting, and what functions do these behaviors serve?

The research question is located at the intersection between group dynamics in negotiation and external leadership behavior, and seeks to contribute to both sets of literature. This research is seen as a first step in gaining an understanding of how external leaders' behavior impacts negotiation outcomes, and it is hoped that this study will provide direction for further research.

1.2 Outline of the Study

This study seeks to identify the behaviors and functions of effective external leaders of negotiators. It is useful to first clarify some terms to avoid confusion. *Behavior* is taken to mean an observable action or series of actions, while *function* is seen as a higher-order activity that describes a purpose, and forms part of the overall *role*. To illustrate, benchmarking would be a *behavior* and compensation would be the *function* for the *role* of human resources manager.

The term *effective* is defined in the Merriam-Webster dictionary as something that produces the desired result. However, this study adopts an interpretation more appropriate to leadership, whereby "effectiveness concerns judgments about a leader's impact on an organization's bottom line" (Hogan, Curphy, & Hogan, 1994). They also note that "indices of effectiveness are often hard to specify", and given the lack of objective measures available in this study, the interviewee's objective assessment of effectiveness is used.

External leader refers to the leader who has responsibility for a negotiator or negotiation team, but is external to the negotiation team and so is normally not at the negotiation table. The external leader may be the line manager or another senior manager to whom the negotiator is accountable. While negotiators refer to their *managers*, this study follows Druskat and Wheeler (2003) in referring to them as *leaders*.

The *negotiator*, or more formally the *principal negotiator*, has central responsibility for leading the negotiation with the counterparty organization, coordinating other members of the negotiation team and being the main speaker at the negotiation table. In this study we use *negotiator* and *principal negotiator* interchangeably. The *counterparty* is defined as the opposite party in a negotiation.

With the above terms clarified, the literature on group dynamics in negotiation is reviewed to demonstrate that investigating external leader behavior represents part of a progression towards addressing the complex realities of group dynamics in negotiation.

Principled negotiation (Fisher & Ury, 1981) generally assumes two individual negotiators, and subsequent research has progressively removed this simplification and addressed issues such as team advantages (Thompson, Peterson, & Brodt, 1996; Polzer, 1996) as well as the challenges and strategies of teams (Behfar, Friedman, & Brett, 2008).

In addition to group dynamics in negotiation, external leader behavior literature provides the other stream of relevant literature. Given that negotiations occur without the continuous presence of the external leader, negotiators can be considered to be "self-managing". The study of external leadership of self-managing work teams is therefore considered, leading to a review of the research into the behaviors and functions of effective external leaders in non-negotiation settings such as manufacturing (Druskat & Wheeler, 2003). A key point of difference is that negotiation settings are inherently inter-organizational, being focused on a counterparty organization, in contrast to manufacturing settings that tend to have an intra-organizational focus. In drawing together the group dynamics in negotiation and external leadership literature streams, this study's research question is shown as being located at the intersection of the two literature streams.

Having presented the study as a continuation of the investigation into the realistic complexity of negotiation, and positioned it at the intersection of group dynamics in negotiation and external leader behavior, the choice of methodology is then addressed. The unique features of a negotiation setting suggested that the existing theory did not provide a sufficient basis to develop and test a hypothesis. This study, therefore, took an inductive exploratory approach and sought to develop theory from interviews with experienced commercial negotiators who gave examples of the behaviors of effective and ineffective leaders, and functions were subsequently derived from these behaviors. While ineffective leaders were not the focus of this research, their behaviors were contrasted with those of effective leaders, and supported the development of the behaviors of effective external leaders. The main perspective taken was that of the negotiator as the central actor in a negotiation, which was subsequently checked for

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consistency against reported observations by a further group of negotiators and their external leaders.

The selection of interviewees was designed to gain a sufficiently broad range of behaviors from various industries and organizations, but confined in terms of culture and organizational type to experienced negotiators from Western multinationals in Pacific Rim countries. While the qualitative methodology adopted provides rich descriptions of behaviors, presentation of data is more challenging. In order to present the study's findings without losing meaning, illustrative quotes from interview transcripts are provided alongside the identified behaviors.

Taking the major findings of this study, the identified behaviors and derived functions are discussed and compared with findings from previous external leader behavior research in non-negotiation settings. The findings are also considered with reference to the negotiation team literature and comparisons drawn, before discussing the study's findings in terms of the external leader's importance in developing negotiation as an organizational capability, and its implications for negotiators, external leaders, and organizations.

In the final section, the main conclusions from the study are summarized in terms of their contribution to theory and recommendations for practitioners, along with a discussion on the limitations of the findings. These limitations suggest some further research directions, in addition to a broader research agenda focused on group negotiation dynamics. The next section provides a literature review to help locate the research question within the existing literature on group dynamics in negotiation and external leadership behavior.

2. Literature Review

The negotiation group dynamics literature is first reviewed, and represents a progressive removal of the previously applied simplification of two individual negotiators. The literature on external leader behaviors and functions is then summarized, before the two streams are brought together to arrive at the research question.

2.1 Negotiation Group Dynamics

Group dynamics are defined as "the influential actions, processes and changes that occur within and between groups over time" (Forsyth, 2009), and include both intragroup and intergroup processes. The neglect of research on group dynamics in negotiation theory was noted by Ancona et al. (1991), and seen to be "particularly problematic given the newly adopted model of principled negotiation that encourages a problem solving process that differs significantly from more traditional linear concessionary models".

Principled negotiation involves creating options for mutual gain (Fisher & Ury, 1981), and one of the motivations for considering group dynamics in negotiation was that "the cognitive capabilities of negotiation teams may positively affect outcomes in mixed or intergroup negotiations" (Polzer, 1996). This logic of greater numbers being more likely to create options and improve outcomes is not limited to the negotiation team, and the involvement of an external leader can be expected to similarly improve the combined "cognitive ability". We, therefore, anticipate that the behaviors of effective external leaders in a negotiation will include contributing to problem-solving and strategizing.

Group dynamics research in negotiation has remained focused on negotiation teams. Simulated negotiation experiments using graduate students compared the performance and effectiveness of negotiation teams and solo negotiators (Polzer, 1996; Thompson et al., 1996), and generally found that teams outperformed solo negotiators. Where at least one side was a

team, the parties achieved a higher joint value than parties not involving a team (Polzer, 1996). This was believed to be due to the greater ability of teams to develop alternatives and solve problems (i.e. integrative negotiation), and the *team efficacy effect*, where teams secured a larger portion of the shared value (i.e. distributive negotiation). Teams were more competitive than individuals and claimed more value, but also showed decreased cooperativeness and trust between negotiating parties; while in mixed negotiations, teams outperformed individuals and were perceived as having more power and ideas (Polzer, 1996). However, O'Connor (1997) did not observe this increased competitiveness of teams, which suggests that teams may be more competitive under certain circumstances. Brett et al. (2009) pointed out that individuals excel at divergent thinking, while teams excel at convergent thinking, suggesting it may depend on the negotiation issue and context.

This suggests that there is an optimum involvement of external leaders in negotiation, where at times they work closely with the negotiator to simulate a team and encourage convergent thinking, such as in strategizing, while at other times they can be most effective by allowing the negotiator sufficient autonomy to promote divergent thinking, such as how best to respond during a negotiation. Providing sufficient autonomy and empowerment is expected to relate to effectiveness, and so effective external leaders are expected to display *empowering* behavior.

When the effectiveness of teams and individuals in integrative and distributive bargaining were considered, teams were perceived as more powerful, influential, and correct in their views than a solo negotiator who articulated the same views (Thompson et al., 1996). Given that this effect was noted in team members of equal status, a similar or greater perception of power effect is expected when an external leader becomes directly involved in a negotiation given their higher status, depending on the seniority levels involved in the counterparty organization. *Intervening* behavior at appropriate times is therefore anticipated to be observed in effective external leaders.

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Teams also discovered more compatible interests and developed more mutually beneficial trade-offs than individuals, involvement of negotiation teams increased the likelihood of integrative agreements and it was found that "team negotiation initiates a process of information exchange that is mutually beneficial for all parties" (Thompson et al., 1996). In a second experiment by the same authors, graduate students and their friends were used to compare the performance of teams of friends and teams of strangers. Unexpectedly, teams of friends did not outperform teams of strangers. Transactive memory theory suggests that friends should perform better, and so Peterson and Thompson (1997) conducted further experiments to determine under what conditions teams of friends might outperform teams of strangers. Their results, however, were inconclusive and they found that teams of friends do not necessarily outperform teams of strangers. They reasoned that there might be countervailing forces involved, such as relationship concerns.

In contrast, Bright and Parkin (1998) found that teams with experience working together were likely to perform significantly better that teams who work together infrequently. They found that "experienced teams may be in a position to prepare effectively in a shorter time period, as minimal effort is needed to concentrate on establishing roles". While outside the scope of this research, it also raises the question of whether negotiators and their external leaders would become more effective with increased history and experience.

The nature of the team's motivation was also found to impact behavior and outcomes. Beersma and De Dreu (1999) conducted experiments on Dutch students with 3-person teams where social orientation was manipulated to be either pro-social or egoistic. The pro-socially motivated negotiation teams achieved more integrative agreements, and reported more trust and problem-solving, and less contending behavior. It was not clear, however, what the impact would be on the distributive outcome, and therefore overall effectiveness, and by extension the behavior of effective external leaders of either social motivation.

By considering the various levels of analysis, Brodt and Thompson (2001) proposed a framework to help understand the dynamics of solo negotiators and negotiating teams. The framework differentiates between individual, intragroup and intergroup psychological processes at the integrative and distributive bargaining levels. Individual processes were further divided into cognitive-informational and social-cognitive processes, where on balance they proposed that small teams might perform better than individuals due to a team's enhanced capacity to analyze information and generate ideas, as well as expressing greater goal commitment and conviction than solo negotiators. This further supports an anticipated behavior for effective external leaders of contributing to the development of a strategy.

Brodt & Thompson (2001) went on to summarize intragroup processes that affect the performance of negotiating teams: role differentiation, conflict, and relationships. Role differentiation was seen to allow for coordination between team members with roles being matched to expertise, while transactive memory systems allowed information to be processed at the group level. They noted that conflict may occur within a negotiating team and could potentially jeopardize team effectiveness. The authors noted that there was mixed evidence regarding the effect of intragroup relationships on performance, but close relationships within teams did result in improved decision making and greater cohesion, which lead to better overall negotiation performance. Finally, within intergroup processes, they considered conformity effects in group interaction, social categorization, and social comparison processes. They summarized evidence that groups increased self-interested behavior, and were less likely to use cooperative, integrative strategies, and more likely to use distributive bargaining strategies.

The levels of analysis were subsequently expanded (Thompson and Fox, 2001). The first two levels of analysis (individual and dyad) refer to non-group levels, while polyad and intermediary refer to special cases of multiparty negotiations and agents respectively. It is the remaining three levels that are of most relevance to commercial negotiations, namely collateral relationships, intragroup and intergroup levels. A *collateral party* is defined as being "on the

same side and exerts an independent influence on the outcome through the principal", with the three types being superior, subordinate, and constituent (Thompson & Fox, 2011), and it is this superior level that equates to the external leader.

While still focused on negotiation teams, there has also been some research that has relevance at the collateral level, and specifically to the external leader. The presence of an external leader can be expected to increase accountability, which has been found to affect negotiation teams and solo negotiators differently (O'Connor, 1997). In experiments where the level of accountability was manipulated by the need to justify the outcome to a manager, solo negotiators acted more aggressively than teams when more accountable, which suggests that negotiation team members felt less individual responsibility for outcomes as compared to solo negotiators. It was also found that solo negotiators perceived themselves as being at a disadvantage when being highly accountable, and it was proposed that this perception might underlie the relationship between accountability and competitiveness.

However, the effects of accountability appear to differ by culture, and act as a norm-enforcing mechanism. In simulated negotiations involving students from the same university, but differing in sociocultural backgrounds and country of origin, accountability did not necessarily result in competitive behavior, but rather produced behavior that is most normative or typical given an individual's sociocultural experience (Gelfand and Realo, 1997).

While research on the effect of accountability touches on the potential impact a superior or external leader may have on a negotiator's performance, to my knowledge, the behaviors and functions of external leaders in a negotiation setting have not been investigated. Figure 2 highlights this gap in the literature with regards to research at the collateral relationship level.

Figure 2. Gap in the Negotiation Group Dynamics Literature

Level of Analysis	Negotiation Literature (experiments, reviews)	Negotiation Literature (interviews/surveys)	Non-negotiation Literature
Collateral relationships	Gelfand & Realo (1999); Peterson & Thompson (1997); O'Connor (1997) - accountability.	GAP IN LITERATURE	Druscat and Wheeler (2003) Yukl (2012) – behaviors.
Intragroup	Polzer (1996), Halevy (2008) – teams. Polzer et al. (1998); Kramer (1991) – multiparty.	Bright and Parkin (1998) – best practice. Behfar, Friedman & Brett (2008) – challenges and strategies. Halevy (2008) – conflict.	Jehn & Mannix (2001) – conflict. Beal et al. (2003) – group cohesion.
Intergroup	Polzer (1996), Thompson et. al (1996) – teams vs. solos. Beersma and De Dreu (1999) – motivation.	Bright and Parkin (1998) – best practice.	Pettigrew & Tropp (2006) – contact theory.

To this point, research had focused on comparisons between negotiation teams and solo negotiators, and the benefits of negotiation teams were summarized as having a cognitive advantage, the potential to use team tactics, access to greater information, and reduced competitive behavior due to a lower response to accountability; while the potential team liabilities included cost, social loafing, coordination delays, and personal conflict (Sally and O'Connor, 2004).

Focusing solely on negotiation teams and the necessary actions for negotiation teams to be effective, it was proposed that team members must uncover, leverage and efficiently coordinate their diverse abilities, with the important steps being discussing the negotiations' substance, assessing skills and roles, and planning the negotiation process (Mannix, 2005). Leveraging and coordinating the abilities of the team could also extend to external leadership involving multiple leaders that allows for specialization of functions. The planning and

preparation recommended for a negotiation team are also likely to extend to the planning and strategizing necessary between negotiators and external leaders.

Intra-team challenges and conflict have also been considered. Using experiments with Israeli students in which the simulated team negotiation was designed to introduce sub-group conflict, Halevy (2008) found that conflict between sub-groups exerted a detrimental effect on negotiation performance. However, Behfar et al. (2008) found that it was the nature of the conflict that determined whether the effect was detrimental. They analyzed accounts from 45 American executives involved in team negotiations and developed a qualitative categorization of negotiating team challenges and management strategies. Challenges were grouped as relating to logistics and communication, team role confusion, interpersonal differences and substantive differences. The match between challenges and strategies and the quality of the team process depended on the nature of the conflict, and while substantive conflict helped rationalize team processes, personality conflict potentially undermined the development of team management strategies. For external leaders to be effective, it is anticipated that they may need to address challenges between themselves and negotiators that are similar to those within negotiation teams. Joint preparation, managing communications, delegating authority, clarity on roles of the negotiator and the external leader, joint problem solving and resolution of differences can all be expected to contribute to effectiveness.

In addition to team challenges and conflict resolution, culture also affects the advantage teams enjoy over solo negotiators. In contrast to U.S. teams, Taiwanese teams have been found to negotiate less optimal outcomes than Taiwanese solos (Gelfand et al., 2013) and it was concluded that the team effect is mediated by harmony norms where Taiwanese teams sacrifice value in favor of maintaining harmony. The current study is limited to experienced negotiators from Western multinational organizations in Pacific Rim countries, who can be categorized as coming from individualistic cultures, and there may well be different behaviors observed in external leaders from collectivist cultures such as Taiwan. Given Gelfand et al.

(2013) based their research on graduate students, it would be interesting to understand whether the same findings are observed in experienced negotiators.

Other team characteristics that impact the course and outcome of the negotiation include the cohesiveness of the group and participative decision-making behavior. Backhaus et al. (2008) found that cohesive groups and those that have a participative decision-making structure were less likely to engage in contending behavior, and that participative decision-making resulted in higher joint profit. Participative decision-making behavior and empowerment are also likely to be observed in effective external leaders.

Negotiation teams differ from work teams in that they must execute agreed strategy while the counterparty's negotiators are present. They effectively "perform live" (Friedman, 1994), increasing the need for both preparation and cohesion, so effective external leaders can also be expected to demonstrate behaviors of preparing and strategizing given that there is a limited ability for them to contribute during the actual negotiation.

Having summarized the literature on group dynamics in negotiation, the literature on external leadership behaviors is now reviewed.

2.2 External Leader Behaviors and Functions

Research on work teams in the manufacturing and service sectors has considered the functions, behaviors, and effectiveness of external leaders of self-managing work teams (Manz & Sims, 1987). A negotiator or negotiation team can be viewed as largely self-managing, particularly at the bargaining table. Negotiators also face conditions similar to a self-managing work team, which were summarized by Cummings (1978) as being responsible for a relatively whole task, members possessing a variety of skills relevant to the task, and having discretion over methods, task schedules, assignment of tasks, and compensation and feedback for the group as a whole.

External team leadership of self-managing work teams and of negotiators is, therefore, comparable; however, external leader behavior research has been limited to either a manufacturing or service industry setting. While negotiation teams are similar in that they are normally self-managing, they differ from typical work teams in that they must adjust and execute strategy in a live situation at the negotiation table (Friedman, 1994). While external leaders of self-managing work teams can be expected to perform similar functions to those of external team leaders of negotiation teams, there are also likely to be notable differences given the uniqueness of the negotiation setting.

In studying self-managing teams at a manufacturing plant, Manz and Sims (1987) noted the paradox that "if self-managing teams are truly self-managing, then why should an external leader be required?" The authors found that the functions of external leaders of self-managing work teams were different from traditional and participative leadership functions, and that external leaders influence through hands-off consultation.

Some of the most important behaviors for effective external leaders are believed to be those that facilitate self-management (Manz & Sims, 1987). The external leader's functions have also been summarized as decision-making on key issues, encouragement, managing boundaries, and dealing with unexpected problems or events (Morgeson, 2005), with the intervention's effectiveness depending on the nature of the events the team encounters. The same study found that leader preparation and supportive coaching were positively related to team perceptions of leader effectiveness. It is therefore expected that coaching or *developing* behavior will be also observed in effective external leaders in a negotiation setting.

A review of team leadership literature by Morgeson et al. (2010) grouped team leadership functions into the transitional and action phases. The transitional phase included composing the team, defining the mission, establishing expectations and goals, providing structure, training, developing, sense-making and providing feedback; while the action phase included monitoring, challenging, performing team tasks, solving problems, providing resources,

encouraging team self-management and supporting the social climate. All of these functions could potentially be derived from behaviors observed in effective external leaders.

Noting a lack of theoretical perspectives on external leadership, Druskat and Wheeler (2003) developed a boundary-spanning model of effective external team leader behavior. They found that external leaders use their unique position at the boundary of the team and the organization to move back and forth across boundaries to build relationships, scout necessary information, persuade their teams and outside constituents to support one another, and empower their teams to achieve success. This boundary-spanning model of effective external leader behavior was based on research involving a large manufacturing plant where teams had recently moved to a self-managing work team structure. This setting resulted in all of the behaviors identified being characterized as either team-focused or intra-organizational. However, in a negotiation setting it is expected that some behaviors will be inter-organizational as negotiation involves interaction with the negotiation counterparty. It is therefore anticipated that effective external leader behaviors will be identified that focus on the counterparty organization at various stages of the negotiation.

Druskat and Wheeler (2003) drew heavily on the work of Yukl (1989), who had developed a model of leadership behavior involving four *elements*: influencing people, building relationships, giving and seeking information, and making decisions. Yukl et al. (2002) conducted a further review of past literature to propose a leadership behavior hierarchical taxonomy of three meta-categories: task-oriented, relations-oriented, and change-oriented, which Yukl (2012) then revised to include a fourth category, namely external leadership behavior. Within this meta-category are the behaviors of *networking* and *representing*, which fit well with the concept of more direct engagement by an external leader of negotiators with a counterparty organization.

Research on negotiation teams' use of social networks also pointed to the cross-boundary activities of team members to secure resources such as human capital, task-related

knowledge, and organizational influence that contribute to team effectiveness (Koc-Menard, 2009). This research considered cross-boundary activities at a team-member level, but did not consider the boundary-spanning activities of external leaders of negotiation teams.

External leaders of negotiators have a unique position at the boundary of the negotiation team and the organization, as well as at the boundary with the negotiation counterparty. The external leader of a negotiation team is removed from the immediate negotiation, and therefore not affected by the tension that may have built up at the negotiation table. Given their level of delegated authority, the external leader of a negotiation team will have wider discretion than the negotiator, and their absence from the table may be valuable in limiting concessions made. Direct involvement in a negotiation by an external leader can be valuable in addressing an impasse, but can also be potentially dangerous in that there are fewer limitations to making concessions too readily.

2.3 Literature Review Summary

Having separately reviewed the literature on both negotiation group dynamics and external leader behavior, these are now drawn together to demonstrate that this study's research question is located at their intersection, as illustrated in Figure 3.

Figure 3. Literature Review Research Streams

Negotiation Group Dynamics   **External Leadership Behavior & Functions**

1981   Principled Negotiation (Fisher & Ury, 1981)

1987   (Manz & Sims, 1987)

1989   Intragroup, intergroup levels   Leadership behaviors
                                                                 4 elements (Yukl, 1989)

                - Multiparty (Kramer, 1991; Polzer et al. 1998)

1995   - Negotiation Teams
                        Teams vs. solos
                        (Polzer,1996; Thompson et. al. 1996)

                        Teams, working together
                        (Bright & Parkin, 1998)

2001   Levels of Analysis
        (Brodt & Thompson, 2001)

2002   Boundary-spanning
                                                                 4 functions, 11 behaviors
                                                                 (Druscat & Wheeler, 2003)

                        Teams, challenges & strategies   Leadership behaviors -
                        (Behfar et. al. 2008)   3 categories,12 behaviors
                                                                 (Yukl, 2003)

2012   Collateral level (superior/ external leader)   Leadership behaviors
                Accountability (O'Connor, 1997;   4 categories, 15 behaviors
                (Gelfand & Realo, 1997)   (added external category)
                                                                  (Yukl, 2012)

2016   External leader behaviors &
                                functions in negotiation setting

While negotiation research was establishing *principled negotiation* during the 1980s, research on leadership behaviors had already enjoyed a long history of empirical research that was reviewed as having four elements: namely influencing people, building relationships, giving and seeking information and making decisions (Yukl, 1989). External leaders were found to behave differently from traditional and participative leaders, with the most important behaviors being those that facilitated the team's self-management (Manz & Sims, 1987).

The development of principled negotiation (or mutual gains bargaining) resulted in academic interest in negotiation group dynamics. Drawing from group dynamics research on task forces and new product teams, Ancona et al. (1991) explored the implications for mutual gains bargaining, and offered a prescriptive recommendation that "negotiation teams must manage their relationship with their constituents, who have ultimate authority over the terms of an agreement, and should actively engage constituents rather than take a passive approach or simply inform constituencies". This recommendation for a need to engage with external leaders was not followed by further research, and the focus turned instead to comparing teams with solo negotiators, and then to the internal challenges faced by a negotiation team. Given the progress made in the negotiation team literature, after 26 years it is now appropriate to renew the focus on the behaviors and functions of effective external leaders, given that they "have ultimate authority", as well as the potential for external leaders to contribute to successful negotiation outcomes.

The mid-1990s saw a focus on comparing the performance and effectiveness of negotiation teams and solo negotiators. Simulated negotiation experiments were used to demonstrate that negotiation teams generally outperformed solo negotiators (Thompson et al., 1996; Polzer,1996), and the comparisons between solo negotiators and negotiation teams were taken further to investigate the impact of accountability (O'Connor, 1997; Gelfand & Realo, 1997), as well as comparisons of teams where team members were friends or strangers (Peterson & Thompson, 1997).

Having established the advantage of negotiation teams over solos, the research focus moved to descriptive and prescriptive approaches to the internal functioning of negotiation teams. The negotiation team's internal challenges and strategies were categorized (Behfar, Friedman, & Brett, 2008), and coordinating a negotiation teams' diverse abilities was found to be necessary for them to be effective (Mannix, 2005). While negotiation teams have the benefits of cognitive advantage, team tactics, access to information, and reduced competitive behavior; they also potentially face higher costs, social loafing, coordination delays, and personal conflict (Sally & O'Connor, 2004).

While all of this research focused on negotiation teams, the findings are suggestive in terms of the behaviors of effective external leaders. Moving from a solo negotiator to a team represents an increase in numbers, the same as when an external leader contributes to a negotiator or negotiation team. Effective external leader behaviors suggested in the literature review above can be summarized as contributing to strategy and problem-solving (combined cognitive ability), providing sufficient autonomy and empowerment (to support divergent thinking), intervening with counterparty organization (increase in status and numbers supports a perception of being more powerful, influential, and accurate), planning and strategizing between the external leader and negotiators, clarity of roles (as recommended within negotiation teams) and finally, participative decision-making and empowerment (which lead to more integrative outcomes for negotiation teams).

Drawing on the taxonomy developed by Yukl (1989), a boundary-spanning model was developed that identified four functions (relating, scouting, persuading, empowering) and eleven behaviors (Druscat & Wheeler, 2003). However, the taxonomy evolved from four elements into three categories with twelve behaviors (Yukl et al., 2002), and then Yukl (2012) further revised these to four mega-categories (task, relations, change, and external-focused) and fifteen behaviors.

The inclusion of an external-focused or inter-organizational category is relevant for the negotiation setting of this study, given the presence of a negotiation counterparty organization. Druskat and Wheeler (2003) undertook their research in a manufacturing setting, where it is assumed that inter-organizational behaviors are less relevant than in a negotiation, and their model used the earlier more limited taxonomy proposed by Yukl (1989).

Key functions of the external leader have been summarized as decision-making, encouragement, managing boundaries, and dealing with unexpected problems or events (Morgeson, 2005); while a review of team leadership literature by Morgeson et al. (2010) grouped team leadership functions into the transitional and action phases. The transitional phase functions include composing the team, defining the mission, establishing expectations and goals, providing structure, training, developing, sense-making and providing feedback; while the action phase involves monitoring, challenging, performing team tasks, solving problems, providing resources, encouraging team self-management and supporting the social climate. These lists suggest potential functions of effective external leaders; however, as this research is exploratory and inductive, it will identify the behaviors of effective external leaders from interview transcripts, and derive the functions from those behaviors.

Having reviewed the existing literature on negotiation group dynamics and external leadership behaviors and functions, attention is now turned to the methods used in this study.

3. Methodology

In this section the overall research design is discussed, along with the reasons for making this choice. Case selection criteria are then outlined, and finally, the methods for data collected and analysis are described.

3.1 Research Design

An inductive theory-building study was conducted that focused primarily on identifying the behaviors and functions of effective external leaders from the perspective of negotiators. An *ad hoc* test was also conducted with another group of negotiators and their external leaders to confirm and validate the identified behaviors, and check for consistency between the perspectives of external leaders and negotiators. Multiple case studies were developed based on telephone interviews with experienced negotiators and external leaders drawn from large multinational organizations.

The scarcity of existing theory on this subject influenced the research design, and lead to the decision to develop the theory using an inductive approach that provided a rich description of the behaviors and functions of effective external leaders of negotiators. Existing research designs from previous negotiation group dynamics research and potential access to data were also factors in choosing the research design. Given the qualitative nature of this study, conclusions draw on analytical generalization that relies on a different logic to that of statistical generalization (Yin, 2013).

The most relevant existing theory was a process model demonstrating that effective external leaders move back and forth across boundaries, with the key functions of relating, scouting, persuading and empowering (Druskat & Wheeler, 2003). This study was undertaken within a large manufacturing site to control for organizational factors. Testing whether this model also applied in a negotiation setting was therefore considered; however, its focus on intra-

organizational and team boundaries was seen as too limiting for a negotiation setting. Informal discussions with experienced negotiators also questioned its suitability as a base model, especially given external leaders interact directly with negotiation counterparties and therefore cross inter-organizational boundaries.

Negotiation literature on the effectiveness of teams also pointed to accountability, communication, and role clarity as important factors; however, external leaders are expected to behave differently to team members given their position. While the literature and observations provided some suggestions of what behaviors and functions an effective leader might display in a negotiation setting, there was insufficient theoretical basis to propose *a priori* hypotheses to be tested.

Previous negotiation research has effectively used surveys and interviews (Bright & Parkin, 1998), but has been "dominated by experiments using American undergraduate psychology students" (Ramsay, 2004). While experiments provide an environment where variables can be controlled and manipulated, it is very difficult to simulate the complexity of leadership in a negotiation context where there are personal and organizational relationships as well as real outcomes and consequences. Manipulation of leadership behaviors in a simulated negotiation experiment was considered, but it was deemed too artificial and lacking in context to reliably reflect what might occur in practice. Surveying a larger pool of experienced negotiators would have required potential behaviors and functions to be determined in advance, and would not have provided the richness of examples that illustrate the identified behaviors. A survey instrument was seen as valuable for testing theory, but lacked the flexibility and ability to capture the complexity required for building theory. Surveys were also limited "in the number of questions devoted to any contextual conditions", due to the need to "manage the degrees of freedom required to analyze the responses" (Yin, 2011).

A qualitative research design provides a number of beneficial features. Firstly the opportunity to study under "real-world conditions" and "representing the perspectives of

participants" (Yin 2011) increased the potential relevance of the findings for negotiation practitioners. The ability to cover "contextual conditions" was also seen as important, given commercial negotiations are affected by personal and organizational context, while "contributing insights into existing or emerging concepts" was the feature of qualitative research that most strongly supported the research design decision, given the lack of existing theory (Yin, 2011). The final feature of "striving for multiple sources of evidence rather than relying on one source alone," was seen as challenging, as the confidentiality of commercial negotiations did not allow the direct observation of negotiations or access to artifacts such as documents or reports (Yin, 2011). We, therefore, ensured multiple sources of data by interviewing both negotiators and external leaders, and asked for actual examples to strengthen the validity by providing evidence.

The main perspective taken was that of the negotiator as the central player in a negotiation. The negotiator interacts with all parties, is ultimately responsible for the outcome, and is best positioned to observe the behavior of the external leader and develop a valid opinion on the external leader's effectiveness. Experienced negotiators also tend to have sufficient experience with multiple external leaders, and are, therefore, able to share accounts that illustrate behaviors that are typical of effective and ineffective external leaders. Interviewees were asked for behaviors of both effective and ineffective external leaders to contrast the behaviors. If a behavior was observed in both effective and ineffective leaders, then it could not be defined as a behavior unique to effective leaders. To illustrate, both effective and ineffective leaders may demonstrate planning behavior, but an effective leader's behavior is better described as *strategizing*, which is defined in this study as "contributing to decisions on courses of action while considering the broader organizational context".

While an understanding of effective external leader behavior was developed from the perspective of the negotiator, the validity of these behaviors was subsequently tested by interviewing five trios of two negotiators from the same organization and their external leader to

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test for applicability of the previously identified behaviors as well as consistency between the perspectives of the negotiators and their external leaders. Interviewing the external leader's manager and the negotiator's subordinates was also considered, but this was discounted as both have limited opportunity to observe the behaviors of the external leader.

Interviewing one large organization with multiple external leaders and negotiators would have controlled for industry and organization, given leadership behaviors are potentially affected by both of these variables (Yukl, 2012). However, there are very few organizations with a sufficiently large number of experienced negotiators to study, and while one of the large Japanese trading companies would have been a possible candidate, it would have introduced complications into the findings as they normally act as an agent in negotiations. The research was also exploratory, and was designed to expose and understand a broad range of behaviors, and the risk of studying one organization would be that company culture might have limited the range of behaviors identified.

The data gathering and analysis processes are illustrated in Figure 4 and discussed in the following sections.

Figure 4. Data Gathering and Analysis

Case Selection

- Experienced negotiators & external leaders from western MNC's in Pacific Rim countries (US, Canada, Australia, NZ)

- Range of industries (IT, Agriculture & Food, Mining & Energy, Services, Construction)

- Larger organizations with sufficient levels of hierarchy to have structures involving external leaders

- International business involvement providing a range of negotiation complexity

- Interviewee access (contacts from negotiation courses and industry involvement)
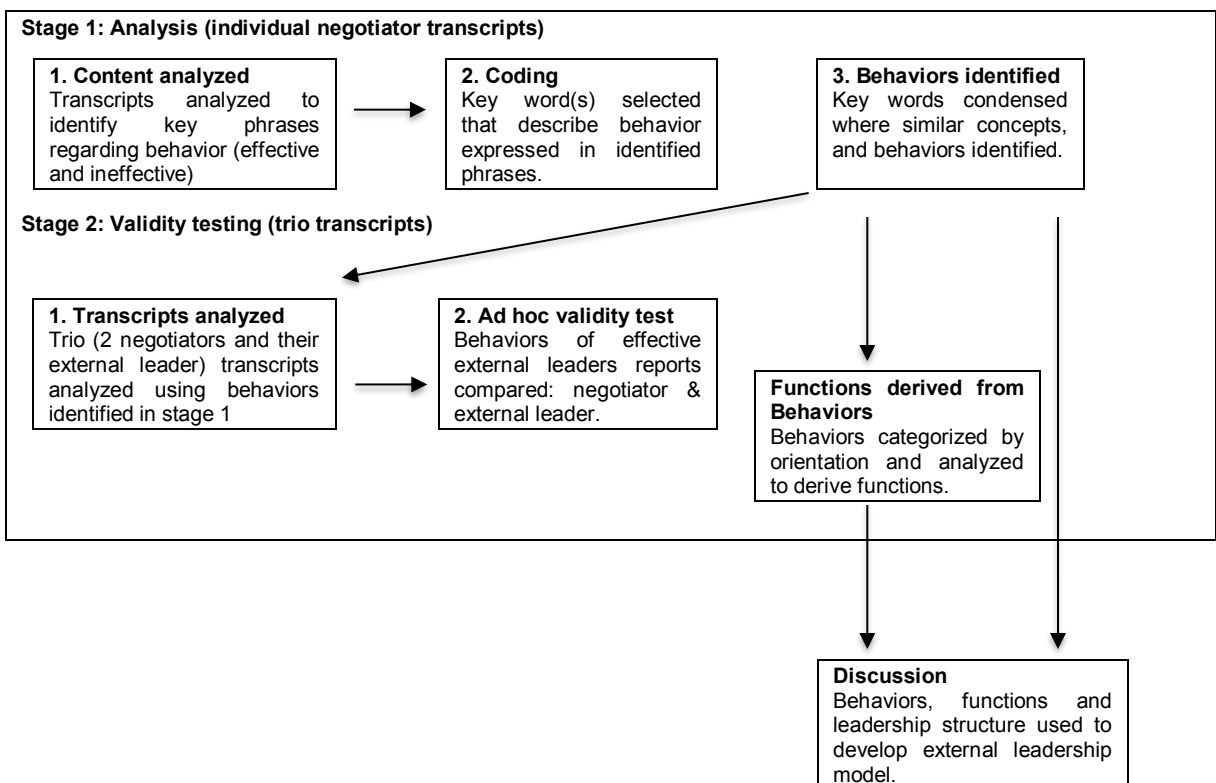
Data Collection

Negotiator interviews (data for stage 1 analysis)

- Interviews with 15 individual experienced negotiators to identify behaviors of effective and ineffective leaders

Trio (external leader & negotiator) interviews (data for stage 3 analysis)

- Interviews with 5 groups of 3 individuals (1 external leader & 2 negotiators) from same organization to compare behaviors

of effective leaders from negotiator and external leader perspectives

Analysis and Testing

Stage 1: Analysis (individual negotiator transcripts)

1. Content analyzed
Transcripts analyzed to identify key phrases regarding behavior (effective and ineffective)

2. Coding
Key word(s) selected that describe behavior expressed in identified phrases.

3. Behaviors identified
Key words condensed where similar concepts, and behaviors identified.

Stage 2: Validity testing (trio transcripts)

1. Transcripts analyzed
Trio (2 negotiators and their external leader) transcripts analyzed using behaviors identified in stage 1

2. Ad hoc validity test
Behaviors of effective external leaders reports compared: negotiator & external leader.

Functions derived from Behaviors
Behaviors categorized by orientation and analyzed to derive functions.

Discussion
Behaviors, functions and leadership structure used to develop external leadership model.

3.2 Case Selection

In order to identify and select information-rich examples of effective leaders of negotiators, a purposeful sampling approach (Yin, 2013) was taken, and interviewees were identified who were experienced commercial negotiators as well as trios of two negotiators and their external leader from the same organization. Interviewees were drawn from Western multinational organizations in Pacific Rim countries (i.e. the U.S., Canada, Australia, New Zealand) to partly control for cultural effects. While there are recognized cultural differences between these countries, they are all individualistic cultures. It is also noted that existing negotiation research has tended to be based on Western subjects, with a limited number of experiments making cross-culture comparisons (Gelfand & Realo, 1999).

Interviewees were intentionally drawn from a range of industries including information technology (IT), agriculture and food, mining and energy, banking and construction. Table 1 is a summary of the representation of interviewees by the nationality of the subsidiary and the industry.

Table 1. Nationality and Industry Distribution of Interviewees

Nationality*	# Interviews		Industry	# Interviews
U.S.	7		IT	6
Canada	8		Agr. & food	6
Australia	7		Mining & energy	6
New Zealand	8		Services	4
			Medical	4
			Construction	4
TOTAL	30		TOTAL	30

* nationality is that of the subsidiary where interviews are located

Interviewees were selected from large multinational organizations to ensure an organizational structure with sufficient levels to include external leaders and negotiators. Larger

organizations were also expected to conduct more frequent and a wider range of negotiations of significant size and importance. Interviewees were mainly drawn from large multinationals with annual revenues typically of US$20-50 billion. Appendix 1 provides details on the interviewees' organizations in terms of the industry, nationality, and the estimated 2016 annual corporate revenue where available.

After potential interviewees were identified, they were then contacted to confirm their willingness to be interviewed regarding their experiences as negotiators or external leaders of negotiators. Access to experienced negotiators and external leaders was achieved by contacting the author's former classmates from executive education courses on negotiation taken in 2012 and 2013 as well as industry contacts, and requesting their cooperation in being interviewed and sharing experiences relevant to negotiation. Most of the interviewees identified from the executive education courses were from Canada and the US, while most of the industry contacts were from Australia and New Zealand.

Interviewees had a minimum of five years' experience negotiating or managing negotiators, with most having significantly more. The age distribution of the negotiators interviewed was as follows: 33% were 30 – 39 years, 40% were 40 – 49 years, 27% were 50 years and older. Of the 30 interviewees, 27 were male and 3 were female.

Allocation of negotiators to the first or second set of interviews was determined by whether there was access to an external leader who had been identified as effective by two negotiators from the same organization. If this was not possible, then they were allocated to the first set of fifteen interviews conducted with experienced negotiators from different organizations. If their external leader could be interviewed, then they were allocated to the second set of interviewees involving five trios of three individuals (two experienced negotiators and their external leader). Transcripts from the first set of fifteen interviews were used to identify behaviors, while transcripts from the second set of interviews were used to test for consistency between behaviors identified by negotiators and external leaders.

To describe a typical interviewee, Benjamin (not his real name) is 38 years old and is currently head of sales for the Australian division of a multinational organization headquartered in the UK. He is involved in periodic negotiations with 12 major customers across Asia and Europe. Depending on the importance of the negotiation, he either leads a negotiation team or delegates less critical negotiations to one of the two sales managers who report to him. He has had four previous external leaders and his current manager has more than 25 years' experience in negotiation. His manager reports to the Head of Marketing across the various business units, who is one level below the Group CEO.

3.3 Data Collection and Analysis

Having contacted interviewees by email and confirmed their willingness to be interviewed with regard to their negotiation experiences, a time was agreed to contact them by telephone for a 40 - 50 minute interview. The geographic spread of locations made in-person interviews impractical, and conducting interviews with negotiators by telephone was seen as a reasonable method that has been used previously (Behfar, Friedman, & Brett, 2008). The interview protocol is provided in Appendix 2.

At the start of each telephone interview, it was explained that the questions were being used for post-graduate research, that interviews would be recorded for the purposes of taking notes but then would be deleted, and confidentiality was assured regarding all commercial details, as well as company and individual names. The focus of the research was also explained as investigating the behaviors of effective external leaders of negotiators, and for clarity, it was explained that *external leaders* referred to any leader within the organization that contributed to the negotiation but was not normally present at the negotiation, and may be their line manager or another manager in the organization. It was made clear to interviewees that references to "manager" would be taken as referring to the external leader. Interviewees were also

encouraged to give examples where possible that illustrated the behaviors. This request for concrete examples was to help control for subjective bias.

In the case of the first set of individual interviewees, it was additionally explained that behaviors of ineffective external leaders were also of interest; however, this was not included in the second set given external leaders had been selected where the negotiators had identified them as effective, and the focus of the second stage was checking for consistency between negotiators and external leaders on previously identified behaviors of effective external leaders.

The interviews were semi-structured, and for negotiators, started with the following opening question: "As an experienced negotiator, can you tell me about an effective manager you've had and what they did that made them effective?" From there, the subsequent questions were used to help direct the interview, with the objective of encouraging the interviewee to openly discuss their experiences with regards to external leader behavior. The interviewer often paraphrased what had been discussed to ensure correct understanding, and to help progress the interview. Most interviewees required little encouragement and were keen to discuss their experiences.

No distinction was drawn between instances where the external leader was responsible for a solo negotiator or a negotiation team as the focus of this research is the behaviors of effective external leaders. External leaders and negotiation teams are different levels of analysis within negotiation group dynamics and in this study, the focus is on external leaders rather than potential interaction effects.

The first set of interviews was conducted with fifteen experienced negotiators from different organizations. After every three interviews, the results were reviewed with a focus on any new behaviors that had been identified. The decision was made to stop at fifteen interviews, as the same behaviors were consistently being repeated and new behaviors were not being identified, suggesting a level of theoretical saturation had been reached.

The second set of fifteen interviews was subsequently conducted, involving five trios made up of two negotiators and their external manager. The opening question for the negotiators was the same as in the first set of interviews, while the opening question for the external leaders was "can you talk about your experience as a leader of negotiators and negotiation teams, and what you see as effective behavior?" This self-reporting involved a greater risk of subjective bias, but was again controlled by asking for examples to illustrate the behavior. The behaviors reported in the first set of interviews with experienced negotiators also shaped some of the questions; therefore, while remaining open to the unique experiences of the interviewees, the focus of the questioning was to contrast the reported experiences of the respective negotiators and their external leaders, using the benefit of focusing on the effective behaviors already identified in the first set of interviews.

All interviews were recorded and then transcribed within two days of the interview. The transcripts from the individual negotiator interviews were then analyzed to identify key phrases regarding both effective and ineffective behavior. Once the phrases had all been selected, coding involved selecting one or two keywords that summarized each phrase (Yin, 2013). In order to check this process, three transcripts were randomly chosen and submitted to an independent evaluator who was asked to follow this process of identifying phrases that described behaviors, and then reduce each phrase to one or two keywords. The results from these checks confirmed the repeatability of the process with similar behaviors being identified.

This initial coding of transcripts resulted in a large number of keywords that described behaviors, and this list was progressively combined and the number of behaviors reduced based on the underlying factors that allowed them to be considered sufficiently similar to be combined. For example, the initially identified effective behaviors of setting goals, planning, and problem-solving were all seen to be part of the same activity of developing strategy, but simply separated in time where planning happens prior to the negotiation while problem-solving happens during the negotiation. *Strategizing* was seen as better describing the behaviors

observed, particularly as planning was not seen as accurately reflecting the higher-level thinking that was being described in the transcripts. Closer inspection of the transcripts also showed that the important feature of behaviors initially identified as setting goals was that they were "big picture", and related more closely to strategy. A condensed list of behaviors of effective external leaders was eventually finalized.

Negotiator transcripts were again analyzed to identify the behaviors of ineffective external leaders. The behaviors identified were chosen as contrasts to the behaviors of effective leaders. For example, in reference to strategy, one behavior of an ineffective manager was that the strategies chosen sacrificed long-term objectives and encouraged bad behavior. Given that the objective of this study was to identify the behaviors of effective leaders, ineffective leader behaviors were not labeled, but rather used to illustrate the contrast with the identified behaviors of effective external leaders.

The second set of fifteen transcripts from the trio interviews with negotiators and external leaders from the same organization were then similarly analyzed, but only for effective behaviors. This coding was done using the identified behaviors from the first set of fifteen interviews, but the researchers were open to the possibility of identifying new and unique behaviors. The behaviors identified by the pairs of negotiators were then compared with those identified by their external leader to test for consistency.

The six identified behaviors of effective external leaders were then analyzed in terms of their orientation (*negotiator-focused*, *intra-organizational*, inter-organizational), and their overall purpose or function. This inductive process was used to derive functions that summarized the behaviors. While the behaviors were directly observable, the functions were seen as a subset of the overall role of the external leader. A variety of functions were considered prior to making a final selection of three core functions.

In summary, the transcripts from the first set of interviews were analyzed for key phrases describing the behaviors of effective and ineffective external leaders, then these phrases were

analyzed for keywords that were used to develop and iteratively condense a list of behaviors of effective external leaders. The transcripts from the second set of interviews were then analyzed to test the behaviors for repeatability and comprehensiveness, as well as test for consistency between the behaviors reported by negotiators and their external leaders. Finally, the six behaviors were analyzed to determine the functions that they perform. The study's findings are now presented.

4. Findings

In this section, the identified behaviors are presented from analysis of the first set of interviews, followed by the results of the *ad hoc* validity testing. Finally, the derived functions are presented.

4.1 Behaviors Identified

For clarity, the identified behaviors are defined with reference to the Merriam-Webster dictionary, but in a negotiators' leadership context (Figure 5).

Figure 5. Behavior Definitions

Behavior	Definition
Strategizing	Contributing to decisions on courses of action while considering the broader organizational context.
Empowering	Providing autonomy and trust with delegated authority to negotiate within set ranges.
Developing	Providing instruction by way of experience, feedback and challenging assumptions.
Championing	Promoting proposals and gaining internal support at various levels, while controlling interference.
Scene-setting	Establishing a relationship and a high-level basis on which negotiations can take place.
Intervening	Going directly into a negotiation to improve functioning and outcome.

Transcripts from the first set of fifteen individual interviews were analyzed, and phrases that referred to the relevant behaviors were identified from both effective and ineffective external leaders. Keywords that summarized the behavior in each of the phrases were then selected and behaviors were identified that summarized the keywords. The keywords and behaviors identified are presented in Figure 6 in columns three and two respectively. While the process moved from phrases to keywords to behaviors, Figure 6 presents these in reverse order.

Figure 6. Effective External Leaders - Behaviors and Quotes from Negotiator Transcripts

Behavior	Keywords	Phrases from transcripts (effective and ineffective)
Strategizing		**Effective external leader behavior quotes**
	Strategic issues	Involved in more strategic issues and problems taking into account the 5 or 10 year, not just 6 month, relationship.
	Corporate objectives	Having a manager who can bring that understanding of corporate objectives is important. In one case, my boss agreed to a deal because of how it works with our group finance position.
	Strategy, objectives	Help at the preparation stage, which may be discussions about objectives, strategy, what's important and what can be traded.
	Strategy input	Especially for a less experienced negotiator, you expect an effective manager to provide some guidance and input on strategy.
	Tactical planning	My manager is very effective in that he tends to like to be involved with the tactical planning. We also tend to have a group think-tank approach, using the experience of all the managers.
	Strategic objectives	Help the negotiator understand the larger goals, the strategic objectives throughout the larger organization, to understand how this particular negotiation fits into the larger strategic picture and not just that specific negotiation - a key one for us is setting a precedent which can impact other states.
	Strategic goals	So the manager will set out the strategic goals of getting more favorable terms in one section of the deal or another and help set the priorities
	Solutions	Very skillful in coming up with solutions that others had not seen.
	Planning	Add a higher level of understanding of personalities and how they were likely to react – that was very useful at the planning stage.
	Strategic	He was very strategic and knew how to get things done; real desire to get a result, and understanding of where there were opportunities.
	Create strategy	I would work with the VP's to create strategy – what were we trying to accomplish by this deal; for example, lock somebody in from a non-compete standpoint in a certain area.
	Strategy, tactics	There's a lot of feedback on strategy and tactics in advance of, during and after a negotiation.
	Setting goals	Setting big picture goals and communicating and providing support, and not micro-managing.
	Strategy, scenarios	Has the manager clearly agreed on the strategy? I've learnt to run different scenarios with my manager prior to the negotiation and get their take upfront.
	Problem solving	Manager and negotiators would come together as a team and thrash out what is the best way to go about solving problems.

	Strategy	So first the VP is involved in the development of strategy.
	Strategy	This manager's key ability was knowing when somebody wasn't being honest, which was critical to our evolving strategy.
	Real issue	So we sat down internally with the Senior VP and determined what was their real issue and what were they really after.
	Strategy, scenarios	Common for multiple levels to be discussing and contributing to strategy and consideration of options and work through different scenarios.
		Ineffective external leader behavior quotes
	Contribute nothing	Worst case were those managers who were completely hands off and contributed nothing to the preparation, and nothing to the tactics.
	No insight	First manager just thought that was the way of the world and he had no insight of why that might be or how he could get around that.
	Sacrificed longer-term	What made my managers ineffective was strategies being only driven by quarterly P&L - the bonus structure drove bad behavior. They sacrificed the longer-term as their bonus structure was tied to short-term results.
Empowering		**Effective external leader behavior quotes**
	Approval	He would give essentially an approval there, allowing us to move forward and hold the first meeting.
	Set range	Very effective managers will set the range and the parameters that are acceptable, and recognize that the negotiator won't give it all away just because they have approval.
	Approvals, limits	Key function performed by my manager is providing approvals and negotiation limits for what I can agree.
	Empowerment, autonomy	Most important thing for an effective manager is providing empowerment – my boss gives me autonomy in a negotiation, so I don't have to be going back to him all the time. In front of a customer, if you don't have authority then you can't negotiate.
	Speak for company	My boss and his boss told my customers that I speak for the company.
	'How' left up to you	Agree on the game plan and some key ideas on justifications on what you ask for, but if the 'how' of getting there is left up to you, then you can do it in your natural style, I think that is very important.
	Supported my idea	So my solution was risky, but my manager supported my idea and agreed to try it out – fortunately it worked.
	Frame, range	An effective manager, he would give me a frame of reference and a range within which I could negotiate.
	Team's authority	We never made the reporting lines clear, as didn't want to undercut the negotiation team's authority in that or future negotiations.
	Scope to negotiate	Over time you get the experience to be recognized as a safe pair of hands so you get pretty good scope to negotiate.
	Delegate	The most effective VP Operations were the ones who knew how to delegate and didn't insist on being involved all the time.

	Negotiation lead	He's very much involved but doesn't take over – he's not saying he's the decision-maker here and in charge – it's still very much my negotiation to lead.
	Negotiating authority	Most important is having clarity up-front on negotiating authority so we have that in our back pocket; in one example, I was negotiating in a time zone that didn't allow easy communication, so we had to have full authority in advance from senior management.
	Team empowered	Concern was that the CFO would take over, but we clarified roles to the negotiation team, stayed empowered.
	Made decision	We felt we needed to have the CFO on-site with us. But that was a decision that the account manager and I made – it wasn't forced upon us.
	Trust, subject expert	"I trust you, you are well briefed, you're the subject expert. So away you go and see where you get to".
	Trust, no surprise	"Keep me up to speed and don't surprise me, and otherwise I trust you at the table." For me that's the manager I strive to work for and frankly I will quit a job if I don't have that.
	Trust, expectations	Comes down to having clear trust and communication with your manager, and expectations set out that allows you maximum leverage at the negotiation table.
	Empowering	It's really about empowering us with a broad array of approvals upfront, and political support for the deal, so we can go in and strike a deal.
	Gaining support	We have developed a mechanism for my gaining my boss's support to do a deal.
	Manager out of detail	We stress that a manager must get out of the detail in a negotiation, but rather be focused on the big picture and the broader view – the negotiators need to be fully in control at that level.
	Ineffective external leader behavior quotes	
	Undermined	Undermined his direct reports when he delved down into detail and sometimes took over the negotiation.
	No room to move	A previous manager is a good example of that – he'd give you no room to move or give, and you'd not conclude a deal and then go back and he'd give you that look of "what on earth are you doing you should have accepted the deal on the spot". Or even worse, he'd phone them and fold immediately.
	Delayed approval	He did not have any background in the industry, and delayed providing an approval for our recommendation. During the delays, the market went up sharply and we lost millions as his approval came too late.
	Working at wrong levels	We did a corporate culture change, and one thing they identified was that people were just working at the wrong levels, including in negotiations. When my boss was told he should not normally be in the room in negotiations, he really struggled with that.

	Destroy credibility, Zero empowerment	Worst example that some of our customers tell us is where they turn up at a negotiation with a script to read from. When a customer questions them about some detail, they can't answer as they are just not allowed to. This destroys any credibility with their customer – close to zero empowerment.
	Dictatorial	Dictatorial and authoritarian and "here's what you will do" and they dump it on you, and I have had that, and I find that to be not particularly useful at all, because then you are stuck with it and you don't particularly understand the rationale.
	Doesn't allow autonomy	Just neuters the people at the table and doesn't allow them enough freedom and autonomy to make a good deal. Whereas when we have it and they don't, we use that to our advantage all the time.
Developing		**Effective external leader behavior quotes**
	Coaching, mentor	Very valuable in the coaching or mentor role - always had gems to offer from past experience.
	Coach, advisor	An important function my manager plays is to act as coach or advisor – bounce ideas off and talk through situations.
	Feedback	Give some feedback after the negotiation and ask how it went, particularly for the less experienced negotiators.
	Mentored	His manager really mentored this person and walked him though the history of the buyers and their personality types. So set him up for success and gave him some great tips to allow him to achieve.
	Development	He had phoned up the customer beforehand and explained that this is what they were doing as part of my development. In terms of just creating a learning environment, he was an amazing manager.
	Coaching	Our manager organizes negotiation simulations on quarterly off-sites, which are great coaching opportunities.
	Coaching, learning	Taught me things just watching him operate, so that was a great coaching and learning opportunity.
	Challenges	I think that internal alignment is key and with that you get a lot of challenges from the broader senior management group around "have you thought about this or that". You also get "we can do this or that".
	Challenge, constructive	We have these various touch-points where you are open to challenge from senior managers, but I think it's also done in a constructive way where people are saying "we've been doing this over here, have you thought about that".
	Bounce off	She is also very experienced, so I can bounce things off her – she will continually say "have you thought about this".
	Coaching	I was ready to switch vendors, but she reminded me to go to take a moment to reconsider… being an effective negotiator means you are open to input, and effective managers should provide that coaching.

	Challenging assumptions	Another area one of my managers has been effective is in challenging assumptions and asking questions – in my current role my boss will ask a few good questions to make sure I have thought through options.
	Coaching	An hour later it played out exactly as scripted, so the coaching from my manager was very helpful.
		Ineffective external leader behavior quotes
	Not experienced	Not experienced in negotiations, they can quite easily cause immense problems by getting you to either stick to positions that are untenable or push too hard or give up easily.
	Question, didn't help	If you don't have the same frame of reference, then it can be quite challenging and you don't necessarily feel supported – he would just question my decisions in a way that didn't help or lead to solutions.
Championing		**Effective external leader behavior quotes**
	Boss in loop	My manager doesn't have to, but he always keeps his boss in the loop and gets his support so no surprises.
	Internal support	To get this business we had to get our manager onboard and for him to convince the internal organization. Because he was very up to date on what was happening in India, he could very convincingly talk about the issue and got us the internal support.
	Excelled, levels	My manager really excelled by taking my justification to two levels above for approval.
	Updates, decision	Provided constant updates on progress and background; that means it won't take three days to understand that background to make a decision.
	Internal support	If I could sell him on the value of the opportunity, then he could get the internal support and resources to pursue it.
	Support, stakeholders	Having a boss in head office who understands the context, and what you are trying to achieve, is really important when it comes to gaining support from internal stakeholders.
	Bid, champion	I had come up with a project idea and was making a bid for resources to progress it. In making a bid it was essential to have my boss as a champion.
	Internal support	Works to get internal support - and if something's not going to fly internally, then it's good to know sooner rather than later.
	Approval, push	Any time we agree to terms greater than required under law, that goes to management for approval, so you really want your manager help push that.
	Supporting proposal	My boss was really valuable in going into bat and supporting my proposal, and had done the set up, so when I joined him in the meeting to present my case it went well.

	Board, CEO onside	He also had to keep his own board and CEO onside and get them to agree.
	Internal support	Very effective by managing internal departments to ensure the negotiation team operated with the right support, but without interference.
	Critical, supported internally	So there's a lot of internal discussion there and my boss is the head of the department for market access and reimbursement - he's very critical in those internal discussions in getting our proposal supported internally.
	Get buy-in	He is more involved because he's got to explain it to his masters and have a pretty intimate knowledge of what's going on in order to get their buy-in.
	Set expectations	Help set realistic expectations and communicate frequently to cross-functional people and senior management in terms of where things are going and whether its positive or negative.
	Alignment, stakeholders	Alert people of progress with building the proposal and the context with the negotiations, so we really just made sure we kept alignment with the key stakeholders.
	Drum up support	The more centralized your management is, the more you need your manager to go around and drum up support if there's a problem or an issue.
	Head office, update	I often rely on my manager to update everyone at head office about what we are proposing and why.
	Legal, approve	Difficulty was getting the legal department to approve it, which is where the manager was effective.
	Control interference	One of the main things for the executive team is to navigate through the politics and control internal interference.
		Ineffective external leader behavior quotes
	Rolled over	had an experience with one boss who said that he would give his support and co-presented a proposal internally, but then rolled over in a meeting under pressure from others and decided to keep his political capital for another objective.
	Wouldn't have argument.	Set up to fail, as would regularly set unrealistic price expectations, decided by someone at head office without sufficient knowledge. And as a marketing person you know it's not going to work – very frustrating, but my boss wouldn't have that argument with them.
Scene-setting		**Effective external leader behavior quotes**
	General discussion	He might attend a first meeting and talk about general supply and demand or the current market conditions, but just a general discussion with no negotiation.
	Alignment, few points	Checking to make sure there is some alignment on where we want to head, whether the customer still has commitment to the existing pricing system, and make a few important points.

	Promotional role	Our senior managers played a promotional role up front, which was very effective and helpful in the early stages of negotiating with that new customer.	
	Open up, set frame	Often we would use him to open things up in a negotiation and set the frame, then he would back out and others would take over.	
	Start deal	Start the deal and then bring me in to negotiate so the relationship wasn't ruined if it got contentious.	
	Set scene	So best was an upfront introduction with the group to set the scene, discuss and agree on strategy, and then they walk away – those were the most effective VP's I worked with.	
	Scene-setting	Sometimes involved just pre-negotiation in terms of scene-setting – we have one new party he has been meeting to establish a relationship and understand their motivations.	
	Establish potential	Effective managers often got involved at the honeymoon stage – getting the two sides lined up and establishing that there is potential value to be created.	
	Build relationship	One targeted account was a $150 mil deal in Seattle where my manager joined dinners and even some parts of the negotiation and was really effective at helping build the relationship.	
	Scene-setting	Organized for my boss to meet with his counterpart for that scene-setting meeting, which was important in getting a few key messages across.	
		Ineffective external leader behavior quotes	
	Failed set scene	The other area we failed was not getting the two CEOs together early to help set the scene and provide that signal to their teams that this deal had their blessing. We just kept it at the working level, which was a mistake. Without that early engagement at the highest level it was too easy for them to walk away.	
Intervening		**Effective external leader behavior phrases**	
	Contact counterpart	So there was an impasse and my manager had to contact his counterpart, who then talked to his negotiation team and got them to reconsider their position, and negotiations resumed and we concluded.	
	High impact	Impact for each negotiation is therefore very high, and so negotiators tend to have a greater involvement not only from their line manager, but other senior management also brought into the negotiation at times.	
	Hard discussions	I've seen managers put themselves out there and get on a plane and share the burden of hard discussions over execution issues. It shows the customers that you actually care - it doesn't just stop with the close of the negotiation.	

		Up to manager level	Where there is a gap that can't be bridged, then it needs to go up to the manager-level, but maybe away from the negotiation table.
		Directors level	We needed to get the senior managers comfortable with buying from a smaller organization, so it was important for us, and we brought in one of our directors to get the message across to that level.
		Difficult, involved	Manager is always available to get involved in a difficult negotiation and potentially agree to certain conditions, perhaps outside of the norm.
		Cut through	This manager was a good communicator and in the negotiation managed to cut through the detail and get to the heart of the issue - before then everyone involved had been going around in circles.
		Intervene higher level	My new boss had all the political and influencing skills you could ask for – he could smoothly intervene at that higher level with other organizations.
		Charisma	I'm not sure how good he was in the bureaucratic side of things, but incredibly effective at getting the right people in the room and getting them to agree on things that they wouldn't otherwise, purely using his own charisma.
		Criticality	It depends on the criticality of the particular negotiation as to whether or not my manager is involved.
		Clear roadblock	Having the manager come in and take a hard line, or sometimes a conciliatory tone is going to help us clear the roadblock.
		CFO at table	During recent negotiations in Europe, we felt it was necessary to have the CFO at the table when it was coming to final negotiations.
		Leaders assigned	We have a senior management program where we have certain leaders assigned to certain individuals at these customers.
		Sit with equivalent	And at that point you are literally where your boss sends it up and the COO or CEO needs to sit with the equivalent on the other side, and you only do that at a last show-stopping kind of issue.
		Critical event	"This is a critical event for the company – do you want it to go this way or that? I can argue that, but it's probably best coming from you."
		Re-engagement, senior level	Our CEO made a special trip and that re-engagement at the senior level was really effective at drawing a line under issues, recognizing the importance to each other, and set things up for a new 5-year deal.
		Lend weight	Sometimes we may bring a VP into the negotiation to lend some weight.
		VP deliver message	I had the senior VP deliver that message – she sat across from the president and said this is how we are being treated and it can't continue.
		Counterpart, power	We had the CEO go out for dinner with his counterpart to close a deal – but it's judicious use of power structure.
		Senior, resolving	One of our senior managers can reach out and contact those people at our suppliers to get their help in resolving the situation.

		Ineffective external leader behavior quotes
	(Wrong) level	He was in there arguing over the penalty rates - point is to know what level you should operate at as a manager.
		"Because he works for me and that's my answer." Having my manager act over aggressively and ignore all of the goodwill that had been built up just damaged the relationship and wasted all the preparation that had been done.
	Damaged relationship	He took a knee-jerk reaction to the discussions and it really wasn't helpful - it just showed his lack of experience in that particular situation as hadn't invested any time to understand.
	Afraid of discussion	He would be afraid of having a hard discussion, and so would put the negotiations off as didn't want to be confrontational.
	Avoided discussions	Incredibly ineffective as had no real political skill whatsoever, so he avoided getting involved in discussions because he didn't back himself dealing with counterparts at his level.
	Muddy the waters	When they got directly involved, they would be really difficult and muddy the waters talking about things they shouldn't and giving away too much for the sake of the relationship.
	Destroyed chance	The manager was not fully onboard with the opportunity and lacked some background, and having him join a meeting effectively destroyed the chance of it progressing.

Having identified the behaviors of effective external leaders of negotiators, each behavior is now discussed to explain how it was developed, and also provide a connection between each behavior and the effectiveness of external managers from the selected phrases in the transcripts. While the effectiveness of external leaders is taken as a subjective judgment by the interviewees, the discussion uses the definition provided in the study outline whereby "effectiveness concerns judgments about a leader's impact on an organization's bottom line" (Hogan, Curphy & Hogan. 1994).

a) Strategizing

Some negotiators reported *strategizing* behavior during preparation; "help at the preparation stage, which may be discussions about objectives, strategy", while others reported this behavior occurring during the negotiation; "sat down internally with the Senior VP and determined what was their real issue". Some interviewees reported *strategizing* behavior occurring throughout the negotiation: "There's a lot of feedback on strategy and tactics in advance of, during and after a negotiation". *Strategizing* behavior was, therefore, seen to combine the idea of planning in advance of the negotiation, as well as problem solving during the negotiation. Planning and problem solving were combined, as they are seen as parts of the same ongoing behavior of providing input into deciding a course of action for the negotiation.

One recurring theme of *strategizing* behavior was the understanding of organizational context that the leader brought to the discussion. "Having a manager who can bring that understanding of corporate objectives is important - in one case my boss agreed to a deal because of how it works with our group finance position." Another example of the consideration of context related to its broader impacts on the organization; "to understand how this particular negotiation fits into the larger strategic picture". This importance of broader context also suggested a greater level of sophistication that would characterize the development of strategy, in contrast to simply planning.

Industry knowledge also contributed to the leader's ability to affect strategy: "Because he was very well informed on what was happening in the market, he could contribute to a solution that ensured we got the business". Consideration of the timeframe was also mentioned, where the leader "takes into account the 5 or 10-year future, not just the 6-month relationship".

Examples of the behavior of ineffective external leaders pointed to a strategy that was destructive; "the bonus structure drove bad behavior" and they "sacrificed the longer-term". Another example of the behavior of an ineffective external leader suggested a lack of competence, where they "contributed nothing" and "had no insight of why".

The connection between *strategizing* behavior and effectiveness as defined by the impact on the organization's bottom line is supported by a number of phrases in the transcripts. "My boss agreed to a deal because of how it works with our group finance position" illustrates that *strategizing* resulting from the external leaders' understanding of the broader organization led to facilitating a deal. The impact on the broader business is illustrated by the ability "to understand how this particular negotiation fits into the larger strategic picture and not just that specific negotiation - a key one for us is setting a precedent", which has the potential to impact the bottom line of the organization through unintended side effects. Understanding of relative value in the negotiation is also demonstrated by "what's important and what can be traded", and an "understanding of where there are opportunities", and are linked to the impact on the organizations' bottom line in terms of the total value that the deal creates. In summary, *strategizing* behavior and effectiveness are connected through the external leader's broader organizational understanding, awareness of consequences for the organization, and understanding of relative values.

b) Empowering

Empowering behavior has elements of providing formal approval; "clarity up-front on negotiating authority", and delegating authority; "knew how to delegate". Providing authority was

seen as a basic requirement; "if you don't have authority then you can't negotiate". Many descriptions of this behavior related to providing a level of latitude to the negotiator in terms of ranges and limits: "set the range and the parameters that are acceptable", and "negotiation limits for what I can agree".

However, the main theme that came through was a less formal type of behavior that involved trust and autonomy: "my boss gives me autonomy in a negotiation", "very much my negotiation to lead", and "I was told, 'I trust you, you are well briefed, you're the subject expert'". Coupled with this trust was an expectation of communication; "clear trust and communication with your manager, and expectations set out that allows you maximum leverage at the negotiation table", and this was coupled with an expectation of keeping management informed; "keep me up to speed and don't surprise me, and otherwise I trust you at the table". Having the trust publicly recognized was also seen as important; "boss told my customers that I speak for the company", as well as autonomy on the negotiation style; "if the how of getting there is left up to you, then you can do it in your natural style".

Examples of the behavior of ineffective managers had the opposite effect of failing to delegate; "undermined his direct reports when he delved down into detail and sometimes took over the negotiation", failing to provide a workable range; "he'd give you no room to move or give", or would withhold timely approval; "during the delays the market went up sharply".

The connection between *empowering* behavior and effectiveness in terms of the impact on the organization's bottom line partly relates to financial risk management. Examples include, setting "the range and the parameters that are acceptable", and "give me a frame of reference and a range within which I could negotiate". Having the "expectations set out that allows you maximum leverage at the negotiation table", and "in front of a customer if you don't have authority then you can't negotiate", also demonstrates the positive impact of *empowering* behavior on the potential to negotiate a profitable deal. Empowerment also has a strong motivational element for the negotiator; "for me, that's the manager I strive to work for and

frankly I will quit a job if I don't have that", and it can be expected to result in improved performance that impacts the bottom line of the organization. Consideration of the impact on the outcome of future negotiations is also demonstrated where an external leader "didn't want to undercut the negotiation team's authority in that or future negotiations".

In summary, *empowering* behavior and effectiveness are connected through the management of financial risk, enabling productive negotiations, motivating negotiators, and concern for the impact on further negotiations.

c) Developing

Developing behavior relates to sharing experiences, providing feedback and challenging assumptions, and so *developing* was chosen over "coaching" to describe this behavior given the broad range of activities that extended to challenging assumptions and giving opportunities for development. These included both past experiences; "always had gems to offer from past experience" and "walked him through the history of the buyers", as well as live experiences; "taught me things just watching him operate".

Being able to gain feedback for ideas was seen as an important behavior, where the negotiator can "bounce ideas off and talk through situations", and "she is also very experienced, so I can bounce things off her". Challenging assumptions is also seen as an effective form of *developing*; "you get a lot of challenges from the broader senior management group around 'have you thought about this or that'", and "my boss will ask a few good questions to make sure I have thought through options". The intention of the *developing* behavior was also seen as important: "you are open to challenge from senior managers, but I think it's also done in a constructive way". Only one negotiator reported role-playing exercises, with *developing* otherwise generally being undertaken during a negotiation.

The behaviors of ineffective external leaders are in contrast to the above, and include a lack of experience leading to poor advice: "not experienced in negotiations, they can quite easily

cause immense problems by getting you to either stick to positions that are untenable or push too hard or give up easily". Also, in contrast to the constructive challenging seen in effective external leaders, ineffective external leaders do so in a destructive manner; "can be quite challenging and you don't necessarily feel supported – he would just question my decisions in a way that didn't help or lead to solutions".

The connection between *developing* behavior and effectiveness in terms of impact on the organization's bottom line partly includes challenging assumptions and therefore having more successful negotiation outcomes. For example, "internal alignment is key and with that, you get a lot of challenges from the broader senior management group around – 'have you thought about this or that'", and "ask a few good questions to make sure I have thought through options".

Some other examples of *developing* behavior given are indirectly linked to the bottom line as they can be expected to improve the capability of the negotiator for future negotiations, such, as "set him up for success and gave him some great tips to allow him to achieve", and "taught me things just watching him operate, so that was a great coaching and learning opportunity".

In summary, *developing* behavior and effectiveness are connected mainly through challenging assumptions, and in the longer term though the improved capability of the negotiator.

d) Championing

Championing behavior was directed at various levels of the organization, and involved both gaining support and controlling interference. Examples of promoting proposals to higher levels of management included, "in making a bid for that it was essential to have a champion, who was my boss", and "he could very convincingly talk about the issue and got us the internal support". There were also examples involving gaining support from other departments, such as

"the difficulty was getting the legal department to approve it, which is where the manager was effective". Remote location from senior management was also a factor for some, who valued "having a boss in head office who understands the context and what you are trying to achieve is really important when it comes to gaining support from stakeholders".

Good communication was seen as important for managers to gain support from other parts of the organization. One example linked this communication to prompt decisions on support: "provided constant updates on progress and background, that means it won't take three days to understand that background to make a decision". Another talked about how the manager would "help set realistic expectations and communicate frequently to cross-functional people and senior management in terms of where things are going".

Controlling interference was also important, and effective behaviors included instances where a manager would "navigate through the politics and control internal interference". Others were effective by "managing internal departments to ensure the negotiation team operated with the right support, but without interference".

Behaviors of ineffective external leaders were in contrast to *championing* behavior. Examples related to a lack of willingness to champion internally "my boss wouldn't have that argument with them", and a reversal of support "co-presented a proposal internally, but then rolled over in a meeting under pressure from others".

The connection between *championing* behavior and effectiveness in terms of the impact on the organization's bottom line partly relates to gaining approval to finalize business deals. This is illustrated by: "to get this business we had to get our manager onboard and for him to convince the internal organization", and "he also had to keep own board and CEO onboard and get them to agree". This included getting approval from gatekeeper departments: "difficulty was getting the legal department to approve it, which is where the manager was effective".

e) Scene-setting

When interacting with the counterparty organization, effective behavior by the external leader included establishing a positive foundation for the negotiation. This *scene-setting* behavior involved confirming broad understandings, establishing a relationship and the potential value in working together, or establishing guidelines. One negotiator summarized effective *scene-setting* behavior as "checking to make sure there is some alignment on where we want to head, whether the customer still has commitment to the existing pricing system, and making a few important points".

Establishing that there is value to be created is an important objective of *scene-setting* behavior; "getting the two sides lined up and establish that there is potential value to be created", and that is often founded on establishing a relationship at the manager level; "manager joined dinners and even some parts of the negotiation and was really effective at helping build the relationship".

Communicating guidelines within which the negotiation can be conducted is also possible during *scene-setting*, such as where a negotiator "organized for my boss to meet with his counterpart for that scene-setting meeting, which was important in getting a few key messages across".

In one case of an ineffective external leader, there was a failure to set the scene with senior level managers and it resulted in the loss of a deal: "the other area we failed was not getting the two CEO's together early to help set the scene and provide that signal to their teams that this deal had their blessing".

The connection between *scene-setting* behavior and effectiveness in terms of the impact on the organization's bottom line partly relates to enabling successful negotiation outcomes and ensuring there was potential before dedicating resources to the negotiation. There were examples of both renewal business; "check to make sure there is some alignment on where we want to head", as well as new business development; "our senior managers played a

promotional role up front, which was very effective and helpful in the early stages of negotiating with that new customer". Ensuring effective prioritization for negotiators also ensured that resources were focused, for example "getting the two sides lined up and establishing that there is potential value to be created".

f) Intervening

Effective behavior by managers can include *intervening* behavior where they become directly involved in a negotiation. However, *intervening* behavior was only used as needed and it was noted that it "depends on the criticality of the particular negotiation as to whether or not my manager is involved". Such *intervening* behavior requiring the manager's direct involvement generally related to either solving an impasse or conveying an important message.

In the case of addressing an impasse, one negotiator found that "having the manager come in and take a hard line, or sometimes a conciliatory tone, is going to help us clear the roadblock". In another example, "we had the CEO go out for dinner with his counterpart to close a deal – but it's judicious use of power structure". There are also examples where a difficult message needs to be delivered; "I had the senior VP deliver that message – she sat across from the president of the company and said this is how we are being treated and it can't continue".

While the manager may finalize an agreement, other examples include where the manager resolves an issue and then passes it back to the negotiation team; "so there was an impasse and my manager had to contact his counterpart, who then talked to his negotiation team and got them to reconsider their position and negotiations resumed and we concluded".

Sometimes a manager would intervene to deliver an important message, "this is a critical event for the company – do you want it to go this way or that - and I can argue that, but it's probably best coming from you". Such intervention can be critical to the success of negotiations, as in the case where "our CEO made a special trip and that re-engagement at the senior level

was really effective at drawing a line under issues, recognizing the importance to each other, and set things up for a new five-year deal".

There were many cases of ineffective external leadership where the behavior involved either a lack of intervention or it was poorly executed. One example of working at the wrong level involved "arguing over the penalty rates - point is to know what level you should operate at as a manager". Examples where the ineffective leader avoided intervening in a negotiation included, being "afraid of having a hard discussion", and "avoided getting involved in discussions because he didn't back himself dealing with counterparts at his level". Where the leader did intervene but executed it poorly included, "having my manager act over aggressively and ignore all of the goodwill that had been built up just damaged the relationship", and "he took a knee-jerk reaction to the discussions and it really wasn't helpful". The consequence at times of the involvement of external leaders was more damaging, as in the case of "having him join a meeting effectively destroyed the chance of it progressing".

The connection between *intervening* behavior and effectiveness in terms of the impact on the organization's bottom line is one of the strongest, given that the intervention often occurs at critical points when the negotiation is at the risk of failing, such as the example of "this is a critical event for the company – do you want it to go this way or that? And I can argue that, but it's probably best coming from you". Many examples relate to where the intervention resulted in the successful conclusion of negotiations, such as "got them to reconsider their position and negotiations resumed and we concluded", and "our CEO made a special trip and that re-engagement at the senior level was really effective at drawing a line under issues, recognizing the importance to each other, and set things up for a new 5 - year deal". However, some noted that care needs to be taken when bringing in senior management, as in the case where "we had the CEO go out for dinner with his counterpart to close a deal – but it's judicious use of power structure".

4.2 Ad-hoc Validity Testing

The second set of interviews were used as an ad-hoc verification of the findings from the first set of interviews. The second set involved five trios of two negotiators and their external leader, and the interview transcripts were analyzed using the behaviors developed in the first stage. Figure 7 below shows the five organizations as A - E (column 2), the phrases relating to each behavior reported by the negotiators (column 3), the phrases reported by the external leaders (column 4), and an evaluation of the level of consistency between the negotiator and external leader reports (column 5).

The findings suggest a high degree of consistency between the behaviors reported by the external leaders and the negotiators. Similarly, all of the phrases regarding behavior could be related to one of the previously identified behaviors from stage one. This second set of interviews, therefore, supported the findings in stage one.

Figure 7. Effective External Leaders - Behaviors and Quotes from Trio Transcripts

Behavior	Org.	Transcript Quotes - Negotiators (N)	Transcript Quotes – External Leaders (EL)	Consistency in observed behaviors
Strategizing	A	When I prepare for a negotiation and talking to my manager, the strategy is always guided by our company values. We do sit down and work out an overall strategy before the negotiation, but we also have a long history that means we know where each other is going, so all of our negotiations are very genuine. Another very effective manager here is a family member and investment banker by trade - he has done so many different deals and has creativity in the financial space and comes up with brilliant scenarios and strategies that work for people.	When we are talking strategy when preparing for an upcoming negotiation, then we have that common language that makes it easier. Before the negotiation we talk about what the potential value might be. Alternatively, understanding what their motives might be for the other side in a negotiation before we actually start talking.	CONSISTENT As a group the negotiators reported strategizing behavior with a focus on the broader perspective and different views. The external leaders' reports of strategizing behavior focused on it being a discussion rather than instruction. For each of the trios (i.e. same organization), there were no major contradictions in reported behavior.
	B	My manager is also involved in strategy development; given he has the breadth of experience so that really contributes to his effectiveness in getting us fully prepared for a negotiation. My manager also helps to look at bigger picture providing strategic understanding across the business. So it's getting me to look past at the bigger picture, and realize that an outcome may serve my own short-term sales interests, but it may not serve the company's broader objectives.	We'll brain-storm it back and forth until we come up with a good plan - so we look for good ideas from everyone – my manager, my team, everyone.	
	C	Early in planning we looked for people within our organization who could align quickly and resonate with those individuals.	Part of the strategy preparation was understanding the various personalities at each level in the customer organization so we knew how to influence when needed.	
	D	So in that case getting input on strategy from not only my manager but also my colleagues was very valuable –	So you sit down and reaffirm the approach that this customer takes a long-term approach or is a bit	

		getting different views. So senior management's broader view of overall company strategy and how the negotiation needed to fit with what was going on in other areas of the business and especially operations was very valuable.	sharper, and discuss who is new to the team from the other side, this is where we see the market and come up with an approach and a strategy.	
	E	My managers have always set those negotiation limits after some discussion, and discussed strategy of how to get there. I think another part of really effective managers for a negotiator is where you think you have something completely covered, but they come in with fresh eyes and more of a helicopter view and see it totally differently.	So one of the things I always do is discuss the agenda with a negotiator as part of preparation and discuss the strategy, and how the agenda contributes to that. The effective manager needs to give the negotiator as many tools and levers as possible to achieve objectives, as well as some parameters to negotiate within.	
Empowering	A	My boss has always provided lots of autonomy – his motto is to provide just enough rope for them to get into trouble, but not enough to hang themselves. I tend to act quite autonomously given the trust my boss has in me. He leaves it up to me whether I want to bring him into a negotiation, and sometimes there is real value and perceived value in having my boss in the room. If I am providing enough information on why or why not they will work, then my manager trusts my judgment.	I think a key point of being a leader is humility. So being able to go to a major negotiation and sit there and say nothing is a big deal. You arrange where you say to the negotiator, "What do you want me to contribute here; you tell me when you want me to pipe up".	CONSISTENT As a group the negotiators reported the importance of autonomy, trust and the external leader not taking over. The external leaders' reports were very similar and also focused on stepping back and allowing the negotiator to guide the degree of involvement, as well as providing trust. For each of the trios (i.e. same organization), there were no major contradictions in reported behavior.
	B	They give you enough rope to run with it, or hang yourself, and I've felt lucky to have that latitude when negotiating. I just like the fact he doesn't want to lead my conversation – he wants me to send him the information, get some feedback, work it over for a day or two, send it back and then discuss it.	Give my team quite a lot of freedom to operate and as long as they are within the parameters laid out then that's fine. There are plenty of examples of where I have intentionally not got involved and just leave them to sort out with my support.	

	C	One of the roles of the leadership team was either providing support in the background, or having the right people in front of the client at the right time, focused and empowered to do their part and not trying to do anything else. The senior managers involved did not take on themselves to answer everything. They would be told about an issue, and rather than fix it, they would get the right people to address it.	They had the responsibility for driving the deal and we were careful that others who were involved over time did not answer questions that should be answered by the team.	
	D	So in that particular negotiation, it was very important to have a high level of confidence from your manager. That means you can act with autonomy, as you know what is and isn't acceptable internally. In a recent negotiation, media were following our actions, so we had to follow a very fixed process, but even then I got plenty of autonomy on the substance of the negotiation.	So as a supervisor, I help establish the guidelines and strategy, and then most of the time just step back and allow them to undertake the negotiation and review the outcome – it's about trust.	
	E	My first two bosses very much took the attitude with negotiation of 'go out there and do it, and if there's problems come back'. And in saying that you were always involved in a very collaborative workplace. So sharing and support from this boss was absolutely fantastic, and hugely empowering – he understood and had your back. The effective managers know that it's important to trust that the negotiator will go out and work to the plan and negotiate deals, and they give them that kind of autonomy.	You need to empower them, because ultimately they are carrying the full weight of what the organization can and can't do. We work to set up a negotiator for success and make sure they have enough parameters and scope to do the deal - if you don't and they lose confidence then it kills the whole process.	
Developing	A	Talk to my manager, especially when it has significant impact and we do have to reach some settlement. I will	It's also good as I get the opportunity to sit there and watch - so usually there would be a coaching	CONSISTENT As a group the negotiators reported a range of

		want to get his thoughts, and also just look for guidance from a teaching or mentorship perspective. Many of us have been sent to the Negotiation course at Harvard, and found it really valuable training – we still do role-plays quite extensively that provide good coaching opportunities. Our company has sent 5 - 6 people to Harvard, and we've also had someone come from Harvard to teach the class as well, in terms of mutual gains. So we do a lot of training, and find coaching opportunities as well, given how we operate with a very open, transparent approach.	moment that comes out of that. Have to push your people to get good at this stuff through coaching and training. It's extremely valuable and adds to the bottom line.	coaching from guidance, experiences and feedback, to role-plays and formal training. The external leaders' reports covered similar behaviors, with the additional behavior of testing assumptions by asking questions. For each of the trios (i.e. same organization), there was a different focus but no major contradictions in reported behavior, with all reporting various coaching behaviors.
	B	Involvement from the manager also includes coaching with a view to ensuring the importance of the negotiation is understood - going in with the blinkers off. Some of his experiences in negotiation of what went well and what didn't go well - tips and thoughts are really valuable.	Calling me to inform me of the situation and tell me what he would like to present, anticipate what they are going to come back with, and really just bouncing ideas off of me and trying to figure out what would be our best path forward.	
	C	My managers played a key role in mentoring and coaching me through the extended negotiation.	We would meet and discuss how to land a message, supporting the main negotiator and talking about staying on message and keeping focused.	
	D	He was great at providing me with experiences that were relevant to the negotiation, as there was something to be learnt, and he would also ask questions that made you think. I often bounce ideas off them during a negotiation, as they have plenty of experience that is very valuable.	I have a different attitude to what you could call coaching – I think it is about asking questions to make the negotiator consider different options and help them think through their preparation.	
	E	He would be having the final telephone negotiation and put it on speakerphone because he wanted everyone to learn so they could then do it, and he was very good at his craft.	Keep testing the assumptions they are working on. So I would say to the negotiator 'so your client is looking for these things and this is where they are at,	

			are you sure on those and why'. If you really test this one assumption next in the negotiation, then you might validate whether or not it's right, and put you in a good position for the next step in your negotiation.	
Championing	A	I have support from my boss on the issue, which is important, so he plays a real role in getting others onboard internally.	For some negotiations I may not be directly involved, but I will help generate support for it internally.	CONSISTENT As a group the negotiators reported the behavior of internal support or championing of ideas and proposals, and saw this involvement as valuable. They also reported the connection with maintaining relationships and communication that helped make championing more effective. The external leaders pointed to similar behavior such as providing support internally and keeping the organization informed, as well as monitoring impact on other parts of the business. For each of the trios (i.e. same organization), there were no major contradictions in reported behavior.
	B	My manager was hugely valuable in talking to various people at head office and getting that work put together. My manager approached senior managers from warehousing as he saw an opportunity to get a better result, and so he brought them in. My manager keeps the connections internally with other departments such as supply, marketing, forecasting and on a daily basis he ensures we are getting the support we need.	When things get a little bigger or more important or when I feel there could be some fall out or ripple effect then I certainly keep my boss informed to ensure I maintain his support. Have conversations with people here in other departments if we need to get them onside or have their involvement.	
	C	Getting the endorsement and support of someone who is very high up in terms of the approval process; that solved a lot of problems for us. There were 5 levels of approval and we relied on him in the late stages to work with the various managers whose support we needed.	The role manages up in getting support and approvals and also ensures you get the required technical support and resources.	
	D	My manager had been closely involved and understood the issues, so he could work effectively with various internal parties that needed to agree and we got the support we needed. The manager stepped in to communicate key messages to	As a supervisor I have needed to go back to head office and explain why a deal makes sense, and get their support for it – normally they trust your experience.	

		higher management, which was just in time to allow us to move forward to an outcome - more about adding color and shape to the situation rather than bludgeoning them into a different view.		
	E	The market was coming off and I would speak with my boss and get his level of signoff and he would go to the CEO to sell him on it and get his approval.	Key was finding a way to estimate the actual value – an internal monetization of value – so that we had a mechanism for gaining approvals and selling it internally in order to proceed. Gaining approvals and support is actually more important and challenging for a manager in a smaller organization that a larger one – you can argue for different solutions.	
Scene-setting	A	His involvement is often in the early stages. In one recent example he became involved early on, away from the negotiation table, and focused both sides on the longer-terms opportunities.	I usually do the intro stuff - in a big negotiation I show up to the first meeting and help set the stage for the negotiation. I'd only go in and set the stage. Talk about values, sustainable business practices, and how we are doing from an economic point just so that they get an understanding of it.	CONSISTENT As a group the negotiators reported scene-setting behavior that directly benefited the subsequent negotiation, and occurred both at the negotiation table and away from it. For each of the trios (i.e. same organization), there were no major contradictions in reported behavior. It is notable that trio B did not report scene-setting behavior.
	C	Seldom would we have an early audience with the customer's CEO, so it was vital to get the right people at that first meeting that established the commitment from both sides. (C3)	We quickly gathered a senior group to hold a meeting with the customer's CEO and his team, which was very important in setting the scene and establishing that commitment from both sides. (C1)	
	D	So the scene-setting had been done which provided some direction for the negotiation to follow. So we organized for a meeting where the senior level could meet - the meeting went well, and because of the good senior level meeting the actual negotiating and contracting process went very smoothly.	For new business, having the senior managers meet and form at least some relationship is valuable – if they have given the OK then its easier for those having to negotiate a deal.	
	E	This was very effective at not only working towards areas of common interest which helped the negotiation, but also	Part of that first scene-setting process is more around testing underlying assumptions.	

		it sends a signal that we see them as an important partner. So he set up a really good environment to actually take the negotiation forward.	If you have got a couple of non-negotiables then it's been helpful in my experience to do that during the scene-setting, and then your negotiation team has a more defined suite of variables.	
Intervening	A	It depends on the size and scale – for something like a merger and acquisition, he would be a lot more involved. One of the ways he is effective in those meetings by being extremely blunt when we have a difficult issue when needed. I bring in my manager is if there is a total impasse with a new customer, so we will use seniority to indicate our seriousness on an issue.	In that instance I sit in the negotiation because he owns the place and he expects my level to be in the room with him. They may bring me in if needed, but often that is not necessary.	CONSISTENT As a group the negotiators reported intervening behavior that depended on the significance of the deal. It was also used to signal escalation, deliver a hard message, play a role or address an impasse. The external leaders reported similar intervening behavior with the addition of when a negotiator needed help.
	B	Where the negotiation is more sensitive or in depth and likely to have ripple effects across other accounts, the manager will be more involved in the negotiation and ensure that the impact of the outcome is understood. With my boss sometimes we do a good guy/bad guy routine and he joins a meeting and takes on the hard discussion - then that allows me to come in with solutions and answers.	If I feel there is something that he's really struggling with, or he just wants my help, then I will absolutely go and face-to-face attend the next meeting. I need to get involved because of long-term implications of decisions and also because of potential ripple effects to other parts of the business.	For each of the trios (i.e. same organization), there were no major contradictions in reported behavior.
	C	There was one manager who we used to bring into the negotiation when we needed escalation and deliver hard messages, and then take them out again. We had one of our senior managers to go back to the customer's CEO and say you've got a problem here and your lead negotiator needs to stop that behavior.	We were careful when we used him as he was the ultimate escalation point, with me as the first escalation point. When issues required senior management involvement, it was important that they kept to their role - they were pretty good at keeping in their swim lanes.	
	D	Having that senior manager get involved was very effective at rebuilding the confidence and it lead to re-	The sides can have a different view, as in the case of some recent negotiations. So the supervisor can	

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		starting the contract so we got the result.	say, OK, I need to step in and give my counterpart a call to see and what we can do.	
		At that stage we brought in someone at a higher level to reset the situation and recover.		
		Can be really effective, but only if that manager has a working relationship with their counterpart		
		Another time when it was important that the senior management got involved was when we needed to update a customer on some changes in our company, before it became public.		
	E	As a negotiator, you can only push somebody so far before you have to roll out the bosses. So I had to get the CEO to talk to head of global procurement of the parent company and really a very staunch discussion, almost to the point of going too far. But he obviously knew how far he could push it, and it worked. Have been cases where following a meeting with the manager, and the positive mood that has been generated then allows the negotiation to be concluded by email or a phone call.	I've been in situations where I have been called into impasse situations – sometimes you have got to start to move beyond certain ranges, then it comes back to making an informed decision along with the negotiator. But often if that scene-setting has been done well, then it limits or removes the potential causes of a later impasse.	

4.3 Functions of Effective External Leaders

After identifying the final six behaviors of effective external leaders that had been contrasted with the behaviors of ineffective external leaders, and having compared the behaviors reported by the negotiators with those reported by the external leaders, the behaviors were considered in terms of their orientation and overall purpose or function. Figure 8 summarizes the functions, their orientation, the behaviors and when these behaviors were most relevant or important. Further justification for the selection of the functions is given below.

Figure 8. Functions, Behaviors and Situations When Most Important

Function (Orientation)	Supervisor (Negotiator-focused)			Advocate (Intra-organizational)	Representative (Inter-organizational)	
Behavior	Strategizing	Empowering	Developing	Championing	Scene-setting	Intervening
Situations when most important	Broader organizational context vital	Complex or detailed negotiation	Inexperienced negotiators; unfamiliar negotiations	Multiple or complex gate-keeper levels	Extended negotiation; senior buy-in needed	Impasse, or seniority required

The *strategizing, empowering and developing* behaviors were all oriented towards the negotiator. These behaviors were all seen as roles that in some way managed the work of the negotiator, and so were labeled as behaviors typical of a *supervisor* function. A *supervisor* is defined as someone who is in charge of others or in charge of a unit or operation of a business. This definition appeared to fit well with behaviors of developing plans for the negotiation (*strategizing*), providing authority to undertake the negotiation (*empowering*) and improving the negotiator's capability to undertake the negotiation (*developing*).

Championing behavior had an intra-organizational orientation and was seen as the external leader undertaking work with other departments and at various levels within the organization in order to secure support for the negotiation. An *advocate* is defined as someone

who supports or promotes the interests of a cause or group, and so seemed to summarize the purpose behind *championing* behavior.

Scene-setting* and *intervening* behaviors are both focused on the counterparty organization and so were inter-organizational in orientation. While *scene-setting* occurs early in the negotiation, *intervening* occurs later and often in response to issues that arise. These behaviors involved the external leader taking on a role alongside the negotiator of representing the organization, and so were labeled as a *representative* function. A *representative* is defined as acting for another through delegated authority, which in this case is engaging with a counterparty on behalf of their own organization. Their position and experience often means that they are in a better position than the negotiator to engage with the counterparty at specific levels or in response to certain issues and situations. A number of labels for the functions were considered, however, the final three functions of *supervisor*, *advocate*, and *representative* were believed to best describe the purpose behind the groups of behaviors.

It would be wrong to assume that effective external leaders need to display all of these behaviors all of the time, and there are situations under which each behavior tends to be more important. Where broader organizational context is vital to the negotiation, *strategizing* behavior by the external leader tends to be more important in being effective. *Empowering* behavior is more important when the negotiation is complex and involves detail where the negotiator is a subject or counterparty expert. In such cases, the external leader needs to delegate considerable autonomy to allow the negotiator to reach a deal within a defined scope. *Developing* is more important when the negotiator is less experienced, or the negotiation is unfamiliar and the negotiator benefits from having the external leader test assumptions. The importance of *championing* behavior appears to depend on the organizational structure. Where there are multiple or complex gatekeeper roles, gaining internal approvals can be challenging. Gaining approvals in a matrix or multi-level structure tends to be more complex, and so *championing* behavior is likely to be more important in such organizations. *Scene-setting*

behavior is more important for a larger negotiation conducted over an extended period, and where senior management buy-in at an early stage is important to confirm there is both high level support and recognized potential. Within the *representative* function, *intervening* behavior is more important during an impasse, or when seniority is required to escalate an issue.
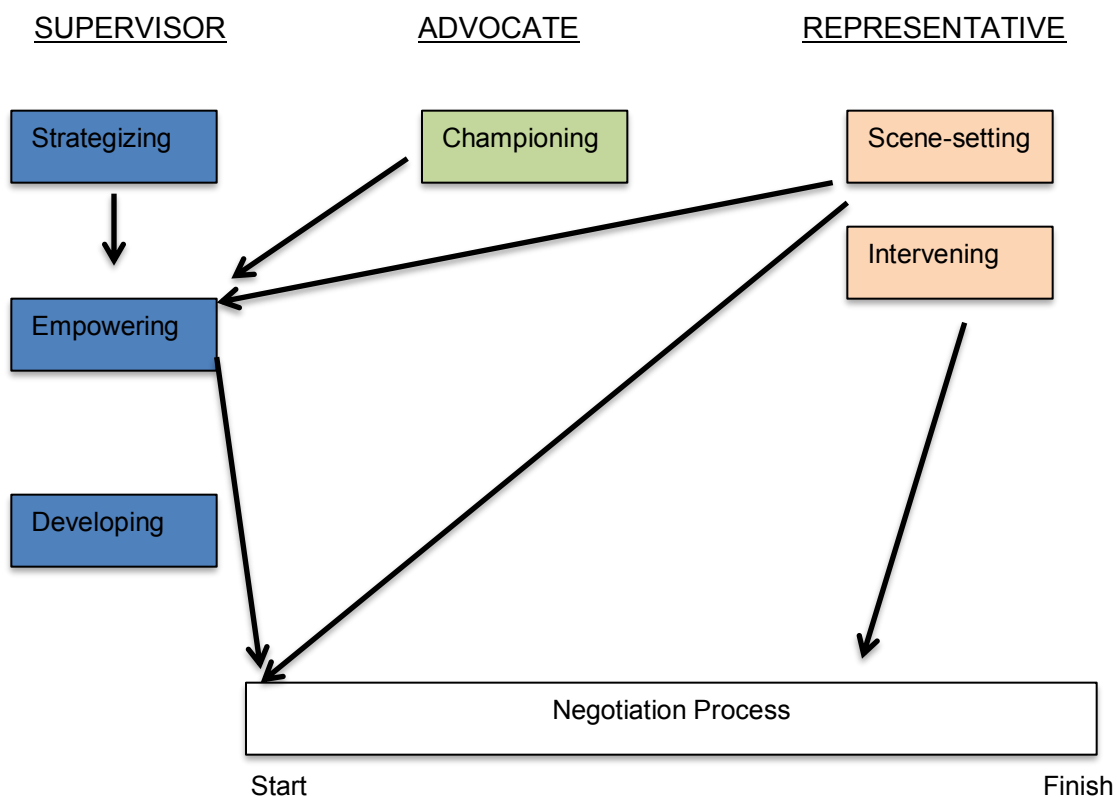
The importance of each of the functions similarly differs depending on the specific situation, and mirrors the discussion above relating to behaviors. It is also worth considering where an external leader does not perform a given function, and to what extent it can be covered by the principal negotiator. In the situation of an external leader not performing the *supervisor* function, it would be expected that effectiveness would suffer but the negotiator or negotiation team could manage itself in determining strategy, securing empowerment and developing capabilities. Similarly a negotiator or negotiation team could perform the *advocate* function in gaining approvals and internal support, even if at a less effective level. However the *representative* function relies heavily on a level of seniority in order to be effective, and the ability to intervene relies on some previous separation from the negotiation table in order to develop a fresh perspective. While the *supervisor* and *advocate* functions would be impaired by lack of an effective external leader, it is expected that the *representative* function can really only be performed by the external leader.

While each of the identified behaviors is distinct and separate in contributing to the effectiveness of external leaders of negotiators, there is a process (Figure 9) that illustrates when each of these behaviors tends to contribute to an effective negotiation. This model does not suggest causality, but simply illustrates the order in the negotiation process at which each of these behaviors occurs. Prior to *empowering* behavior, external leaders tended to have undertaken *strategizing:* "my managers have always set those negotiation limits after some discussion", and *championing*, "the difficulty was getting the legal department to approve it, which is where the manager was effective". In some instances, *scene-setting* had also occurred prior to *empowering* "often we would use him to open things up and set the frame". *Scene-*

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setting can be used to initiate the negotiation, or alternatively once the negotiators are empowered to negotiate then they may initiate the negotiation.

Intervening occurs either during the negotiation where there was an impasse "so there was an impasse and my manager had to contact his counterpart", or at the end of the negotiation "we had the CEO go out for dinner with his counterpart to close the deal". *Developing* behavior tended to occur at various stages including during preparation "my boss will ask a few good questions to make sure I have thought through options", during the negotiation "he taught me things just watching him operate", and after the negotiation was completed "give some feedback after the negotiation and ask how it went".

Figure 9: Inductive Process Model of Behaviors for External Leaders of Negotiators

SUPERVISOR   ADVOCATE   REPRESENTATIVE

Strategizing   Championing   Scene-setting

Intervening

Empowering

D

Developing

Negotiation Process

Start   Finish

Having presented the findings of this study, they are now discussed with respect to the literature on external leader behavior and negotiation group dynamics.

5. Discussion

In this section the findings regarding the behaviors and functions of effective external leaders of negotiators are first discussed, and related to the literature on external leader behaviors in non-negotiation settings. The discussion then moves to the negotiation team level of analysis, and relates the findings to research that compares the performance of negotiation teams and solo negotiators. This leads to raising the question of whether the idea of a "solo negotiator" is realistic, as most negotiators have an external leader who provides input and support; therefore, they do not act alone as the term "solo" suggests.

Continuing at the negotiation team level, the findings are discussed with respect to the internal team challenge and strategy literature. While this study focuses on the behaviors and functions of effective external leaders of negotiators, there is a common factor with the negotiation team literature in that an increasing number of people are involved, whether by adding team members or external leaders. Given this common factor, comparing this study's findings on external leaders with the negotiation team literature appears justified.

One area of caution in making these comparisons relates to the differences in what is measured. Although this study has explored behaviors and functions, the negotiation team versus solo negotiator literature has focused on comparative performance, while the intra-team dynamics research has focused on challenges and strategies. Despite these differences in measurements, the issues addressed are similar and therefore some comparisons are valuable. Finally, a broader perspective is taken and the relevance of the study's findings at the organizational capability level is considered.

5.1 Behaviors and Functions

This study identified six behaviors of effective external leaders of negotiators, and derived three functions from these behaviors. The behaviors of *strategizing*, *empowering* and *developing* are grouped under the function of *supervisor*; *championing* behavior is included under the function of *advocate*; while *scene-setting* and *intervening* behavior are grouped under the function of *representative*. In terms of orientation, the *supervisor* function is focused on the negotiators, the *advocate* function is focused on the internal organization, and the *representative* function is focused on the counterparty or external organization.

The boundary-spanning model developed by Druskat and Wheeler (2003) also identified effective external leader behaviors that was either team-focused or organization-focused; but the major point of difference in the current study's findings is the inclusion of behaviors and a function that is external-focused, which is believed to be a result of the difference in setting, and the fact that negotiators interact directly with a counterparty organization. The team members and their external leaders in the Druskat and Wheeler (2003) study were drawn from a Fortune 500 durable consumer goods manufacturing plant located in the United States that had transitioned to self-managing work teams. The negotiators and their external leaders in the current study were from similarly large Western multinational organizations; however, the setting was negotiation rather than manufacturing and the presence of a counterparty organization resulted in external-focused behavior being identified.

There are many areas of commonality between the studies; both include behaviors with a focus on *empowering* and *developing* the team members, as well as obtaining support from within the organization, which is termed *championing*. Some of the behaviors identified by Druskat and Wheeler (2003), such as internal-focused *social and political awareness,* were viewed by us as enabling factors to the main behavior of *championing*. They also observed the external leader behaviors of *seeking information, diagnosing behavior* and *investigating*

problems. Again, these behaviors are viewed more as components of *strategizing* behavior*,* which is defined in this study as "contributing to decisions on courses of action while considering broader organizational context", and it is, therefore, action-oriented while still relying on enabling factors such as seeking information, diagnosing and investigating. The findings in this area do not contradict Druskat & Wheeler (2003), but the differences are likely due to the interviewees' focus on more action-oriented behaviors.

The major area of divergence in the current study is the inclusion of a *representative* function, which is derived from the *scene-setting* and *intervening* behaviors. These behaviors are significantly different not only in the external orientation, but also in terms of the external leader actually performing some of the <u>negotiating work</u>. This would be analogous to the external leader performing some of the <u>manufacturing work</u>, which is unlikely. This leads us to a view of the effective external leader in a negotiation setting being more than just a leader, but also a player or participant when needed. Historically, in sporting contexts, there have been managers who also play, such as Ty Cobb and Pete Rose in baseball and Kenny Dalglish in football. This manager-player analogy in negotiation contrasts with the separation between the external leader and the subordinate roles found in many areas of business.

The findings also contrast with earlier research, in a small-parts manufacturing plant, that found that the external leaders' most important behaviors are "those that facilitate the team's self-management through self-observation, self-evaluation and self-reinforcement" (Manz & Sims, 1987). While the external leader in a negotiation setting also facilitates *self-management* in terms of *empowering* and *developing*; the behaviors of *championing*, *scene-setting* and *intervening* are performed directly by the external leader. This divergence in findings also raises the issue of interactions between behaviors.

It was noted that external leaders should be careful that *intervening* behavior does not negatively impact on empowerment. One positive example given was where the two external leaders would discuss and resolve a key issue, and then pass the negotiation back to the

negotiators to discuss in detail and conclude the deal, thereby maintaining the empowerment provided to the negotiators. One example of this style of *intervening* was where "there was an impasse, and my manager had to contact his counterpart, who then talked to his negotiation team and got them to reconsider their position and negotiations resumed and we concluded". One interviewee noted that the exception to this is a one-off deal where there is no ongoing business relationship, and empowerment can be sacrificed as there is no future relationship required. Having discussed the identified behaviors, the functions derived from these behaviors are now considered.

The identified behaviors were used to derive three functions (*supervisor, advocate, and representative*), each with a differing orientation (negotiator, internal, and external respectively). This contrasted with the four orientations derived by Yukl (2012), namely *task-oriented, relations-oriented, change-oriented* and *external relations*. The *task-oriented* behaviors described by Yukl include planning, clarifying, monitoring and problem-solving. These behaviors are all focused on managing and assigning tasks to people, and can be characterized as *command and control*. In the current study, the identified behavior of *strategizing* has many similarities, but is seen as a higher-level activity that relies on the external leader's broader understanding of the potential implications for other parts of the organization. The other key difference is that the planning and problem-solving described by Yukl (2012) is mainly undertaken by the external leader, as well as clarifying and monitoring, to ensure that people understand and follow these plans. By contrast, the current study found that *strategizing* was jointly undertaken between the external leader and the negotiators, as illustrated by "we'll brainstorm it back and forth until we come up with a good plan. So we look for good ideas from everyone – my manager, my team, everyone". The negotiator then actively keeps the external leader informed: "when things get a little bigger or more important or when I feel there could be some fallout or ripple effect, then I certainly keep my boss informed to ensure I maintain his support". Problem-solving was viewed as an integral part of this ongoing *strategizing* behavior;

"manager and negotiators would come together as a team and thrash out what is the best way to go about solving problems", and therefore did not separate out *strategizing* and problem-solving, as they only differed in terms of timing rather than core activity. Task-oriented behaviors in Yukl's study are therefore seen as corresponding to *strategizing* behavior in the current study.

Relations-oriented behavior by the external leader included supporting, developing, recognizing and empowering (Yukl, 2012). While there were many instances of the external leader being supportive, this was seen as an element of other behaviors rather than a separate behavior. For example, the following instance involves support, but the behaviors are categorized as *championing*; "I have support from my boss on the issue, which is important, so he plays a real role in getting others on board internally." *Developing* was similarly identified as an important behavior in the current study, and included a broad range of coaching and mentoring activities, such as providing relevant examples from past negotiations, as well as opportunities for building skills and experience, formal training, and challenging assumptions.

Only two interviewees reported *recognizing* as an important behavior; however, in one case it was in the context of the organization's remuneration system, and the other in terms of recognition by the organization as a whole, rather than behavior specific to the external leader. Yukl (2012) cites evidence for the positive effects of recognition on performance, so the lack of reporting of this behavior by effective external leaders is of interest. It is possible that where it does not occur, *recognizing* could potentially contribute to improved effectiveness. Alternatively, it could occur and contribute to effectiveness, but the negotiators neglected to report it for whatever reason. In separate discussions, one negotiator suggested that he knew when he was performing well without requiring acknowledgment from his manager.

Empowering was also a very regularly identified behavior in the study, and is closer to what Yukl (2012) refers to as "an even stronger empowering decision procedure called delegation". The need for delegated authority to operate successfully in a negotiation was regularly referred to: "my boss gives me autonomy in a negotiation, so I don't have to be going

back to him all the time. In front of a customer, if you don't have authority, then you can't negotiate".

Change-oriented behavior identified by Yukl (2012) was noticeably lacking in the current study. The only change-oriented behavior that related to the findings was "encouraging innovation". In the current study, there were examples where external leaders brought different perspectives to a problem: "I think another part of really effective managers for a negotiator, is where you think you have something completely covered, but they come in with fresh eyes and more of a helicopter view and see it totally differently."

Of the three external relations behaviors, the most relevant to the findings was representing, which Yukl (2012) described as "represent their team or organization in transactions with superiors, peers or outsiders (e.g. clients, suppliers, investors or joint venture partners)." Yukl's representing behavior, therefore, combines interactions with the internal and external organization; however, in the study, these are separated into championing for the internal organization, and scene-setting and intervening for the negotiation counterparty or external organization. The justification for keeping these as separate behaviors rather than combining them relates to the championing behavior only requiring demonstration of created value for the internal organization as a whole, whereas scene-setting and intervening involve interacting with a counterparty organization to both create and distribute value.

In terms of the number of behaviors, Druskat & Wheeler identified eleven, while Yukl (2012) identified fifteen. The fact that only six behaviors were identified in the current study is due to some behaviors being combined (e.g. planning and problem-solving), certain behaviors not being identified (e.g. clarifying, recognizing, external monitoring), and certain behaviors being seen as enabling factors for other behaviors (e.g. networking for scene-setting and intervening). The preference for a smaller number of behaviors also related to a desire to identify the most regularly identified and significant behaviors. It is not argued that these six behaviors are the only ones exhibited by effective external leaders in a negotiation setting;

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however, they are the ones regularly identified in the interviews in this study. One of the objectives of this study was to provide guidance for practitioners, and a smaller number of summarized behaviors is more valuable than a list that includes behaviors of less relevance.

Given the literature on accountability effects in negotiation (O'Connor, 1997; Gelfand & Realo, 1997), it is notable that the findings did not identify effective external leader behavior that related to holding the negotiators accountable. Presumably experienced negotiators would feel accountable, but it was not identified as a behavior that differentiates effective external leaders in the interviews with either negotiators or external leaders. Simulated negotiation experiments involving graduate students had previously found that solo negotiators reacted more strongly to negotiator accountability than negotiation teams (O'Connor, 1997), and that accountability reinforced the norms of the culture (Gelfand & Realo, 1997). These findings are not disputed; however, this study suggests that experienced negotiators in large Western multinational organizations do not recognize being held accountable as a behavior that differentiates effective external leaders.

Having considered the findings on the behaviors and functions of effective external leaders, the next section considers the findings with respect to the negotiation team literature.

5.2 Negotiation Team

This study's findings point to the contribution of an effective external leader extending beyond the *supervisor* and *advocate* functions to include that of *representative*. In a *representative* function, the external leader may engage directly in both *scene-setting* and *intervening* behavior with the negotiation counterparty. The identification of this *representative* function suggests that the external leader is at times very much a part of the negotiation team in undertaking work otherwise done by team members. In the *supervisor* role, they are also active in *strategizing*. If most negotiators have a manager or leader, and the external leader displays

any of the *strategizing, scene-setting* or *intervening* behaviors, then a *solo negotiator*, as referred to in the literature, is in effect a team comprising an individual negotiator with an external leader. This raises questions regarding past experiments that contrasted the performance and effectiveness of solo negotiators and negotiation teams (Polzer, 1996; Thompson et.al. 1996). The team advantage was believed to be due to the greater ability of teams to develop alternatives and solve problems, as well as having a team efficacy effect, allowing them to claim a larger portion of shared value. The presence of an external leader would achieve the team efficacy effect, by being present during *scene-setting* and *intervening*, as well as contributing to the development of alternatives and solving problems through *strategizing* behavior. This raises the question of whether the team advantages over solo negotiators still exist when an external leader is taken into account. Another interesting consideration is whether a solo negotiator with an effective external leader would outperform a negotiation team with a less effective external leader, especially when considering the internal challenges that teams face (Behfar et. al., 2008.) This leads us to a consideration of the results with regards to the literature on internal team challenges and strategies.

While interviewees were not specifically asked about the strategies for addressing internal challenges between negotiators and external leaders, the behaviors of effective external leaders that were identified do imply potential strategies. Internal challenges and management strategies have been investigated within negotiating teams (Behfar et. al., 2008); the findings on the behaviors of effective external leaders are now compared with these management strategies.

Strategizing behavior by effective external leaders included problem-solving, where the "manager and negotiators would come together as a team and thrash out what is the best way to go about solving problems"; and joint preparation, "my manager is very effective in that he tends to like to be involved with the tactical planning. We also tend to have a group think-tank approach using the experience of all the managers". These behaviors align with similar

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strategies used by negotiating teams of *team problem-solving* and *preparing with teammates* respectively (Behfar et.al. 2008). *Empowering* behavior by effective external leaders includes providing autonomy of negotiating styles; "if the *how* of getting there is left up to you, then you can do it in your natural style", as well as respecting the clarity of roles. One negotiator interviewee noted that probably the biggest issue with a past ineffective manager was the manager's failure to keep to his role definition: "if you're the head, then you should leave the detail to the negotiator". Another noted that for effective external leaders, "it was important that they kept to their role - they were pretty good at keeping in their swim lanes".

Negotiation teams in the Behfar et. al. (2008) study similarly identified clarifying roles as an important management strategy. *Developing* is not included in the negotiation team strategies in the Behfar et al. (2008) study, and as expected, is something more relevant to effective external leader behavior. Behfar et. al. (2008) do identify *gathering adequate resources* as a strategy for managing challenges, which has elements of *championing* behavior, such as gaining resources to proceed with pursuing an opportunity: "then we got permission to pursue the opportunity, and then we go to the deal review board, and that's where it is presented to the regional leaders, and they say yes or no based on allocation of key resources". However, *championing* behavior is broader, and involves managing stakeholders, gaining support at various levels, and controlling interference. *Scene-setting* and *intervening* behavior by effective external leaders can also be compared to *assigning assertive leadership*, which is one of the strategies identified for negotiation teams in the Behfar et al. (2008) study. However, a team leader is present throughout the negotiation while an external leader is only present for specified occasions and purposes; "there was one manager who we used to bring into the negotiation when we needed escalation and deliver hard messages, and then take them out again".

While the current study identified behaviors and functions, Behfar et. al. (2008) considered the internal challenges of negotiation teams, and management strategies to address those challenges, so any comparisons acknowledge the implicit limitations. Figure 9 illustrates

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the areas of commonality and difference between effective external leader behaviors and management strategies used by negotiation teams.

Figure 10. External Leader Behaviors & Negotiation Team Strategies

Effective External Leader Behaviors	Negotiation Team Management Strategies
Supervisor - strategizing - empowering - coaching	Within-team negotiations - reaching compromise - team problem-solving - flexibility in planning - managing conflicting interests - managing negotiating styles - building coalitions
Advocate - championing	Defining leadership & team roles - defining decision rights - clarifying roles - gathering resources - assigning assertive leadership
Representative - scene-setting - intervening	Team communications - managing internal communications - preparing with teammates
	Time & logistics management - managing members time - caucusing to coordinate strategy - managing technical logistics

Note: Solid lines indicate strong similarities while dotted lines indicate lesser similarities.

A number of negotiators and effective external leaders mentioned their length of experience together as beneficial; "we are very effective together given our 15-year history; there is no kicking each other under the table, because you are always a step ahead and know where the other is going". While this study focused on the behaviors and functions of effective external leaders, the relationship between the negotiator and their external leader will also impact the effectiveness of the external leader. This advantage of shared experience has also been researched in the negotiation team literature. While simulated negotiation experiments

were inconclusive (Peterson & Thompson, 1997), research involving negotiators found that teams with experience working together were likely to perform significantly better than teams who work together infrequently (Bright & Parkin, 1998). This also suggests that there may be a similar positive effect on overall performance where the external leader and the negotiators have a shared experience. Further research questions could consider the length of time before this effect is maximized and whether there are ways to accelerate this effect. In the findings, there was reference made to the benefit of having a shared language, developed from attending the same negotiation training; "when we are talking strategy when preparing for an upcoming negotiation, then we have that common language that makes it easier", and this could accelerate the development and benefits of shared experience.

5.3 Organizational Capability

The findings showed that all of the negotiators interviewed had at some time reported to effective external leaders. However, some had experience with organizations that approached negotiation as a corporate capability rather than simply relying on the individual capabilities of negotiators and their external leaders.

The literature on negotiation as a corporate capability proposes "moving from a situational view of negotiation to an institutional process" (Ertel, 1999). These processes are broken down into determining objectives, preparing for negotiations, conducting the negotiation and reviewing the negotiation, and they contrast the situational view with the institutional view and for each process and provide examples of effective tools and procedures.

The current study focused on the behavior and functions of the external leader, but many interviewees commented on the features of organizations that adopted a corporate capability approach, and in particular, how external leaders were heavily involved. Many of these comments related to process, but there were also many examples that related to structure

and personnel. Examples from the study are now presented which support the process model of Ertel (1999), but also seek to extend the framework to include issues pertaining to the structure and the people involved in the negotiation.

In determining objectives, Ertel (1999) suggested that, for each negotiation, the objectives should be tied to larger corporate goals. The current study found examples that support this: "having a manager who can bring that understanding of corporate objectives is important in solving issues. In one case, my boss agreed to a deal because of how it works with our group finance position." A further example supported the external leader's contribution in determining objectives from an institutional view, "so the manager will set out the strategic goals of getting more favorable terms in one section of the deal or another and help set the priorities".

The institutional view for the preparation step in the process suggested that negotiations draw on prior corporate experience (Ertel, 1999). This was supported by findings in the current study: "I would set up a project plan and with that, we would have weekly communication, and then as you are getting closer to D-day, daily communication, and we'd set up war rooms". One interviewee reported on a counterparty organization, where "they had it that well mapped out, and it almost seemed rehearsed – they brought people in seamlessly to the process. So having the full plan and things mapped out – it just looked so professional."

In conducting the negotiation, an institutional view was seen as where "managers play an active coaching role and colleagues share a negotiation approach and vocabulary" (Ertel, 1999). One interviewee in the current study noted that "my managers played a key role in mentoring and coaching me through the extended negotiation", which was confirmed by their external leader with, "we would meet and discuss how to land a message, supporting the main negotiator and talking about staying on message and keeping focused". The shared approach and vocabulary resulting from shared training were also supported: "I like the common language and I have sent all of my senior managers to that course largely for that reason".

Reviewing the negotiation is the last step in the process; the institutional view is that reviews are performed systematically, to capture information and lessons that can be applied to future negotiations, with a focus on the way the negotiation was conducted (Ertel, 1999). In the current study's interviews, there was only one mention of a review, suggesting that it does not occur regularly; "I've only experienced it with a few managers, but some of the more effective ones give some feedback after the negotiation and ask how it went, particularly for the less experienced negotiators".

Moving beyond Erdel's process model, the organizational structure necessary for making negotiation an organizational capability is now considered. For many organizations, a more structured approach to negotiation has been adopted at the same time as other organizational changes; "not only created this global account management organization but also within it created a global agreements department". For some organizations, there was a strong driver to develop an institutional capability in negotiation: "we try to do things a bit differently to our competitors, and that includes in negotiations. We started a new global account management group, partly in response to seeing our major customers getting larger and internationalizing". Another organization "established a steering committee, and the reporting structure had a lot of touch-points, given the size of the deal", while others had "leadership of the negotiation team that went six layers deep". On structure, there was also attention given to the involvement of the right levels and allocation of roles: "they were very good at using their people at various levels to understand the customer and what was important, and different people. Also, on roles, there would be one person communicating the non-negotiables, one on relationship; the right people for different levels." Some organizations emphasized the benefits of specialization, and created roles that performed certain functions, such as gaining internal approvals; "the role manages up in getting support and approvals and also ensures you get the required technical support and resources". This ensured that the negotiators were not distracted

from the negotiation by having to manage the internal approval process in a hierarchical organization.

In addition to process and structure, people issues were also noted as important in moving negotiation to an organizational capability. One negotiator noted that "a key difference that makes this structure possible, is that the global account manager and global agreements negotiators are very seasoned individuals". Another negotiator highlighted the value of having the right level and number of people involved, where they would "get the best minds focused on what we need to do to improve the probability of winning. We don't want the numbers involved to make it overwhelming, so it's setting up the right touch-points". While further work is encouraged to better understand how negotiation can become an organizational capability, the study's findings would suggest that considerations should extend beyond process, and include structure and personnel.

Having discussed the findings from this study with respect to the existing literature at the behavior and function, negotiation team, and organizational capability levels, attention now turns to the implications for practitioners.

6. Implications for Practitioners

6.1 Negotiators

The six behaviors of effective external leaders along with the functions they serve are now discussed in terms of the implications for negotiators.

The findings suggest that the value of *strategizing* behavior comes from the external leader's experience, where they "always had gems to offer from past experience", as well as their understanding of potential impacts on the wider organization and opportunities; "in one case, my boss agreed to a deal because of how it works with our group finance position". The interaction between the negotiator and the external leader in developing strategy will differ depending on the individuals. Some reported an interactive and inclusive discussion, "so in that case getting input on strategy from not only my manager but also my colleagues was very valuable – getting different views"; while for others, the negotiator prepared strategy and then discussed with the external leader; "I just like the fact he doesn't want to lead my conversation – he wants me to send him the information, get some feedback, work it over for a day or two, send it back and then discuss it". One recommendation is that negotiators actively manage the involvement of external leaders in developing strategy and problem-solving, and be aware of the potential for the external leader to make unique contributions.

Empowering behavior by external leaders was seen as critical for negotiators to be able to undertake negotiations. One interviewee noted that the absence of empowerment "just neuters the people at the table, and doesn't allow them enough freedom and autonomy to make a good deal". Negotiators, therefore, need to ensure that they justify this empowerment by demonstrating adequate preparation, and have a clear understanding of the approval stages and extent of delegated authority. Coupled with this empowerment is an expectation that external leaders will be kept informed, and that "there will be no surprises".

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Developing behavior by external leaders involved coaching, providing feedback and challenging assumptions, all with the intention of furthering the skills and capabilities of the negotiator. Some negotiators will be fortunate in having external leaders who excel in this area, such as "he taught me things just watching him operate, so that was a great coaching and learning opportunity". However, the negotiator can also help by actively seeking opportunities for learning and gaining feedback. A number of external leaders noted the value of challenging assumptions, "I think it is about asking questions to make the negotiator consider different options and help them think through their preparation"; at the same time, negotiators need to ensure they do not take a defensive attitude, but rather use these opportunities to review their assumptions as a learning opportunity.

Championing internally within the organization by effective external leaders can be very valuable for negotiators. The external leader has access to higher levels in the organization, and it also allows the negotiator to focus on the negotiation with the counterparty organization and leave the internal negotiation and gathering of support to an external leader. In some organizations, the negotiator will still be involved in gaining internal support, such as where an external leader "gave his support and co-presented a proposal internally", while in others there may be a specialist role that handles the internal approvals process.

Scene-setting behavior by external leaders very much depended on the counterparty organization and the nature of the negotiation. The main implication for the negotiator is to determine whether this is appropriate and potentially useful in the overall negotiation. In some cases, it was valuable to establish some key messages: "if you have got a couple of non-negotiables, then it's been helpful in my experience to do that during the scene-setting".

It can also be useful to engage the external leader from the counterparty organization and establish commitment to the negotiation opportunity from higher levels in the organization: "having the senior managers meet and form at least some relationship is valuable – if they have given the okay, then it's easier for those having to negotiate a deal". In other negotiations, it may

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not be necessary and may even be counter-productive, so it is important to consider what the objective is when the external leader engages in *scene-setting* behavior. The negotiator is closest to the counterparty organization, and so should be actively involved in making such decisions.

Intervening behavior by the external leader is similar to *scene-setting* in that it is very specific to the situation. The study's findings showed that in most cases this was not necessary, and a negotiator handles the negotiation without requiring the external leader to intervene. However, as one negotiator explained, "some of the time he may need to reengage and contact his appropriate level within the other organization". In many cases, it is the negotiator that requests intervention: "we felt we needed to have the CFO on-site with us. But that was a decision that the account manager and I made and it wasn't forced upon us". There are also the risks of this intervention backfiring, such as where "having my manager act over aggressively and ignore all of the goodwill that had been built up just damaged the relationship and wasted all the preparation that had been done". In addition to the specific considerations for each behavior, there are more general implications of these findings for the negotiator.

Recognition of the three external leader functions of *supervisor, advocate* and *representative* is useful for the negotiator for a number of reasons. Firstly, it allows the negotiator to identify which of the functions their external leader most commonly performs. A negotiator's manager may excel at *supervising* and *advocating*, but may not become involved directly with the counterparty as a *representative*. It is then for the negotiator to determine whether the particular negotiation would benefit from a *representative* function, and also whether this is best performed by their manager or another senior leader in the organization. To this extent, the findings provide a framework for considering the functions that are currently being performed, and to question whether the functions should be performed differently or other functions included, and whether other senior leaders should be involved in performing certain functions.

6.2 External Leaders

This study confirms the range of potential ways that external leaders can impact a negotiation, either positively or negatively. While negotiators will tend to observe behaviors, it is expected that external leaders are likely to view their role in terms of functions to be performed. We therefore consider each of the three functions identified in this study, and discuss the associated behaviors.

The findings suggest that an effective external leader performs the functions of *supervisor, advocate*, and *representative*. In many instances, the same manager will be expected to perform all three functions, with some functions being performed more naturally than others. For example, if an external leader has not had customer-facing experience, then the *representative* function may be more challenging. The *supervisor* role involves *strategizing, empowering* and *developing*, and therefore is the closest to other external leadership roles. However, there are numerous subtle differences that the findings highlight and that the external leader needs to consider, especially if they have come from a non-negotiation background such as finance or technical leadership.

In contrast to *planning* (Yukl, 2012), which involves scheduling activities and assigning tasks, *strategizing* as identified in the current study involves a greater organizational understanding, and is done in conjunction with the negotiator in order to "get the best minds focused on what do we need to do to improve the probability of winning". *Empowering* is important in many non-negotiation settings; however, in negotiation, it is seen as vital, and "in front of a customer if you don't have authority then you can't negotiate". When effective external leaders did join the negotiation, they were careful to ensure that the negotiator maintained control of the direction of the discussion; "you arrange where you say to the negotiator - what do you want me to contribute here, you tell me when you want me to pipe up."

The *advocate* function involves *championing* behavior internally within the organization. A major implication for external leaders is that they need to develop and maintain lines of communication and relationships that allow them to effectively undertake *championing* behavior when necessary. One example of this was where a manager "provided constant updates on progress and background that means it won't take three days to understand that background to make a decision".

Finally, the *representative* function is perhaps the most unique to a negotiation setting. While not always required, directly interacting with the negotiation counterparty is an important role for external leaders. The findings would suggest that external leaders exercise caution when becoming directly involved in a *representative* function and discuss thoroughly with the negotiator. The live nature of negotiation means that the roles and messages need to be discussed and agreed in advance. Whether it is a *scene-setting* meeting or *intervening* to solve an impasse in a negotiation, care needs to be taken to ensure that the negotiator maintains empowerment and can return to managing the negotiation or engaging in the next negotiation. In a *scene-setting* meeting, it is an opportunity to state "a couple of non-negotiables" that provide a framework for the subsequent negotiation, or create a strong relationship and shared view of the opportunity.

The risk of roles being unclear was illustrated by an example of an ineffective external leader who "undermined his direct reports when he delved down into detail". Some negotiators raised the problem of having an external leader who does not have industry knowledge: "he did not have any background in the industry, and delayed providing an approval for our recommendation. During the delays the market went up sharply and we lost millions as his approval came too late". It is expected that external leaders will at times not be completely familiar with an industry or a customer, and in these cases, they should either question the negotiator to gain the necessary understanding or involve other external leaders with greater experience. This last point leads into the issue of multiple external leaders.

The current study found that some organizations use multiple external leaders for larger negotiations. Given the various functions and behaviors of effective external leaders, this specialization in areas of leadership appears to be a logical structure for ensuring the best outcome. The implication for the external leader is that there may be occasions when they are called upon to play a specific function in a negotiation. External leaders may not be used to coordinating efforts with other leadership, so as one external leader explained about senior leadership, "it was important that they kept to their role - they were pretty good at keeping in their swim lanes".

6.3 Organizations and Senior Leadership

For organizations and their senior leadership, this study has implications at two levels; there is the selection and personal development of the external leaders of negotiators, and there is the issue of how these external leaders can contribute to turning negotiation into a corporate capability.

For many organizations, the negotiator's external leader is their line manager. They are therefore selected for a range of skills and knowledge, but not necessarily for their abilities as an external leader of a negotiator. As detailed in the findings, there are three functions (*supervisor, advocate, representative*) that an effective external leader of negotiators performs, and each of them is likely to require a different skill set. Based on this study, organizations should consider which of these three functions is most important for a given negotiation, and select the external leader accordingly. The selection will depend on the negotiator, the negotiation counterparty and the negotiation context. Some negotiations require a strong *supervisor* function, such as when the negotiator will benefit from *strategizing*; while other negotiations may require a strong *representative* function, where *intervening* or *scene-setting* is likely to be important. This importance of fitting strengths to situations as opposed to being

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skilled in all functions is illustrated by the following example: "I'm not sure how good he was on the bureaucratic side of things, but incredibly effective at getting the right people in the room and getting them to agree on things that they wouldn't otherwise, purely using his own charisma".

Organizations should also consider the use of multiple external leaders to capture the benefits of specialization, especially for particularly significant negotiations. This specialization by function was illustrated by an organization that created a role to manage the *advocate* function, including internal approvals through multiple levels; "one role assists when there are multiple parts of the organization involved. There were five levels of approval, and we relied on him in the late stages to work with the various managers whose support we needed". This discussion of a multiple external leader structure leads to how this study relates to turning negotiation into a corporate capability.

Harvard's Program on Negotiation presents an annual "Great Negotiator Award" to an individual, but to the best of my knowledge there is no such awards for an organization. This would suggest that turning negotiation into a corporate capability for any organization is still a work in progress. The findings from this study suggest that external leaders of negotiators are well positioned to play a major role in achieving this corporate capability objective, as they can effectively control the process, determine the structure, and select and develop the individual negotiators. Taking a process approach, examples from this study supported the steps identified by Ertel (1999) of determining objectives, preparing for the negotiation and conducting the negotiation. However, there was only one example in the study of behavior that involved reviewing the negotiation, but it was mentioned more as an ideal that is not often achieved in practice.

Previous recommendations for making negotiation a corporate capability have focused on this process approach (Ertel, 1999). Based on the current study, organizations should also consider structure and personnel. One example of structure that supported negotiation as a

corporate capability was the establishment of a global agreements department for all negotiations. For another organization, they set up a steering committee for each large negotiation. There was also a strong focus on ensuring that external leaders kept to their designated roles, and in many cases, the line manager was not heavily involved in the negotiation.

In addition to taking a process and structure approach, organizations should also consider personnel issues. A change in structure often meant individual negotiators were expected to perform at a higher level, with greater delegated authority, and this called for "very seasoned individuals". Another organization supported this need for higher caliber negotiators, given the changed structure in getting "the best minds focused on what we need to do to improve the probability of winning".

The implications for organizations seeking to turn negotiation into a corporate capability are that effective external leaders can contribute in terms of establishing processes, designing structure, and selecting individual negotiators with the appropriate skills and experience.

7. Conclusions

Having discussed the implications for the key players in negotiations, this section summarizes the conclusions from the study, while acknowledging its limitations and suggesting areas for further research.

7.1 Research Summary

This study sought to expand negotiation group dynamics theory to identify the behaviors and functions of effective external leaders by interviewing experienced negotiators and external leaders from Western multinationals in Pacific Rim countries. In the introduction it was noted that a negotiation is a unique setting for external leaders, and it was therefore anticipated that external leader behaviors would differ from those in other disciplines such as manufacturing. Negotiation group dynamics have largely been studied at the negotiation team level, and investigation at the external leader level is seen as a valuable development, with implications for both the theory and negotiation practitioners. This study draws on the dual research streams of negotiation group dynamics and external leader behavior.

In developing theory, this study makes two key contributions. Firstly, effective external leaders perform not only negotiator-focused behavior (*strategizing*, *empowering* and *developing*), and intra-organizational behavior (*championing*), but also inter-organizational behavior (*scene-setting* and *intervening*). *Scene-setting* behavior was seen as effective when used: "so best was an upfront introduction with the group to set the scene, discuss and agree on strategy, and then they walk away – those were the most effective VP's I worked with". *Intervening* was also important, especially when interacting with the higher levels of an organization; "my new boss had all the political and influencing skills you could ask for – he could smoothly intervene at that higher level with other organizations". The finding that effective external leaders play a very active inter-organizational role in negotiations has implications for

practitioners, but also questions the validity of "solo negotiators" used in previous simulated negotiation experiments as an unrealistic simplification.

Secondly, the study derived three functions (*supervisor*, *advocate* and *representative*) that have implications in selecting and training external leaders of negotiators, as well as for organizations seeking to make negotiation a corporate capability. Rather than have one external leader undertake all of the identified functions, there were cases of specialization where different leaders were responsible for different functions. One interviewee noted that rather than her line manager acting as her external leader, "probably more relevant is the steering committee that I am accountable to. That's made up of an executive vice president who is the sponsor – he's the Executive VP of distribution. And on that committee is his senior VP". Multiple external leaders were used "in response to seeing our major customers getting larger and internationalizing", and role clarity for external leaders was important, "when issues required senior management involvement, it was important that they kept to their role - they were pretty good at keeping in their swim lanes".

While this study supported a *process* approach to negotiation as a corporate capability, it also suggested a *structure* and *individual capability* approach should be considered.

This study provides an important first step in going beyond the negotiation team, to consider the broader range of players that contribute to negotiation group dynamics. There are limitations associated with this study, which when combined with the findings, help identify a number of areas that are worthy of further research. The limitations and areas for further research are discussed below.

7.2 Limitations

Given the exploratory nature of this study, interviewees were selected to gain an understanding of the range of behaviors of external leaders of negotiators. This purposeful

sampling achieved the desired result of generating rich descriptions of relevant behaviors, but introduced corresponding design limitations due to the lack of ability to conduct statistical analysis. We, therefore, acknowledge that testing a larger representative sample of negotiators and external leaders is necessary to confirm that these findings can be generalized to the wider population of external leaders of negotiators.

The study also focused on negotiators and external leaders from Western multinationals in Pacific Rim countries. This restriction of the pool from which interviewees were drawn in terms of organizational type and individualistic cultures introduced further limitations, and significant differences can be expected if this study is repeated using small and medium-sized enterprises, or organizations from countries with collectivist cultures.

There are also limitations in terms of the gender balance of interviewees. Of the thirty interviewees, twenty-seven were male and only three were female; therefore, I acknowledge the limitation that this is largely a male-dominated perspective of external leader behaviors. The lack of gender balance was a reflection of the pool from which the interviewees were drawn, namely executive education classes in negotiation and industry contacts.

The study also relied on individual subjective views of what constitutes an *effective* external leader. Interviewees were asked to provide examples of events to improve the objectivity of the study by presenting evidence. However, for a future study a case study of a larger organization could provide the opportunity to gain more objective sources of information in judging external leader effectiveness, such as performance reports, as well as control for organizational and cultural factors.

These identified limitations of this study all contribute to the development of the future research agenda that is discussed below.

7.3 Future Research Agenda

This study was undertaken with a view to identifying behaviors and deriving functions as a basis for further research into effective external leadership of negotiators. To date, the contribution and importance of the external leader in negotiations has been largely ignored, and this has resulted in an incomplete model of negotiation. There is also an opportunity to improve negotiation outcomes by external leaders performing their functions in an informed, deliberate and planned manner. The first step achieved in the study is to identify the behaviors and functions of effective external leaders of negotiators, which provides a foundation for further research. The agenda for further research involves confirming these initial findings, determining interactions, understanding mechanisms, and determining how external leader functions contribute to developing negotiation as an organizational capability.

Having inductively identified six behaviors and derived three functions of effective external leaders, it is recommended that the findings of this study be deductively tested on a larger population of negotiators and external leaders. This would involve testing a series of hypotheses relating to the relationship between each of the behaviors and the perceived effectiveness of external leaders of negotiators. One such hypothesis may be that "strategizing behavior is positively related to the perceived effectiveness of external leaders of negotiators". To investigate a sufficiently large number of negotiators and external leaders, a questionnaire survey technique is suggested with multiple demographic questions to identify interactions. Organizational type, size, industry and structure questions could also be included to identify organizational interactions.

A further area of investigation is the mechanisms connecting behaviors and effectiveness, which would help confirm causality. While strategizing behavior may be related to the effectiveness of external leaders of negotiators, a case study could be designed to identify the exact connections or mechanisms linking the various behaviors to effectiveness. For scene-

setting, for example, a case study could potentially identify framing of the negotiable and non-negotiable issues and visible senior level support as intermediate effects. The framing could in turn result in a more efficient negotiation process, while the senior level support could provide incentive for the respective negotiators to overcome key differences. The more efficient negotiation process and incentive to overcome differences could then be connected to reaching agreement and therefore effective contribution to the negotiation.

Social network theory (Granovetter, 1973; Burt, 1992) provides another useful framework to further explore the behaviors and functions of effective external leaders of negotiators. It is expected that external leaders utilize their unique positions with the social network and their intra-organizational ties to provide context to strategy and champion proposals. Their inter-organizational ties are also likely to assist in scene-setting and intervening. Further research could potentially explore the position and strength of these ties, and to what extent they determine the effectiveness of external leaders of negotiations.

Negotiation as an organizational capability has been discussed in terms of infrastructure, separating the deal from the relationship, broader measures of success, and support for note reaching agreement (Ertel, 1999), as well as the crucial role that leaders play in setting goals, aligning incentives, and supporting learning (Movius & Suskind, 2009). In terms of organizational capability, the findings from the current study suggest two areas for further research. Firstly, further research could consider external leader strengths and experience across the three derived functions, and how appropriate matching with given negotiation situations results in greater external leader effectiveness. Secondly, research could multiple external leaders can be involved and their efforts coordinated to maximize effectiveness.

Given this study's exploratory nature, it was anticipated that the findings would lead to a broader research agenda for the author. In addition to further research detailed above, it is expected that there will be an ongoing development of areas for further research. It is therefore useful to detail more general features that are expected to guide potential further research.

The first desired feature is to connect research with a realistic context in terms of the dynamics of the wider group that influences negotiation outcomes. Considering behaviors in context requires studying the various players in a negotiation in realistic situations, rather than simulated experiments involving graduate students. Studying experienced practitioners involves the challenge of access, but this should be possible by using the author's industry contacts as well as those that can be accessed by introductions from ICS faculty members.

The second feature is to relate negotiation to other bodies of academic literature in order to explore new areas of development. This study has drawn from two separate literature streams, namely negotiation group dynamics and external leader behavior literature, and the negotiation literature is expected to benefit from further introduction of ideas from related fields. During interviews with some previous classmates from negotiation courses, a number of them discussed their own views on the need for different directions for negotiation research that go beyond the dominant paradigm of *principled negotiation.* Having evolved largely from a Western perspective of principles, the rebalancing of economic power to Asia in past decades suggests that a review of how negotiation happens in reality is timely. One area of interest is to explore how empathy is developed, and how that can be used in a negotiation situation to help persuade and gain cooperation. Another area that has been studied in other contexts, and particularly in sports psychology, is the idea of *visioning*. As negotiation is a *live* activity, drawing from games and sports research is expected to yield a different perspective on negotiation.

The final guiding principle is to continue to provide a bridge between academic theory and practice. A balanced research agenda that is grounded in academic theory, while seeking to identify important and real life problems and opportunities in negotiation, is seen as being the ideal. This would ensure that the research remains valuable to practitioners, while having the sufficient academic rigor to contribute to the growing body of research that is required in the field of negotiation.

Appendix 1: Organizational Characteristics by Interviewee

Individuals (1-15) Groups (A-E)	Industry	Nationality (subsidiary)	Nationality (H.O.)	Annual Revenue
1	Resources	Australia	U.K.	US$23B.
2	Resources	Australia	Australia	US$49B.
3	Resources	Australia	Brazil	US$94B.
4	IT	New Zealand	New Zealand	N.A.
5	IT	U.S.	U.S.	US$68B.
6	IT	New Zealand	Germany	N.A.
7	Medical	Canada	Canada	US$2.2B.
8	Medical	U.S.	U.S.	US$3.8B
9	Medical	Canada	U.S.	US$23B.
10	Medical	U.S.	Germany	US$80B.
11	Construction	U.S.	U.S.	US$12B.
12	Services	U.S.	U.S.	US$38B.
13	Services	Australia	Australia	US$3B.
14	Services	Canada	Canada	US$44B.
15	Services	U.S.	U.S.	US$39B.
A (A1, A2, A3)	Construction	Canada	Canada	N.A.
B (B1, B2, B3)	Agri. & Food	Canada	Swiss	US$14B.
C (C1, C2, C3)	IT	New Zealand	US	US$84B.
D (D1, D2, D3)	Resources	Australia	US	US$4.7B.
E (E1, E2, E3)	Agri. & Food	New Zealand	New Zealand	US$0.5B.

*N.A. – revenue was not available for 3 companies as not public companies

Appendix 2: Interview Protocol

Prior to selecting semi-structured interviews as the research method, the author had the opportunity to observe external leaders of negotiators as well as hold informal and unstructured discussions with other experienced negotiators. This allowed the author to gain the necessary understanding to develop relevant and meaningful semi-structured questions for the interviews.

Semi-structured interviews were chosen to gather focused, qualitative textual data, as "this method offers a balance between the flexibility of an open-ended interview and the focus of a structured survey" (Bernard, 2012). The semi-structured interview technique focused on open-ended questions, which allowed the interviewer to follow and probe relevant topics that identified new ways of seeing and understanding the behaviors of external leaders of negotiators.

The semi-structured interviews were conducted in the following stages, and examples of the language used follow.

A. Introduction

"Thank you for taking the time to talk today, and I very much appreciate your willingness to share some of your experiences. By way of background, while working in a marketing role in Asia, I have been studying towards a Doctorate in Business Administration for the past four years. As part of this, I am undertaking a study on the external managers and leaders of negotiators, and the behavior that distinguishes effective managers and leaders. Given your experience in negotiation, I am keen to hear about some of your experiences. There has been research on what makes negotiation team members effective, but I am interested in the external managers and leaders." This reference to negotiation team research was made to ensure the distinction and avoid having interviewees talk about team members rather than managers and leaders. It was also explained that "external leader", "leader" and "manager" would be used

interchangeably, but they were taken as having the same meaning. While the literature refers to "external leader", interviewees referred to the same person as their "manager" or "boss". Questions therefore often referred to "your manager", but it was made clear that this referred to the "external leader".

B. Confidentiality and Recording

Interviewees were also assured of confidentiality and that recording was only for the purposes of effective note taking. "Everything that you discuss today is kept confidential and only used in reporting combined results. No names of people or organizations are mentioned in the final report. I would also like to record just for the purposes of note-taking, and I will delete the recordings after I've transcribed them."

C. Starting Questions

Direction was provided on the interview being semi-structured, and a request made for examples. "Rather than a list of questions, it is really over to you to discuss what you see as the behaviors of effective and ineffective external managers and leaders. If you can give examples that illustrate these behaviors, then that would be much appreciated."

The first question for the negotiators was: "As an experienced negotiator, can you tell me about an effective leader or manager you've had and what they did that made them effective?"

The first question for external leaders was "Can you talk about your experience as a leader of negotiators and negotiation teams, and what you see as effective behavior?" All questions were also kept open to encourage more detailed responses.

D. Request for Examples

Following a discussion of general behaviors, interviewees were asked to provide examples specific to their response. "Can you give me an example of a particularly effective

manager who played that coaching role?" Questions were also asked about their experiences with ineffective managers, and similarly, examples were requested.

E. Process

To help interviewees recall events and behaviors, reference was made to the stages in the negotiation process, such as "Can you talk about the different stages that an effective manager gets involved in a negotiation?"

F. Probing Questions

In order to get the interviewees to talk further about a particular event or behavior, probing questions were used, such as "How did you handle the situation of when the CFO was at the table?"

G. Demographics

By the end of the interview many interviewees had already provided their length of experience and approximate age. Where this had not happened, they were asked to provide this demographic information.

H. Post-Interview Comments

At the end of the interview, the interviewees were thanked for their time and an offer was made to send the final thesis. Many interviewees also expressed interest in staying in contact given their strong interest in negotiation.

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