

**AN EXPLORATION OF THE NEGOTIATION OUTCOMES, PROCESSES AND
STYLES IN THE TURKISH FINANCIAL SECTOR**

by
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An Exploration of the Negotiation Outcomes, Processes and Styles in the
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AN EXPLORATION OF THE NEGOTIATION OUTCOMES, PROCESSES AND STYLES IN THE TURKISH FINANCIAL SECTOR

ABSTRACT

This research investigated the real-life business negotiations conducted in the Turkish financial sector by analyzing the negotiation outcomes, processes and styles. The interplay between these three constructs was also analyzed. The main research strategy used in this research is the interviews that generate data regarding the subject of the study. Content analysis was used as the main methodology to depict the process and outcomes of negotiations. The outcomes of the negotiations were studied on the basis of the “integrative and distributive” distinction by borrowing the methodology from Beriker and Pegg. Furthermore, the mechanisms employed by the parties to reach the integrative outcomes were analyzed on the basis of Pruitt’s classification of integrative outcomes. In analyzing the processes of negotiations, it is searched whether competitive or cooperative behavior characterizes the process. Bargaining Process Analysis was applied to analyze the process of negotiations. Styles of the interviewees were also assessed by Thomas Kilman Conflict Mode Instrument. The findings showed that the way exchanges are made between and within the issues in real world business negotiations may be more complicated than what has been described than Pruitt. In most cases, parties used integrative mechanisms in a novel way to reach an outcome. In some cases more than one integrative mechanism was used in a single issue. The findings also suggested that in all of the cases while there was a great consistency between the process and style, the nature of the outcomes were inconsistent with the elements of style and process.

Keywords: Negotiation outcomes, negotiation processes, negotiation styles, integrative, distributive, interview, Turkish financial sector

TÜRK FİNANS SEKTÖRÜNDEKİ MÜZAKERELERİN SONUÇ, SÜREÇ VE STİLLERİ

ÖZET

Bu araştırmada Türk finans sektöründe yaşanmış iş müzakereleri; müzakere sonuç, süreç ve stilleri analiz edilerek incelenmiştir. Bu üç kavramın arasındaki ilişki de analiz edilmiştir. Bu çalışmada kullanılan temel araştırma stratejisi konu hakkında bilgi toplanmasını sağlayan görüşmeler olmuştur. Müzakere süreç ve sonuçlarını tanımlamak amacıyla içerik analizi temel yöntem olarak kullanılmıştır. Müzakere sonuçları Beriker ve Pegg'in yöntemi kullanılarak bütüncül (integrative) ve bölüşümcü (distributive) ayrımına dayanarak analiz edilmiştir. Ayrıca tarafların bütüncül sonuçlara ulaşmada kullandığı mekanizmalar Pruitt'in bölüşümcül sonuçlar sınıflandırmasına dayanılarak incelenmiştir. Müzakere süreçleri incelenirken, bu süreçleri rekabetçi ya da işbirlikçi davranışlardan hangisinin şekillendirdiği araştırılmıştır. "Pazarlık Süreci Analizi" (BPA) müzakere süreçlerinin analiz edilmesinde uygulanmıştır. Thomas ve Kilman'ın Uyuşmazlık Modu Aracı (TKI) görüşme yapılan şahısların müzakere stillerini tespit etmek için kullanılmıştır. Sonuçlar göstermiştir ki gerçek hayatta yapılan iş müzakerelerinde konular arasında veya içinde yapılan alış verişler ve bağlantılar Pruitt'in açıkladığından daha karmaşık yapılmaktadır. Çoğu vakada taraflar bütüncül mekanizmaları yenilikçi bir biçimde uygulayarak sonuçlara ulaşmışlardır. Bazı vakalarda bir konu için birden fazla bütüncül mekanizma kullanılmıştır. Ayrıca bulgular göstermiştir ki vakaların beşinde süreç ve stil arasında büyük tutarlılık olmasına rağmen, sonuçların doğası süreç ve stil elemanlarıyla tutarsızdır.

Anahtar Kelimeler: Müzakere sonuçları, müzakere süreçleri, müzakere tipleri, bütüncül, bölüşümcü, Türk finans sektörü.

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Chapter 1 Introduction

1.1 The Aim of the Study:

Negotiation is one of the most complex human activities which involves a dynamic interpersonal process (Lewicki et. al., 1997, p.3). One of the best definitions of negotiation is a back and forth communication designed to reach an agreement when a party and the other side have some interests that are shared and others that are opposed (Ury and Fisher, 1981, p.17). People continuously negotiate in their personal and business relationships, within and between organizations, across industries. It is one of the basic mechanisms of social decision-making, an important element in commerce, diplomacy, law and everyday international life. (Zartman, Druckman, Jehnsen, Pruitt, Young, 1996).

Given its central place in social life, the study of negotiations has dramatically increased in the past several years. The researchers, from different disciplines, have examined negotiation in a variety of settings. Research on the negotiation process received significant attention in the applied field of labor relations (Walton and McKersie, 1965; Lewin and Feuille, 1983; Appelman, Rouwette and Qureshi, 2002) and international affairs (Hopmann, 2000; Druckman, 2002; Simintiras, A. & Vlachou, E. 2003), and in controlled laboratory studies in social psychology (Burnham, McCabe and Smith, 2000; Hastie, 2001; Weingart, Olekalns and Smith, 2005).

Although negotiation can be investigated in many different contexts and at different levels, the concern of this research will be the negotiations conducted in the Turkish financial sector. However, the Turkish business sector, as a study unit, is a vast area which makes it difficult to conduct a meaningful research project. Therefore, for the sake of feasibility of this study, I narrowed down my research by looking at cases merely from the financial sector. I particularly chose the financial sector because it is one of the biggest business sectors in Turkey, whose asset value comprises the 88 %

of total GDP of Turkey¹. Secondly, professionals working in the financial services market are very frequently engaging in negotiations in order to achieve the prices and terms that meet the needs of their institutions and customers (Richardson, 1987).

In this specific research project I aim to explore the negotiation outcomes, processes and styles in the Turkish business context particularly focusing on the financial sector. The research questions of this thesis stems from an interest to discover how in real life and in the context of Turkish business sector, businessmen and businesswomen at the managerial level conduct their negotiations at the interpersonal level and which type of negotiated outcomes are achieved in consequence.

In relation with the aim of this research, firstly I shall look at the nature of negotiated outcomes achieved; secondly, the process of negotiations leading to those outcomes shall be analyzed. The analysis of outcomes will be studied on the basis of the “integrative and distributive” distinction found in the negotiation literature. In cases where it is found out that integrative agreements are achieved, I shall examine the mechanisms used by the negotiators to arrive those outcomes. In analyzing the processes of negotiations, I am interested in finding out whether competitive (hard) or cooperative (soft) behavior characterizes the process of negotiations. Another concern of this study is to discover which individual negotiation styles managers have. Based on the findings, finally, I am interested in finding out the interplay between these three constructs: negotiation outcomes, processes and styles.

To sum up, there are three important dimensions of this research: first, the outcomes, processes and mechanisms utilized by Turkish businessmen and businesswomen while conducting negotiations will be systematically described; second, the individual negotiation styles of the research subjects will be explored and lastly the underlying assumptions of these mechanisms and processes will be linked to the theoretical literature on negotiation.

In order to diagnose the nature of the outcomes, I shall apply the method used by Beriker and Pegg (2000), which is based on Pruitt’s framework (see Pruitt, 1981; Pruitt

¹ Banking Regulation and Supervision Agency (BDDK). 2006. Financial Market Report issue:4
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and Carnevale, p. 198, 1993; Pruitt and Kim, 2004). The processes of negotiations will be analyzed through the content analysis, of the interview data collected from businessmen and businesswomen employed in the Turkish financial sector. The negotiation styles of these individuals will be assessed by a psychological assessment tool, named the Thomas- Kilmann Conflict Management of Differences (also known as TKI or MODE), that measures the five conflict management styles.

1.2 Significance of the Study

The conclusions drawn from this research project is expected to make important methodological, theoretical and practical contributions to the literature by providing the real experiences of the managers in negotiations. At the theoretical level, the interplay between the negotiation outcomes, processes and styles shall be examined in a single study together for the first time. Second expected theoretical contribution of this study is the elaboration of novel ways of applying integrative mechanisms in real world negotiations, different from their classical usage existing in the literature.

At the methodological level, studies of real world negotiations which are conducted in the field are very rare in the literature. In the present study, by using interviews as a research strategy, the real actors of the negotiation cases were made subject of the study. Studying real life negotiations through interviews is expected to generate new insights into the importance and uses of data; and the defining of negotiation objectives that experiments can not achieve.

The sector-specific basis of the study is another contribution to the literature. To the best of my knowledge, the categorical distinctions of integrative and distributive types of real world negotiations have not been studied before on the basis of a single sector. Sector-specific nature of the research is expected to provide coherence and integrity to the subject matter of the cases analyzed here.

This study is also expected to have important practical implications, since effective negotiation is seen as core management ability in today's business world (Thompson, 2001). Building negotiation skills are increasingly significant for executives, leaders, and managers who conduct negotiations as a part of their daily job routines. Thompson (2001) mentions various reasons for the increasing importance of

negotiation in business life. First, the dynamic nature of business makes negotiation as the inevitability of world of work. Secondly, increasing interdependence of people working in the organizations, both laterally and hierarchically necessitates that people should know how to integrate their interests. Third, in a highly competitive business environment managers should navigate this competition environment through successful negotiation. Fourth, today we live in the information age where technology makes it possible to communicate with people anywhere in the world. This means that technological advances enable managers to conduct negotiations more frequently than before. Lastly, increasing diversity in the business world forces the managers to develop negotiation skills that could be utilized with people of different backgrounds, styles and nationalities. It is also widely accepted that in today's increasingly competitive financial services sector, negotiation skills are more critical than ever before (Richardson, 1987).

As a natural result of the increased importance attributed to negotiation in business life, researches that shed light on processes and outcomes of negotiations are extremely important in gaining more insight on the negotiation and increasing the effectiveness of negotiations. Especially studies which directly examine the actual negotiation cases provide valuable information about what negotiators actually do, rather than what they planned to do or what they thought they did (Weingart, Olekalns and Smith, 2004, p.441). The resulting data of these studies can be used to capture general strategies employed by negotiators, how they employed those strategies and when they did so (ibid.).

The cases examined here shall not be used to generalize to all negotiation cases in the Turkish financial sector; however, through examining the cases systematically the processes of negotiations, mechanisms utilized during the process, outcomes, styles and the relationship between these constructs shall be elaborated.

1.3 Outline of the Thesis

This thesis is composed of five chapters. Initially, in chapter 2, the reader is introduced to the literature on negotiation. The focus of the literature review will be on negotiation outcomes, processes and styles. In this respect, two principal types of negotiations, integrative and distributive, will be reviewed in detail so as to establish the ground for subsequent discussions with regard to the analysis of the outcomes and

process of negotiations. In this chapter, associated tactics and strategies with each negotiation type in the literature will also be briefly reviewed. The literature on interpersonal conflict management styles, particularly individual negotiation styles, shall be reviewed. The existing body of literature on the interplay between outcomes, processes and styles shall be reviewed in the end of the chapter.

In the third chapter, research methods and the frameworks that are employed to collect empirical data and the rationale behind usage of these will be explained. In this chapter, the literature related to my methodology will be described. The strengths and weaknesses of my research strategy, design and methods will be presented as well.

In the fourth chapter, empirical data from the interviews, the cases narrated by the managers, will be analyzed with reference to the parallel conceptual literature discussed in the previous chapters. In this section three set of analysis shall be conducted to understand the nature of the negotiation outcomes, processes and styles.

In the last chapter, after the summary of findings of the study is summarized, the results and their implications will be discussed following the same structural order of the three set of analysis. Next the conclusions related with the relationship between the negotiation outcomes, processes, and negotiation styles of the individuals will be discussed for each case separately.

Chapter 2 Literature Review

In this chapter, the reader is introduced to the literature on negotiations. The aim of this chapter is to present the reader important concepts and theoretical knowledge regarding the subject of this study. As aforementioned, the main objective of this study is to contribute to the understanding of negotiation processes and outcomes of bilateral negotiations conducted by managers in the financial sector. Another concern of the study is to explore the negotiation styles of the interviewees participated to the research. I am also interested in finding out the relationship between negotiation processes, outcomes and styles. In relation to the objectives of the study, therefore, in this chapter firstly the literature related with negotiation outcomes and processes; and styles shall be reviewed separately. Second, the literature on the relationship between negotiation outcomes, processes and styles shall be examined. As the main concern of this study is the cases of bilateral negotiations, the focus of the literature review will be mostly bilateral negotiations.

2.1 General Outlook of the Negotiation Literature

Negotiation is a decision-making process among interdependent parties who have conflicts of interest and who believe that they can use some form of influence to get a more advantageous deal (Bazerman and Neal, 1992; Lewicki et. al., 2003). In the literature, the terms "negotiation" and "bargaining" are generally used interchangeably. Rubin and Brown (1975, p.2) define bargaining as the process where "two or more parties try to settle what each shall give and take, or perform and receive, in a transaction between them". Bargaining processes consist of "an attempt by two or more parties to find a form of joint action that seems better to each than the alternatives." (Lax and Sebenius, 1986, p.11).

Like many other social concepts negotiation is studied at both micro and macro level of analysis (Druckman, 2003a). From a macro perspective, the larger contexts

such as international or organizational environment are focused on by certain researchers (ibid., p.194). On the other hand, from a micro perspective, the way that a small group of negotiators settle their differences by using negotiation as a mechanism could be studied. Analysts using the micro perspective focus on steps, preferences and communication in the negotiation process (ibid.).

The negotiation literature draws attention to three main approaches in the study of negotiation. (Pruitt and Carnavale, 1993). The first consists of prescriptive studies which present tips to the readers in order to help them negotiate more effectively (Fisher and Ury, 1981; Raiffa, 1982; Thompson, 2001). The second tradition includes mathematical models of rational behavior which is mostly developed by academics and game theorists (Luce and Raiffa, 1957; Raiffa, 1982). The third, behavioral study of negotiation focuses on the impact of environmental factors on negotiator behavior and effect of those factors on outcomes. Research in behavioral tradition has been conducted in laboratory and the field (Pruitt and Carnavale, 1993).

Although any number of parties might be involved in negotiation, most of the literature on negotiation deals with bilateral bargaining. There is a growing evidence of increased attention to the scientific study of negotiation (bargaining) in the business settings in the several past years. A large set of interactions and decision making in complex organizations has been studied by scholars (Lax and Sebenius, 1986; Lewicki, Shephard and Bazerman, 1986; Bazerman, 1998). Most of the research on negotiations in organizations relies on the behavioral and analytical theories of bilateral bargaining.

After having a general look at the negotiation research, in the subsequent sections, the negotiation literature particularly related with outcomes, processes and styles shall be reviewed in detail. Next, the literature on the relationship between these three elements shall be briefly examined. The literature on negotiation outcomes and processes shall be reviewed together, since the literature on outcomes and processes overlap at many respects. Mostly in the literature findings about the negotiation processes are also related to negotiation outcomes.

2.2 Negotiation Outcomes and Processes

The upshot of conducting negotiations is that parties obtain some outcome (Pruitt, 1981). “Outcomes are the effects that result from past negotiations have on subsequent exchanges” (Lewicki et. al.1997, p. 101). There are different types of negotiation outcomes present in negotiation research. Outcome of a negotiation can take many forms ranging from total disagreement to complete agreement (Ikle, 1964). The mutual break-off negotiations, disagreement or unilaterally leaving the table can also be considered as a negotiation outcome (Zartman, 1976). In the literature outcomes are also expressed in more subjective or affective ways such as negotiators are asked to state whether they are satisfied with the outcome (or process), or what their perceptions of the outcome are (Agndal, 2007). However, expressing negotiation outcomes in affective rather than monetary terms has been found to cause longer negotiation times and higher chances of impasse (Conlon and Shelton Hunt, 2002).

Negotiation processes refer to the vehicles, methodologies, and behaviors by which the negotiation takes place, the “how” of the activity or the play of the game (Lewicki et. al., 1997, p. 101). Process includes the parties’ exchange of concessions and compensations in an effort to reach an agreement that is accepted by each (Zartman, 2002). As indicated by Zartman (1995, p.147) “process is the most important element in defining negotiation since it posits a determining dynamic, not merely a collection of scattered actions or tactics”. Researchers approached negotiation process from different perspectives. While some researchers looked at the negotiation process by assuming that process consists of different steps (Adair and Brett, 2005); other researchers focused on specific steps in the process, such as the preparation phase, communication and exchange of information, and making offers (Peterson and Lucas, 2001).

Other studies are concerned with negotiation tactics or other behaviors in the negotiation process. Negotiation behavior, which is an important aspect of the negotiation process, refers to the characteristics of the parties and their interactions in the negotiation process (Zartman, 2002). Social psychological studies have made important contribution to the study of negotiation behavior. Character types such as warrior/shopkeeper (Nicolson 1960, p.24), hardliner and soft-liner (Synder and Deising,

1977), cooperative and competitive interpersonal orientations are some of the categories invented by scholars.

With regard to the analysis of the negotiation process, there are a number of different approaches in the literature which display different ways of understanding the same phenomenon. One of the basic attempts of all approaches is to explain the negotiated outcomes through the process analysis. All approaches agree that the most common elements of the negotiation process are parties, issues and positions.

Based on Zartman's categorization, different families of analysis could be mentioned here in order to summarize the literature on negotiation process (Zartman, 2002). These standard analytical categories are the structural, strategic, processual and behavioral schools of negotiation analysis (Zartman, 2002).

In the literature a number of frameworks were provided by researchers to analyze the process of negotiations. Although most of these frameworks were developed to analyze the multiparty negotiations, some of them shall be mentioned here since they were applied to the bilateral negotiations as well. Druckman's "framework of influences and processes of negotiation" organizes the research literature on negotiation in a very consistent manner. (Cheldelin, Druckman and Fast, 2003). In regard to the precondition; preparation for negotiations, issue structure (size, complexity, framing, goals) and incentives are examined. With reference to the background factors; impact of relationship between the parties, experience and orientations, alternatives and culture on the negotiation is analyzed. In the process analysis; bargaining tactics, emotions, turning points are included as influential elements. Time pressure, number of parties, third parties, presence of audience and constituent accountability are important elements which are accepted as conditions affecting the process of negotiation. Finally, outcomes, whether there is an integrative agreement or whether there is a stalemate, is studied in Druckman's framework (Cheldelin, Druckman and Fast, 2003).

Hopmann (1996) developed a framework "to explain and evaluate how the negotiation process affects the outcome of negotiations" (p.6). Treating the negotiation agreement as an outcome, he looks at the role of certain factors such as power, individual negotiator interaction between the parties, the influence of the international

environment, the involvement of third parties and the character of multilateral negotiations in negotiations.

2.2.1 Common Literature on Processes and Outcomes: Integrative and Distributive Negotiation

In the negotiation literature, one of the most important dichotomies is “integrative and distributive” types of negotiations. Indeed, this distinction is used both to describe the nature of the outcomes and processes. Moreover, the literature draws attention to the direct connection between distributive bargaining and distributive outcome on one hand, and integrative bargaining and integrative outcome on the other. Walton and McKersie (1965) were the first to make the distinction between distributive and integrative type. Therefore, their behavioral theory of labor negotiations should be reviewed here in more detail since it provides a basis for both the analysis of outcome and process of negotiation cases in this study.

2.2.1.1 A Behavioral Theory of Labor Negotiations

Walton and McKersie (1965) first used the terms “integrative” and “distributive” to refer to the process of negotiations. These two constructs were first used by the authors to analyze the collective negotiations taking place in the American industrial context. Their Behavioral Theory is particularly about labor negotiations and social negotiations in general. The entire theory is illustrated in terms of labor-management negotiations. However, in their classical work they frequently mention that their theory is applicable to most negotiation processes. The basic idea of Behavioral Theory is that social negotiations are comprised of four parallel sub processes. These four set of activities together account for almost all the behavior in negotiations (Walton & McKersie, 1965, p.15). Negotiations can be analyzed using the concepts and tools contained in four sub processes. In their Behavioral Theory, the authors give a systematic and comprehensive treatment to the internal dynamics of each sub processes of negotiations and then they explored the interaction of these simultaneous ongoing processes (p.8). Distributive and integrative bargaining are the two main sub processes, which are polar yet interdependent decision processes which have opposite tactical requirements (ibid.). For instance, strong assertions, selective responses, using the other side’s statements tactically, and limited disclosure of feelings and interest will be listed

as the tactics mostly associated with distributive bargaining (Walton, Cutcher-Gershenfeld & McKersie, 1994, pp.44-45). In situations where the one person's gain is a loss to the other, distributive bargaining takes place. "The specific points at which the negotiating objectives of the two parties come incontact define the issues" (Walton & McKersie, 1965, p.4-5). An area of common concern where the objectives of both parties are conflict with each other refers to the negotiated issue (Walton & McKersie, 1965, p.4-5). In these situations, distributive bargaining takes place between the parties.

On the other hand, tactics centering on the exchange of information, the exploration of the accurate interests, and the use of structured problem solving techniques, brainstorming, active listening, paraphrasing and disclosure of feelings and underlying interests are associated with the integrative bargaining (Walton, Cutcher-Gershenfeld & McKersie, 1994, pp.45). Integrative potential exists when the negotiation issue at hand permits solutions which benefit both parties or when the gain of one party is not the loss of the other one (Walton & McKersie, 1965).

Walton and McKersie defines two more negotiating sub processes in addition to integrative and distributive bargaining. These are "shaping inter-group differences" (attitudinal structuring) and "managing internal differences" (intraorganizational bargaining).

Shaping inter-group differences or attitudinal structuring has its function to influence the relationship between the parties, specifically attitudes such as friendliness-hostility, trust, respect, fear and the motivational orientation of competitiveness-cooperativeness (Walton&McKersie, 1965,pp. 4-5).

The fourth sub process is the intraorganizational bargaining. This system of activities compromises the behaviors of a negotiator that are designed to achieve consensus within the union and within the company (ibid.). Intraorganizational bargaining refers to "to the activities which brings the expectations of principals into alignment with those of the chief negotiator" (Walton&McKersie, 1965, p.5).

The distinction between distributive and integrative type of negotiation provided a basis for further descriptive studies of negotiation processes and outcomes; and eventually led to the formulation of numerous prescriptions regarding strategies and

tactics in distributive and integrative negotiations (Lewicki and Litterer, 1985; Pruitt and Rubin 1986 b; Ury, 1993; Fisher, Kopelman et al. 1994; Kersten, 2001; Lewicki et. al. 2003).

The researchers treat the distributive and integrative types of negotiations using various terms. As stated in Beriker and Pegg (2000), contending (competing) versus cooperating (Pruitt, 1981), claiming value versus creating value (Lax and Sebenius, 1986), positional bargaining versus interest based bargaining (Fisher &Ury, 1981), bargaining versus problem solving (Hopmann, 2000), win-lose versus win-win negotiations (Thompson, 1991; Lewicki et. al., 1994) are concepts that are used to correspond to terms of distributive and integrative bargaining. In addition to these conceptualizations, Fisher, Ury and Patton's (1991) "interest based bargaining" which emphasizes the importance of understanding the nature of interdependence among the parties and basing the negotiations on interests rather than the positions is also very similar to the concept of integrative bargaining.

In the literature, integrative and distributive bargaining is generally treated as two constructs which are mutually exclusive. Although Walton and McKersie did not express a preference for one type over the other; there is a continuing debate in the literature over the superiority of one type over the other. Much of the literature supports the view that the integrative type allows for "better compromises", "win-win solutions", "value creation" and "expanding the pie" (Fisher and Ury, 1981; Pruitt, Carnevale et al. 1983; Lax and Sebenius 1986; Sebenius 1992; Thompson 1998; Lewicki et al. 1997).

However, some researchers do not agree on this clear-cut distinction. One of the views that is increasingly supported in the literature is that most real world negotiations consists of overlapping processes (Lax and Sebenius, 1986; Bartos, 1995; Beriker, 1995; Beriker and Pegg, 2000). Lax and Sebenius (1986) argue that actually all negotiations involve both sort of processes. In the negotiation process parties attempt to "create value" by expanding the pie as much as they can. However, certainly the pie will then need to be split up, which calls for distributive negotiation. Therefore, all negotiation is a combination of "creating and claiming value", not one or the other as other theorists suggest (Burgess, 2004). Thompson (1998, p. 44) avoids the distinction between distributive and integrative types as well. Instead she considers pure conflict, pure coordination and mixed-motive negotiations. Olekalns et al. (2003b), on the other

hand, claims that creating and claiming value are the phases in the same negotiation. Authors investigated the communication in multi-party, multi-issue negotiations. They showed that negotiations mostly starts with a distributive phase and ends with an integrative phase.

One of the most recent studies on the integrative/distributive distinction in the literature is about how to manage the existing tension between creating value and claiming value. Some scholars developed conceptual frameworks for managing the dilemma between two processes (Rubin, Pruitt and Kim, 1994; Mnookin, Peppet and Tulumello, 2000). Allred (2000) presents a framework of prescriptive advice for how negotiators can manage the tension between competitive moves to claim value and cooperative moves to create value. He defines two types of practices: best practices and strategic practices. Best practices are those that tend to work in nearly all negotiation cases. Strategic practices are those that tend to work well in certain situations

Having reviewed the origin of the distinction between the integrative and distributive types of negotiation and recent literature on the issue, a closer look at the nature of distributive and integrative negotiation outcomes and processes is needed here since “negotiation outcomes and processes” are the two main dimensions of this study.

2.2.2 Distributive Outcomes and Processes

In distributive bargaining, parties have different but interdependent goals. Distributive bargaining occurs when there is a “fixed pie”, i.e. a limit to a resource, and negotiators have to decide who gets how much of that pie. There is a clear conflict of interest between the parties, and each party wants to get the most of a limited resource (Lewicki et. al., 1997). Therefore, “distributive outcomes are attained through the allocation of fixed sums of goods among the negotiating parties” (Beriker & Pegg, 2000, p.360). Regarding the process of distributive bargaining and distributive outcomes, some concepts such as starting, target, resistance (reservation) points, bargaining range (settlement zone), BATNA (Best Alternative to a Negotiated Agreement) need to be elaborated.

A starting point is the initial offer that each party makes in the beginning of the negotiation (Lewicki et. al, 1997). The target point or aspiration point is the ideal

outcome for the negotiator himself or herself (Thompson, 2001). The resistance point is the point beyond which a party will not proceed the negotiations. Resistance point represents the minimum settlement point for a party (Raiffa, 1982). The bargaining range is the space between the minimum acceptable points of the both parties (Hopmann, 2000, Thompson, 2001). BATNA, which is the best alternative to a negotiated agreement, is the attractive alternatives to the terms on the table (Fisher and Ury, 1981). BATNA "is the only standard which can protect the negotiator both from accepting terms that are too unfavorable and from rejecting terms it would be in your interest to accept" (ibid, p.104).

Regarding the distributive negotiation processes two tasks are emphasized: (1) discovering the other party's resistance point, and (2) influence the other party's resistance point (Lewicki et. al., 2003).

2.2.3 Integrative Outcomes and Processes

In the case of integrative negotiation, the goal of the process is to reach an outcome that satisfies interests of all parties. Therefore, integrative outcomes are the optimal solutions that are difficult to attain but have great benefit to both parties (Pruitt, 1981; Druckman, 2001). The kind of solution that allows each party to achieve its interests can be considered as high-value outcome (Carnavale, 2006). The predominant view in the literature is that the integrative type allows for "better compromises", "win-win solutions", "value creation" and "expanding the pie" (Fisher and Ury 1983; Pruitt,; Lax and Sebenius, 1986; Sebenius, 1992 Carnevale et al. 1993; Thompson 1998; Lewicki, Saunders et al. 1999 as cited in Kersten, 2001).

When there is more than one issue on the negotiation agenda, there is a low possibility that negotiators will attach the same importance to all of the issues to be discussed. Therefore, differences in the valuation of the negotiation issues, in expectations of uncertain events, in risk attitudes, in time preferences and in capabilities could be traded off to capitalize on an integrative agreement (Lax and Sebenius, 1986).

2.2.3.1 Mechanisms of Integrative Outcomes

In the integrative bargaining literature, five basic methods are suggested for achieving integrative agreements. Pruitt's (1983) taxonomy of integrative agreements is

significant in that sense. He identified five basic types of integrative agreements: expanding the pie, nonspecific compensation, logrolling, cost cutting, and bridging. These five strategies refocuses the negotiated issues by requiring parties to search more information about each other's true needs so they move from simpler, distributive solutions to more complex, integrative ones (Thompson, 2001).

Logrolling is a mechanism used in situations where the negotiators have different degree of preference for each negotiation issue (Thompson, 2001). In logrolling, "...parties agree to trade off these issues so one party achieves a highly preferable outcome on the first issue and the other person achieves a highly preferred outcome on the second issue." (Lewicki et. al. 1997, p. 74). Logrolling is also called "trading issues" (Pruitt, 1983). Using this strategy, each party gets the part of the agreement that it finds to be the most important. Unbundling is another form of logrolling which means converting one issue on the negotiation table into more than one (Lax and Sebenius, 1986, p.37). Another name given to unbundling is "unlinking" (Pruitt, 1981).

Cost-cutting is another mechanism used to achieve integrative agreements. This strategy calls for one party to get what it wants and the other party is compensated for the costs associated with the concessions he or she gives (Bazerman, 2005, p. 114). Here, the main difference from the non-specific compensation is the fact that the conceding party gets some items which are related to the main negotiation issue, in order to decrease the cost occurred. Cost cutting is a form of specific compensation and it increases the joint benefits of both parties by reducing the suffering of the conceding party (Bazerman, 2005, p. 114).

In non-specific compensation, which is very similar to cost-cutting, again one party gets what it wants and the other party is compensated on some unrelated issue. Here "unrelated issue" refers to an issue which is not related to the main issue being negotiated. Under non-specific compensation, additional issues are brought to the table to create the potential for trading issues (Bazerman, 2005, p. 114). Non-specific compensation must be discovered by the negotiating parties since the issue involved in the compensation is not part of the original negotiation (Neale and Bazerman, 1991 as cited in Pruitt and Carnavale, 1993). For successfully using the non-specific compensation as a strategy to achieve an integrative agreement, the party doing the non-specific compensation should know what is valuable to the other party, how seriously

the other party is inconvenienced and how much will it take to satisfy the other party (Lewicki et. al.,1997, p. 75).

Bridging is one of the most creative strategies, calling for the parties to discover alternatives that satisfy the underlying concerns of both parties (Pruitt and Carnavale, 1993, p.38). Under bridging neither side achieves its initially stated objective; rather, they search for creative solutions (Bazerman, 2005, p.115). It therefore necessitates a clear understanding of the underlying interests of the both parties. Successful bridging also requires a fundamental reformulation of the problem discussed such that parties no longer argue over their positions, rather they disclose information to discover their needs and interests (Lewicki et. al., 1997, p. 77).

Expanding the pie is simply adding new resources on the table in such a way that both sides can achieve their objectives (ibid., p. 74). However, this strategy is viable only when the parties do not have mutually exclusive interests (Bazerman, 2005, p.115).

These five mechanism suggested by Pruitt was augmented by Carnavale (2006). Carnavale suggests a novel classification in order to understand the structure and dynamics of integrative outcomes. According to him, the nature of creative outcomes depends on the type and the difficulty of the problem faced by the parties in conflict. He proposes that creative agreements can be categorized under one or another four main types (each with two sub-types) depending on the main goal of the parties. The key distinction is between the parties' positions and parties' interests. Carnavale's classification includes three different types of integrative outcome in addition to Pruitt's: compromise, superordination and modify the resource pie.

Compromise is a middle ground on certain issues that connect the parties' initial proposals. Carnavale included compromise in his classification although compromise is mostly regarded as a nonintegrative and noncreative form of agreement. He explains that since compromise serves as a useful baseline to which to evaluate more creative products, he included it in his framework.

Another mechanism included in Carnavale's classification is superordination. In superordination both parties give up their initial interests and positions due to the

change in circumstances, revised view of the conflict or because of an enticing new opportunity.

Modify the resource pie is another novel mechanism suggested by Carnavale. When a conflict is over the division or sharing of a certain resource, modifying the resource so that each party can achieve his/her own objective could be a solution. Therefore, reconfiguration of an existing resource solves the problem faced by the parties.

In the previous section, the literature on negotiation outcomes and processes on the basis of its integrative and distributive aspects has been reviewed. The next section will shed a light on the literature on the negotiation styles.

2.3 Negotiation Styles

In the negotiation literature, one of the approaches to analyze the negotiation process is the behavioral analysis which suggests that negotiated outcomes can be explained by using the negotiators themselves as the focus of analysis (Zartman, 1995). According to this approach, personalities, gender, culture and predispositions of negotiators have a significant impact on the negotiation outcomes. Personal predispositions matter in analyzing the negotiation process. A considerable amount of research has studied the effects of individual differences on the processes and outcomes of negotiation.

The way in which personality differences affect the bargaining process is mostly studied on the basis of gender and culture. Most of the research in this area has been made to advance the understanding on negotiation styles of different cultures (Rahim&Blum, 1984). With regard to Turkey, a few researches have been done to find out the Turkish managers' styles of handling conflict (Hofstede, 1983; Kozan, 1994) or the third party roles in conflict management in Turkish organizations (Kozan and Ergin, 1999; Kozan and İlter, 1994). However, these researches mostly focused on the role of the third party in handling their affective and substantive disputes. To the best of my knowledge, it is the first time that research will be made in order to shed light on the negotiation behaviors of businessmen and businesswomen specifically in Turkish financial sector.

Regarding the impact of personality on the bargaining behavior, various approaches to studying personality and disposition have been developed. One of them is conflict management styles. Dealing with conflict is a central part of the negotiation process. The Dual Concerns Model (Pruitt and Rubin, 1986b) which has its origins in Blake and Mouton's (1964) two-dimensional framework for handling interpersonal conflict is one of the most widely accepted model in the literature regarding the conflict management styles. Blake and Mouton's two dimensional framework has been adapted to several theoretical approaches assessing styles of conflict management. In this model, Blake and Mouton suggested five main modes for handling conflict: directly confronting a dispute, smoothing over differences, forcing one's position, avoiding the conflict altogether, and compromising on a middle ground. These modes or conflict handling styles depend on two types of concerns: "concern about own outcomes" and "the concern about the other party's outcomes" (Pruitt and Rubin, 1986b). Blake and Mouton's model of conflict style has been used by various researchers to develop several scales (e.g., Blake & Mouton, 1964; Hall;1969; Lawrence & Lorsch, 1967; Thomas & Kilmann, 1974;Rahim, 1983;).

Five styles of the conflict management associated with the dual-concern model are as the following: dominating, avoiding, compromising, integrating, and obliging (Blake & Mouton, 1964, 1970; Rahim, 1992, Thomas, 1992; Pruitt& Rubin, 1992) whose data were collected using either observations of behavior in conflict interactions or ROCI-II (Rahim, 1983) or MODE (Thomas & Kilmann, 1974) instruments. Different terms are used to refer to these styles in the literature such as contending and competing referring to dominating, inaction refers to avoiding, problem solving referring to integrating or cooperating and yielding referring to obliging. According to Pruitt and Rubin (1975, p. 17) problem solving is encouraged when there is a strong concern about both own and other's outcomes. Yielding is encouraged when someone has concern only about the other's outcomes. Contending is expected when one has a strong concern about only his /her own outcome. Finally, avoiding (inaction) is encouraged when concern about both parties' outcomes are weak.

The origins of this classification dates back to the term "interpersonal orientation" which was introduced by Rubin and Brown (1975). Authors reviewed over two hundred empirical studies in order to provide a structure to the numerous of

findings in this area. Rubin and Brown (1975) argued that the bargaining world is compromised of two fundamentally different types of people. According to the authors, individuals who are high in their interpersonal orientations are to be "first and foremost, responsive to the interpersonal aspects of his relationship with the other. He/She is both interested in, and reactive to, variations in the others behavior" (1975, p. 158). On the other hand, people having low interpersonal orientation are "characterized by nonresponsiveness to the interpersonal aspects of his/her relationship with the other. His/her interest is neither in cooperating nor competing with the other, but rather in maximizing his/her own gain-pretty much regardless of how the other fares" (ibid., p. 159).

Thomas (1974, 1976, 1992) transformed the two dimensions offered by Blake & Mouton (1964) into assertiveness and cooperativeness, where the former refers to the level of attempts to satisfy one's own concerns and the latter refers to the level of attempts to satisfy other parties' concerns. Thomas's research identified five major conflict management styles (see Figure 2-1).

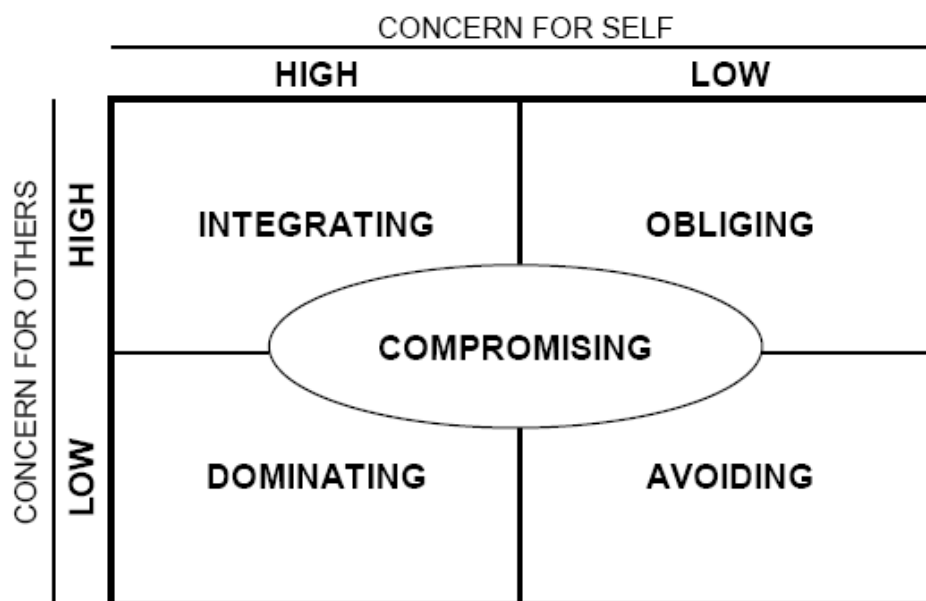


Figure 2-1: A Two-Dimensional Model of the Styles of Handling Interpersonal Conflict

In the literature, there is a correspondent use of the conflict management style and negotiation (bargaining) style since dealing with conflict is a central part of the

negotiation process (Lewicki et. al, 2003). Regardless of the cause of conflict, negotiation plays an important role in resolving it (ibid).

Some scholars argue that the individualistic dispositions and motives moderate the negotiation process and affect outcomes (Pruitt and Rubin, 1986; Pruitt and Carnavale, 1993). To give an example, a negotiator who concerns with his/her outcome and the other party's outcome (cooperative negotiator) is likely to employ a problem solving strategy that fosters integrative agreements (O'Connor, 1997)

Among the instruments developed from Blake and Mouton's model, the Thomas- Kilmann Conflict Management of Differences (also known as TKI or MODE) is a commonly used psychological assessment tool that measures the five conflict management styles proposed by the Dual Concerns Model: competing, collaborating, compromising, accommodating and avoiding (Shell, 2001). The instrument asks individuals to use two criteria to assess conflict: assertiveness and cooperativeness (Womack, 1988). Assertiveness is similar to the "concern about own outcomes" and cooperativeness refers to "concern about the other party's outcomes".

Five modes, or ways of managing differences to satisfy one's own and other's concerns, are located on the assertiveness and cooperativeness axes as the following (Womack, 1988, p.322):

Collaborating – assertive and cooperative, mutual problem solving to satisfy both parties' needs

Compromising- intermediate in both assertiveness and cooperation, exchange concessions

Competing- assertive and uncooperative, tries to win own position

Accommodating- unassertive and cooperative, satisfies the other's goals

Avoiding- unassertive and uncooperative, postpones or avoids unpleasant issues

2.4 Interplay Between Processes, Outcomes and Styles

Much of the literature on negotiation focuses on either outcome or process or style. The interplay between these variables has been a subject of fewer studies. Research has largely focused on the relationship between either on process and outcomes (Thompson, 1990; Beersma, 1999) or styles and outcomes.

Regarding the relation between process and outcomes, one body of literature supports the view that there is a strong link between process and outcome of negotiations (Schelling, 1960; Kissinger, 1969; Pruitt, 1981; Druckman and Lyons 2005). According to the literature, while the distributive behaviors lead to distributive outcomes; integrative outcomes are the results of integrative processes. Behaviors such as threats, commitments, bluffs, concealment of information leads to distributive outcomes, cooperative behaviors such as exchange of information, concession making, promises, problem solving are expected to foster integrative agreements (Pruitt, 1981; Lewicki et. al., 1997). In one of the most recent research conducted by Irmer and Druckman (2007, p.12) the authors supported this view by reaching a conclusion that “Distributive processes led to less comprehensive outcomes, including impasses. Integrative (problem-solving) processes produced more comprehensive outcomes.”

On the other hand, as argued before, other scholars argue that most negotiations consist of overlapping processes. Therefore, scholars supporting this argument do not agree with the clear-cut distinction between integrative and distributive bargaining. According to this view, cooperative and competitive elements in negotiation are inextricably entangled (Lax and Sebenius, 1986, p. 30). Therefore, both integrative and distributive processes are present in negotiation. Beriker (1995) supported this view suggesting that real world negotiation involve both distributive and integrative bargaining.

The recent literature on the study of negotiations draws attention to the importance of contextual factors on studying negotiations (Menkel-Meadow, 2001) Research shows that processes leading to high joint (integrative) outcomes are context dependent. Negotiation context refer to the factors that are present at the start of negotiations such as structural power, negotiators’ roles, their culture and predispositions (Olekalns and Smith, 2003). Subject matter, content of the issues,

relationship between the parties, stakes, power, visibility of the negotiation, accountability, personal characteristics of negotiators, medium of the negotiation, routines of the negotiation are all considered as contextual factors that influence the conceptual orientation and mind-set that goes into “solving” a negotiation problem substantively and the process (Menkel-Meadow, 2001).

Among the contextual factors, relatively little research has focused on how the individual dispositions and personal characteristics of negotiators shape negotiation processes. (Butler, 1994; De Dreu, Weingart and Kwan, 2000). Conflict management style is regarded as one of the aspects of individual predispositions. “People use styles consistently because they have a personality predisposition to do so.” (Lewicki et. al., 2003, p.368). Since dealing with conflict is a part of the negotiation process, the terms of conflict management style and negotiation style are mostly used synonymously in the literature (Shell, 2001; Lewicki et. al., 2003).

There is a debate about the usefulness of models of conflict styles in explaining the negotiation behavior (Carnevale and Pruitt, 1992; Druckman, 2003b). In the literature, there are two main arguments about the relationship between conflict styles and negotiation outcomes. Some scholars strongly support the view that the individualistic dispositions, therefore, styles can moderate the negotiation process and affect outcomes (Pruitt and Rubin, 1986; Pruitt and Carnavale, 1993 motives) According to the research, a negotiator who concerns with his/her outcome and the other party’s outcome, cooperatively oriented negotiators, is likely to engage in greater information change and more systematic concession which fosters integrative (high joint) agreements (Olekalns, Smith and Kibby, 1996; O’Connor, 1997). Others believe that rather than looking at the individual styles we should focus on negotiators’ information processing abilities to understand the negotiation processes and outcomes (Neale & Bazerman, 1991).

Research on the effect of conflict management styles on the bargaining behavior and processes provides simple yet coherent conclusions. The existing literature suggests that people generally reflect their attitudes and styles on their behaviors (Fazio and Zanna, 1981; Fazio and Powell, 1989; Fazio, 1990). Fazio and Powell (1989) argue that attitudes can guide a person's behavior even when the person does not actively reflect and deliberate about the attitude. In this respect, it is expected that the style of the

individual affecting his/her negotiating behavior directly influences the process of the negotiation. Parties having competing (dominating, contending) style maintain their own aspirations and try to persuade the other side to yield in the process of conflict management (Pruitt and Rubin, 1986b, p. 25). Threats, bluffing, punishments, coercion, persuasive arguments positional commitments are some of the tactics a party having competing style can apply during the conflict management process (Carnavale and Pruitt, 1993; Lewicki et. al., 2003). Competing style is generally associated with zero-sum thinking and distributive behavior. Rahim (1994, p.6) states that; “A dominating or competing person goes all out to win his or her objective and, as a result, often ignores the needs and expectations of the other party.”

Negotiators having collaborating (cooperating, problem solving) style are good at using negotiations to search beneath the surface of conflicts and to discover the basic needs, interests and perceptions of the other party during the process (Shell, 2001). Cooperating style is generally associated with integrative (cooperative) behavior and processes. Rahim (1994, p.6) suggests that “this style involves collaboration between the parties for problem solving. This requires trust and openness so that the parties can exchange information and analyze their differences to reach a solution acceptable to them”. Using promises and acquiring information about the other party are some of the tactical choices that can be used by a negotiator having a collaborating style (Carnavale and Pruitt, 1993).

High avoiders, on the other hand, may prefer retreat, be silent or do nothing during the negotiation process (Lewicki et. al., 2003). Compromisers have moderate effort to pursue their own outcomes and moderate effort to help the other party. Shell (2001,p.167) argues that “high compromisers rush the negotiation process unnecessarily to reach the closing stage of the process, and may make concessions too readily”

Accommodators (also called yielding or obliging) show little concern in whether they attain their own outcomes, but they are interested in whether the other party attains his/her outcome (Lewicki et. al., 2003). According to Rahim (1994); “this style is associated with attempting to play down the differences and emphasizing similarities to satisfy the concerns of the other party. It may take the form of self sacrifice, selfless generosity, charity, or obedience to another person’s wishes.”

Compromising is a moderate effort to pursue one's own outcomes and a moderate effort to help the other party (Lewicki, 2003,p.24). Compromisers tend to split up the difference, exchange concessions or seek a quick middle ground position (Rahim, 1994, p.7)

Chapter 3 Methodology

In this section research methods and frameworks employed to collect empirical data, will be described. I also aim to explain what rationale lies behind the usage of these specific methodologies and what are their strengths and the weaknesses as research methods. The application of these methods and the strategy followed in analyzing the collected data shall be reviewed in subsequent chapter.

This study uses content analysis as a main methodology. The main research strategy used in this research is the interviews that generate data regarding the subject of the study. Data is collected from interviews conducted with professionals in the financial sector. Content analysis of the narrated cases was conducted in order to depict the nature of outcomes and process of negotiations. In addition to these, individual negotiation styles of the interviewees were evaluated by applying a psychological assessment tool. Therefore, this project is a comparative study which integrates the elements of outcomes, processes and styles of each case, and analyzes the dynamics between these three elements.

In addition to this, the study provides descriptive detail on negotiations in the business context. In the interviews, I shall ask the participants, who are managers working in the financial sector, to narrate one of the negotiation cases they vividly remember in a detailed manner. The main goal of this research project and the interviews is:

- to explore the nature of negotiation outcomes
- to examine the mechanisms used by the negotiators to arrive the integrative outcomes
- to trace the processes that lead to those outcomes

- to find out individual styles of the managers working in the Turkish financial sector
- to find out the relationship between the element of negotiation processes, outcomes and styles

Before moving onto the description of main methods used in this research project, the qualitative of the study is also briefly discussed. Discussing the qualitative nature of the research is important for understanding the rationale behind the preference of specific methods employed for conducting this study.

3.1 Qualitative Nature of the Study and the Rationale of the Methodology

There is a wide range of methodological practices in the study of negotiation (Carnavale and De Dreu, 2005). There are historical case studies, laboratory experiments, survey studies, archival data analysis and mathematical modeling. Our understanding of negotiation processes is mainly based on the experimental studies conducted by social psychologists. Negotiation is one of the fields which has benefited the most from empirical research (Druckman, 2003b).

Since much of the literature on negotiation is based on experimental studies, there is a need for more qualitative research on the subject to further the understanding on the bargaining behaviors of people in real-life settings. Focusing on real-life settings is needed because direct examination of real-negotiation cases provides information about what negotiators actually do, rather than what they planned to do or what they thought they did (Weingart, Olekalns and Smith, 2004, p.441). Qualitative research on the subject is significant because, as claimed by Bryman (2004, p. 280), qualitative researches are more concerned with providing a great deal of descriptive detail about the outcomes of their research than the quantitative researches. Secondly, qualitative researches put emphasis on the setting being investigated, which is also very critical in understanding the behaviors of people in certain contexts (Bryman, 2004, p.280). Third, qualitative research is more inclined to put emphasis on process, how events and patterns unfold over time (ibid., p.281).

As mentioned previously, this research aims to provide a picture of negotiation behaviors of businessmen and businesswomen in the financial sector. Since my main purpose is to further the understanding of the negotiation outcomes and processes in a business context, providing descriptive detail is very critical for the research. As Bryman (2004, p. 281) claims descriptive detail supplies the mapping of the context in terms of which behavior is understood. Among the broader family of methodologies referred as qualitative research, content analysis has a central place. In the next sections, content analysis will be introduced to the reader.

3.2 Methods

In this section, three methods employed in this research will be examined separately. I shall also provide the reader the application of these methods to analyze the data collected through the interviews.

In order to diagnose the nature of negotiated outcomes, the methodology used in this study will be borrowed from Beriker and Pegg's (2000) "Analysis of Integrative Outcomes in the Dayton Peace Agreements". To trace the process of negotiations, content analysis will be conducted using specifically Bargaining Process Analysis of Walcott and Hopmann (1975). Lastly, in order to assess the individual negotiation styles of the interviewees a psychological assessment tool; named the Thomas-Kilmann Conflict Management of Differences (TKI) that measures the five conflict management styles will be conducted. Before moving onto the specific methods used in this research, design of the research including information on case selection, research sample and research instrument will be provided with the reader.

3.2.1 Research Design

3.2.1.1 Case Selection and Research Sample

In this research the empirical data is collected by recording semi-structured interviews conducted in Istanbul and Ankara. Research sample used in the research is identified through non- random methods. Since this research is a qualitative study in nature, it is the relevance to the research topic rather than their representativeness determined the way of people to be selected (Flick, 1998, p.41 as cited in Neumann, 2006).

I used purposeful sampling in choosing the group of people to be interviewed. Purposeful sampling is chosen since my motivation was to identify particular types of cases for in-depth description. There are different ways for purposefully choosing information- cases. Among these ways, I preferred snowball (chain sampling) in determining with whom I should conduct the interviews. Snowball sampling is an approach for locating information-rich key informants or critical cases (Patton, 2002, p.237). In this approach to sampling the researcher makes initial contact with a small group of people who are relevant to the research topic and then uses these to establish contacts with others (Bryman, 2004, p.100). Similarly, I have first used my personal contacts to determine with whom I should talk to in order to gather data on negotiation cases in the financial sector. Upon the consultancy with people who are relevant to my research subject, I accessed a larger group of people from the financial sector.

My first initial contact has been the domestic brand manager of G Securities², Akgün Doğan, who has an experience in the various branches of financial sector such as banking and investment consultancy over 10 years. Upon his guidance, I have established my other contacts, who are the managers employed in the financial sector at the time of inquiry. Akgün Doğan has also helped in the process of identification of the scope of the financial sector and some specific terminology used in the finance literature.

I believe that I have accomplished three goals by using purposeful sampling in this research. First of all, in a small-scale qualitative study purposeful sampling enabled me to select cases that show different perspectives on the negotiation process I want to portray (Cresswell, 1998, p.62). The second goal that purposeful sampling achieved is that I selected my sample to deliberately examine the cases that are critical for the theories and approaches that I began my study with. Lastly, cases were selected because they were “information rich” and illuminative. At this point, it is important to note that using purposeful sampling aimed at presenting an insight about the negotiation outcomes and processes in the Turkish financial sector, not empirical generalization from a sample to population (Patton, 2002, p.40).

² An artificial name is given to institution upon the request of Akgün Doğan.

It is also important to note that although cases presented in this study have a wide range of topics from recruitment negotiations to credit negotiations; the fact that all negotiation cases explained here took place between managers from the financial sector serves the aim of the study. Although different range of topics was discussed between the parties, the fact that in all cases similar interests were underlying the positions of each party provides coherence between the cases under consideration.

3.2.1.2 Research Instruments: Interviews

Qualitative interview is employed in this research for the collection of qualitative data. Before moving onto the discussion about case selection and research sample, certain factors which motivated me to base my study on interviews shall be explained in this section.

The interview is one of the most widely employed methods in qualitative research due to a number of reasons. As stated by Patton (2002) we interview people to learn from them those things we cannot directly observe. The fact that we cannot observe feelings, thoughts, intents, and behaviors that took place at some previous point in time makes researcher ask people questions about those things (Patton, 2002, p. 340-341). My research topic, which is the business negotiations conducted in financial sector, is one of the areas where it is difficult to gather empirical data, since in Turkey business people generally do not want to publicize their commercial issues because of their concerns about leak of information regarding their business conducts. This necessitates the employment of interviews as a way to learn more on their negotiations.

There are different approaches to collecting qualitative data through interviews. In this research, semi-structured interviewing has been preferred. In the semi-structured interviewing, the researcher has a list of questions or specific topics to be covered named as an interview guide (Bryman, 2004, p. 321). However, the interviewee also has a great deal of flexibility in how to reply this set of questions. An interview guide has been provided with the interviewees in order to ensure that same basic lines of inquiry are pursued with each person interviewed. The list of questions asked during the interviews can be found in the subsequent section.

3.2.2 Methods for Analyzing the Nature of the Outcomes

In the present study, the nature of the negotiated outcomes will be analyzed by using the same methodology applied by Beriker and Pegg in their work of *An Analysis of Integrative Outcomes in the Dayton Peace Agreements* (2000). As mentioned before, most of the literature on negotiation is based on the experimental methodology. I chose Beriker and Pegg's methodology since it is one of the rare studies which explore the integrative mechanisms in negotiation in a real world setting. The authors analyzed the negotiated outcomes of the Dayton Agreements in terms of their integrative and distributive aspects. By using the five mechanisms of integrative negotiations developed by Pruitt (1981), which are logrolling, cost cutting, non-specific compensation, bridging, and expanding the pie, they formulated the outcomes of the negotiations. In the present study the same method will be conducted to analyze the outcomes.

As stated in Beriker and Pegg (2000, p.361), in order to formulate the negotiated outcomes of the negotiations narrated by the interviewees and to find out which mechanisms were used by the parties to reach those outcomes the following information should be obtained during the interviews:

- a) the initial positions of the parties- aspirations and resistance points to depict the distributive outcomes
- b) the underlying interests behind the positions- for analyzing the nature of the outcomes which involve bridging, non-specific compensation, and cost cutting
- c) the priorities placed on the issues by the parties- for logrolling
- d) actual outcomes of the negotiation- what each party got at the end of the negotiation process

To obtain information on these issues, following questions are formulated and incorporated to the interview guide:

1. What was the negotiation issue? What were the sub-issues?

2. What was the position of each party regarding the issue/ sub-issues? (Here more information could be provided to the interviewee about the definition of “position”)
3. Why did each party take such positions concerning the issue/sub-issues? (Here the question could be clarified by asking the interviewee what were the factors which lead him/her to defend his/her position regarding the issues)
4. What were the priorities of each party concerning this issue/sub-issue?
5. What did each party get at the end of the negotiation process?

It should be noted that presented data regarding the answers of the above mentioned questions is totally based on the responses of the interviewees. After answers of all these questions were obtained by the interviewee, in analyzing the collected data through interviews, if I find out information such as the following:

1. fixed resource (money) is simply shared among the parties
2. one party gets the total of what he/she asks for and the other gets nothing
3. parties reach an agreement by giving concessions from their initial positions and settle with a position closer to their resistance points,

I will label the negotiated outcome as distributive.

On the other hand, the following strategy will be used to label the integrative outcomes that were come up:

- Non-specific compensation: If it is found out that one party received what he/she initially asked for, and the other party got some items that are not related with the main issue being negotiated; the outcome will be labeled as a non-specific compensation.
- Cost cutting: If one party got the total of what it wants and the other party is compensated with items related to the main issue, the agreement will be called “cost cutting”.

- Logrolling: If it is found out that the parties had different priorities on the issues being negotiated, and they exchanged concessions on the items that are comparatively less important for themselves, then the outcome will be identified as logrolling.
- Bridging: If the parties come up with a new and a creative solution that satisfies the underlying concerns of both parties, the outcome will be labeled as bridging.
- Expanding the Pie: If it is found that new resources are added on the table in such a way that both sides can achieve their objectives.

3.2.3 Methods for Analyzing the Negotiation Processes:

In the present study, the main method used to trace the negotiation process is the content analysis, specifically Bargaining Process Analysis System of Walcott and Hopmann (1975).

3.2.3.1 Bargaining Process Analysis

In the present study I shall apply the Bargaining Process Analysis (BPA) of Hopmann and Walcott (1975) to analyze the process of negotiations. Bargaining Process Analysis, which is a content analysis procedure, is one of the most frequently used in the literature mechanisms to trace the negotiation processes. It is “a system for coding many relevant aspects of bargaining process in a situation where relatively unrestricted verbal communications are possible” (Hopmann, 1976, p. 321). The rationale behind the use of this specific method stems from its applicability to the analysis of verbal interactions in the verbatim transcripts of actual negotiations (ibid.,p.321).

Various researchers have conducted the BPA in their analysis and these researches have made significant contributions to the literature. Druckman’s (1986) analysis of the negotiations over the military bases between Spain and the United States was based on this specific method. In the literature, various researchers used this method to analyze the processes international negotiations (Hopmann and Walcott, 1973; Beriker, 1992; Beriker and Druckman, 1996; Heydenfeldt, 2000; Ozcelik, 2004).

BPA instrument is adapted from a system called Interaction Process Analysis employed by Bales for coding verbal interactions. This is a system for coding interactions in groups that incorporates categories such as positive and negative socio-emotional reactions and task behavior (Hopmann, 1976, p.321). Bargaining Process Analysis is used for measuring the processes of bargaining and conflict in small group interactions (p.321). It is based on two sources: the bargaining variables are taken from the conceptual schemes of Schelling's work on bargaining strategies and the contextual variables are mainly borrowed from Bales. The categories are formulated to operationalize the concepts and coding rules are defined in terms of definitions of the categories (Druckman, 2005).

The thirteen categories included in the BPA can be described within 5 classes:

1. Substantive Behavior:
 - a. initiatives
 - b. accommodations
 - c. retractions
2. Strategic Behavior:
 - a. Commitments
 - b. Threats
 - c. Promises
3. Task Oriented Behaviors
 - a. Agreements
 - b. Disagreements
 - c. Questions
 - d. Answers
4. Affective Behaviors
 - a. Positive affect
 - b. Negative affect
5. Procedural Statements

The operational definitions of the above mentioned categories are shown in the Appendix A.

3.2.3.1.1 Recording Units:

As a technical issue regarding the application of content analysis, identification of the unit of codification is an important decision that should be considered by the researcher. “The unit can range from single words or sentences to large sections of texts (or process), including single speaking units, dyadic (or group) units, issue discussions, timed units such as sessions, or even the thematic discussions that span issues (Druckman, 2005, p. 260). The identification of the recording unit depends on the aim of the research. Since one of the aims of this study is to find out whether competitive or cooperative behaviors characterize the negotiation process, statements of the negotiators are used as recording units. These can be defined as “all words spoken by a single negotiator until the other negotiator begins talking”.

For this purpose, during the interviews it will be requested from the interviewee to explain the dyadic verbal interaction in one of the most recent negotiation experience he or she lived through. The dialogue taking place between the negotiators will be transcribed and analyzed accordingly.

To detect inter-coder reliability, one different coder conducted content analyses on the randomly selected cases. Training was given to the coder in order to teach how to make coding. Kendall’s coefficient was 0.85.

3.2.3.1.2 System of Enumeration:

The last technical decision concerns the way the codes are used in the analysis. This is known as the aggregation-disaggregation issue (Druckman, 2005). Two indices will be formulated to analyze the data collected from the interviews. Since my main aim in analyzing the processes to see whether competitive (hard) or cooperative (soft) behavior characterizes the negotiation process, measurements for both types of behavior were established.

A measurement of hard behavior was formulated by aggregating statements which were coded as “commitments” and “threats”. On the other hand, a measurement for soft

behavior was established by aggregating statements in the categories of “accommodations” and “promises”. As a result, the following indices shall be used accordingly:

$$\textit{Competitive Index} = \frac{\textit{Hard Statements}}{\textit{Hard} + \textit{Soft Statements}}$$

$$\textit{Cooperative Index} = \frac{\textit{Soft Statements}}{\textit{Hard} + \textit{Soft Statements}}$$

For each negotiation case, the reader will be provided with a table that illustrates under which category each statement of the parties fall. Moreover, the number of statements that are characterized as commitments, threats, and accommodations, promises will be demonstrated within a separate table, since they are the main items that compromise our indices.

When it is found that the value of the competitive index is higher than the value of the cooperative index, it will be concluded that the negotiation process of the concerned case is characterized by “hard behavior”, which means competitive. On the other hand, if the value of the cooperative index is found higher than the competitive index, the process of the concerned case is characterized with “soft behavior”, meaning cooperative.

3.2.4 Methods for Analyzing the Negotiation Styles:

Among the instruments developed from Blake and Mouton’s model, the Thomas-Kilmann Conflict Management of Differences (also known as MODE Instrument) is a commonly used psychological assessment tool that measures the five conflict management styles proposed by the Dual Concerns Model: competing, collaborating, compromising, accommodating and avoiding (Shell, 2001). The instrument asks individuals to use two criteria to assess conflict: assertiveness and cooperativeness (Womack, 1988). Assertiveness is similar to the “concern about own outcomes” and cooperativeness refers to “concern about the other party’s outcomes”.

Five modes, or ways of managing differences to satisfy one's own and other's concerns, are located on the assertiveness and cooperativeness axes as the following (Womack, 1988, p.322):

- **Collaborating** – assertive and cooperative, mutual problem solving to satisfy both parties' needs
- **Compromising**- intermediate in both assertiveness and cooperation, exchange concessions
- **Competing**- assertive and uncooperative, tries to win own position
- **Accommodating**- unassertive and cooperative, satisfies the other's goals
- **Avoiding**- unassertive and uncooperative, postpones or avoids unpleasant issues

TKI is based on the assumption that bargaining strategy is something relatively stable, personality driven clusters of behaviors and reactions that arise in negotiation encounters (Shell, 2001).

TKI is noteworthy for its widespread use in academic studies and in organizational trainings over 30 years and this increases its reliability. Other advantages of using TKI is its ease of management, relative freedom from social desirability biases in the way statements in the instrument represented, conflict styles that correspond with strategy concepts are widely used in the negotiation literature and important convergence between TKI styles students report and their perceptions of their own behaviors during the simulations (Shell, 2001, p.5).

TKI scores of each interviewee is plotted against a relevant sample depicted in a table which can be found in Appendix B. The figure displays the various TKI scores provided by the sample in percentile form. Each possible score is graphed in relation to the scores of managers who have already completed the questionnaire. The horizontal lines represent percentage of people who have scored at or below a given number. If an interviewee scored some number above the 80 % of competing, that would mean that s/he had scored higher than 80 % of the people who have taken the TKI.

Two points should be mentioned here regarding the utilization of TKI. In this study the TKI was applied to the interviewees after they narrated the negotiation case they experienced. This order of the application might have affected the way interviewees answered the questions in the TKI instrument which is in the form of survey. The interviewees, in order to seem consistent, could have answered the questions in accordance with the process of the negotiation s/he narrated beforehand.

Second point is that the TKI has not been applied in any study about negotiation in Turkish culture before. The fact that TKI is a product Western scholarship and prepared on the basis of western understanding and practice of negotiation should also be taken into consideration in interpreting the data collected via TKI.

3.2.5 Pilot Study

Before collecting data through interviews, one pilot study has been conducted to evaluate the methods of the research as a whole. In line with the lessons learned through the conducted pilot study, I shaped my research strategy and made certain adjustments on my research instrument. Regarding the confidentiality issues, I realized that an interviewee may have some concerns about the fact that the data s/he provided about the negotiation case would become public since the study will be a published work. Her questions such as whether her name and the name of the institution she mentioned would be publicized led me to become more sensitive about this issue. I have decided to protect privacy by providing a social picture of an interviewee by giving a fictitious name when necessary. For the future interviews I have decided to make the interviewees remind that their names could remain anonymous if they will feel more confident while narrating their experiences.

In the pilot study that I conducted, another technical lesson I learned was about recording the case narrated by the interviewee. I did not have a tape recorder with me and I felt its necessity when I saw that transcribing a large amount of information took a long time which slowed down the interview process and made the interviewee bored. However, on the other hand, the interviewee mentioned that if I used a tape recorder, she would not have felt confident while narrating the case. Upon this comment, I have decided to ask my prospective interviewees whether they would feel comfortable about

my tape recording their narrations. I would just transcribe their narrations if they acknowledge that they feel uncomfortable with the tape recorder.

During the interview, I have faced some difficulties in finding the answers for the questions I have in my interview guide. Although in the beginning of the interview, I let the interviewee know what were the main points I was interested in learning, later on during the process she started to talk about irrelevant details. Therefore, I had to persistently remind the interviewee the questions in my interview guide to make her not to describe irrelevant details about the case. This experience has showed me that a more interventionist and leading approach might be needed during the interview to make the interviewee focus on the questions I provided within the interview guide.

The second difficulty I have faced during the interview was making the interviewee narrate the negotiation case by referring to the dialogues between herself and the opposing party. To learn what was said to whom chronologically was very significant for me to trace the negotiation process. In order to achieve this I persistently asked questions such as “What did you say upon this?”, “Which question did you ask?”, “What was his answer?”, “Could you please say the exact words you spoke?.”

Another important lesson learned through the pilot study was that the interviewee, who was an experienced manager working in the banking sector, advised me to conduct these interviews not only with top level managers but also with the ones who are at second and third level as they more frequently engage in negotiations as part of their jobs. In accordance with her advice I contacted managers at the second and third level as well for the further interviews.

After conducting two pilot studies, I have started collecting data through having 6 interviews with managers working in the financial sector. Next chapter illustrates the analysis of collected data based on the methodology described in this chapter.

Chapter 4 Analysis

In this section, data collected through the 6 personal interviews conducted with managers from different financial organizations, will be analyzed by using the methodology described in the previous chapter. As will be recalled, the main research question of this thesis is how in real life and in the context of Turkish financial sector, businessmen and businesswomen at the managerial level conduct their negotiations at the interpersonal level and which type of negotiated outcomes are achieved in consequence. Another concern of this study is to discover which individual negotiation styles the interviewees have. In relation to the research questions of the thesis, the analysis chapter includes three sections: outcomes, processes and styles. In the first section, after a brief summary of process of each case is given, an outcome analysis will be presented. In the second section, the process analysis of each case will be conducted. In the final section, data regarding the negotiation styles of each interviewee will be presented. Data presented about each negotiation case is totally based upon the responses of the interviewees.

4.1 Outcome Analysis

In this section, first, each case is presented by providing a brief summary of the negotiation process. Second, the main issue and sub-issues of each case are defined. Each sub-issue will be analyzed by answering the questions as follows:

1. What was the position of each party regarding the issue/ sub-issues?
2. Why did each party take such positions concerning the issue/sub-issues?
3. What were the priorities of each party concerning this issue/sub-issue?
4. What did each party get at the end of the negotiation process?

It should be noted that for all the cases, above questions concerning the positions, interests, and priorities of both parties were answered by one of the parties. For this reason, in some of the cases when the interviewee could not answer the question requiring the information about the other party, data could not be attained. To give an example, in the first case the data the priorities of the other party was unknown by the interviewee, therefore it was not included in the analysis.

In analyzing the negotiated outcomes, for negotiation cases that consist of more than one sub-issue, when it is revealed that certain linkages between the issues were established in order to reach an outcome, an analysis was conducted by considering this relationship. In other words, the issues that have linkages were evaluated together when conducting an outcome analysis. Therefore, overall outcome analysis was carried out for the issues that parties handled by making linkages. However, in the first case since it was discovered that each sub-issue were handled between the parties independent from each other, an outcome analysis was made on the issue basis. That is to say, an outcome analysis was conducted separately for each sub-issue.

4.1.1 Case 1 “Do not move me!”

The first negotiation case is a recruitment interview in which the bargaining took place between Çiğdem Doğan, who works as a customer relations manager in and the Human Resources Director (HRD) of T Bank. Çiğdem Doğan had been working in one of the Ankara branches of V Bank for two years. The HRD of T Bank calling Doğan, offered her a position in as a customer relations manager. After a set of interviews on the phone, The HRD and Doğan sat at the table to negotiate over certain issues regarding the specifics of the job.

What was the negotiation issue? What were the sub-issues?

The main negotiation issue was the recruitment of Çiğdem Doğan at T Bank . The recruitment issue consisted of three sub-issues which were: (1) the location of the work (2) amount of the salary; and (3) the location of the branch within the city. It should be also noted here that above issues were discussed within two separate packages: İstanbul and Ankara packages. That is to say, the above mentioned sub-issues were negotiated both for İstanbul and Ankara options separately. Under the İstanbul package salary and

location of the branch was negotiated between the parties. Under the package of Ankara, location of the branch was the negotiation subject.

4.1.1.1 Process Summary

The negotiation initiated with the proposal of the HRD. She asked Doğan whether she would like to work as a senior customer relations manager in one of the İstanbul branches of getting a salary of 2000 YTL a month. Doğan disagreed with this proposal by saying that it was very difficult for her to change the city she has been living in for several years and asked whether it was possible for her to work in one of the branches of located in Ankara. The HRD refused this proposal stating that there was no employee need in managerial positions in their Ankara branches. In response to the explanation of the HRD, Doğan stated that she could only accept working in İstanbul if two other conditions would be met by the bank. In order for her to start working in İstanbul, she should have been paid at least 3000 YTL. Second, she should be employed in a branch located in one of the wealthiest districts of Istanbul such as Etiler, Ulus or Levent area. Regarding her first offer, the HRD stated that it was impossible for them to pay 3000 YTL as the salary, because according to the recruitment policy of the bank, the amount of salary offered to the candidates was dependent on the level of the available position and the experience of the candidate. She added that they could not make any exception to their payroll policy. Doğan therefore declared that under those conditions she could not accept working in Istanbul. She told the HRD that she wanted to end the negotiation. In the face of Doğan's resistance, the HRD accepted Doğan's proposal of working in one of the branches of the bank in Ankara.

After the HRD accepted Doğan's demand of working in Ankara, parties negotiated over the neighborhood of branch where Doğan would work as a manager. HRD asked Doğan if she would like to work in Ulus, which is a middle-income neighborhood. Doğan did not accept this proposal saying that her customer profile consisted of wealthy people in V Bank, therefore in order to attract her current customers to it was important for her to work in a wealthy district such as Gazi Osman Paşa or Çankaya. Opposing to this idea, the HRD stated that she had already given a concession on the issue of the city and said it was now Doğan's turn to make a concession. However, Doğan resisted this offer and promised that if she is given the

opportunity to work at in area where the customer profile is high, she could bring in large amount of portfolio to the bank.

Both parties were reluctant to make concession on the issue and the negotiation came to an impasse. However, the HRD made a new proposal to break the created impasse. According to the new proposal, Doğan would work at a branch located in Gazi Osman Paşa area, however in return she would have to sign a contract binding her to pay compensation of 20 000 YTL in case she quits working in and starts working in another financial institution earlier than 3 years. Doğan accepted this proposal and agreed to sign the contract. As a result of the negotiation, Doğan started to work with T Bank.

Below each sub-issue will be analyzed by referring to the specific methodology mentioned in the beginning of the section. Under each sub-issue, the questions that were presented in the methodology chapter will be answered. If certain linkages are found between the sub-issues, an overall outcome evaluation will be presented in the end of the analysis.

For the first case, the outcome analysis of each sub-issue issue shall be separately conducted, since the interviewee, Çiğdem Doğan, stressed that they handled the issues independent from each other.

4.1.1.2 Sub-Issue 1: Work Location

What was the position of each party regarding the issue/ sub-issues?

In which city Doğan would work was one of the sub-issues negotiated between the parties during the interview. Doğan wanted to start working in one of the branches of T Bank founded in Ankara. On the other hand, the HRD wanted to employ Doğan in one of the İstanbul branches of T Bank.

Why did each party take such positions concerning the issue/sub-issues?

Doğan had three underlying interests regarding her demand. First of all, Doğan had been living in Ankara with her family. She was married. Therefore, changing the city she lives in did not seem a good option for her. Second, she had a certain customer portfolio in Ankara since she had been working there for several years. If she had

started working in Istanbul, she would have to build up a new customer portfolio which would require her to spend considerable time and effort. Third, the amount of salary offered by the bank was not sufficient for Doğan to maintain the same life standard in Istanbul as the one in Ankara, since the prices were relatively higher in İstanbul compared to Ankara.

The underlying interest of the HRD was to engage Doğan for one of the recently opened branches of T Bank in Istanbul in which there was a crucial employee need in the managerial positions. Secondly, HRD was thinking that Doğan, as an experienced and a successful manager in the banking sector, could also show the same performance in Istanbul as she did in Ankara.

What were the priorities of each party concerning this issue/sub-issue?

For Doğan, the issue of city of branch she would work in was the most significant topic of the negotiation. The information about the preference of the HRD could not be obtained through the interview.

What did each party get at the end of the negotiation process?

At the end of the negotiation process, the HRD accepted Doğan's proposal of working in a branch located in Ankara. Therefore, while Doğan got what she asked for, the HRD obtained nothing for this issue.

4.1.1.2.1 Outcome Analysis of Sub-issue 1

The issue of in which city Doğan would be employed was negotiated between the parties independent from the other issues of the negotiation. Therefore, the analysis of the outcome of this sub-issue is made on an issue-basis. The outcome of the negotiation can be best described as a distributive outcome where one party gets the total of what she demanded, the other one got nothing. It should be also noted that since Doğan clearly stated during the interview that the issue of the city of branch was separately negotiated between her and the HRD in the beginning of the negotiation and no link was explored between the issues.

4.1.1.3 Sub-Issue 2: Amount of Salary

What was the position of each party regarding the issue/ sub-issues?

Regarding the amount of salary, Doğan wanted to get 2000 YTL for the offered position. She also acknowledged that her resistance point was 1750 YTL. However, it should be here noted that these figures were valid for the Ankara package. She had different preferences regarding Istanbul. She could accept working in Istanbul only if she would be paid 3000 YTL. Regarding Istanbul, her resistance point was 2750 YTL.

On the other hand, the HRD's offer was 2000 YTL as the amount of salary. As a general policy of the Y bank, for the position offered to Doğan the pre-determined standard salary was 2000 YTL.

Why did each party take such positions concerning the issue/sub-issues?

Doğan had determined 2000 YTL as her aspiration point on the basis of the comparison she made between the amount of salary she was getting in her current job and that of the newly proposed job. Çiğdem Doğan was paid 1500 YTL at her current job; therefore she thought that, in order for her to change her job, at least she should have been paid more in T Bank the salary proposal of HRD which was 2000 YTL, seemed an attractive offer first. However, since the position offered to Doğan was in Istanbul, she thought that 2000 YTL would not be enough for her to maintain the same living standards she has in Ankara. Therefore, there would be no point in changing the job and the city she lives in.

For the İstanbul package, she had determined 3000 YTL on the basis of comparison she made between the prices in Ankara and in Istanbul. Since the prices are higher in İstanbul compared to Ankara, Doğan thought that getting 3000 YTL in İstanbul could help her maintain the same living standards she had in Ankara with 2000 YTL.

On the other hand, the HRD offered the same amount of salary for both İstanbul and Ankara. This was due to the fact that according to the recruitment policy of the Y bank, for the position offered to Doğan, the pre-determined standard salary was 2000 YTL. The position offered and the experience of the candidate determined the amount of salary. The location of the offered position was not taken into consideration when determining the salary policy.

What were the priorities of each party concerning this issue/sub-issue?

Doğan acknowledges that this issue had less importance compared to the other issue of city of the branch she would work in. However, it was more important than the issue of neighborhood of the branch she would work in.

Priority ordering of the HRD could not be detected during the interview.

4.1.1.3.1 Outcome Analysis of the Second Sub-issue

Initially, there was an attempt by Doğan to negotiate the salary issue with the HRD for the offered position in Istanbul. However, after the parties agreed that Doğan would work in Ankara branch of the bank, the issue of amount of salary dropped from the negotiation agenda. Therefore, no analysis is presented for the issue of salary.

4.1.1.4 Sub-Issue 3: The location of the branch within the city

What was the position of each party regarding the issue/ sub-issues?

After the parties agreed on the proposal that Doğan would work in a branch located in Ankara, parties started to negotiate over the neighborhood of the branch she would work. Regarding Ankara, Doğan wanted to work in one of the branches of T bank located in one of the wealthy neighborhood such as Çankaya, Gazi Osman Paşa or Tunali Hilmi. For İstanbul, she preferred to work again in a wealthy neighborhood such as Levent, Etiler or Kalamış.

Regarding the location of branch in Ankara, the HRD was not willing to place Doğan to the branches of the bank located in Gazi Osman Paşa or Cankaya. Since the only available managerial position in Ankara was in Ulus district, the HRD wanted to place Doğan in Ulus branch of T Bank. On the other hand, for İstanbul, Kadıköy branch was in need of an employee working in a managerial position.

Why did each party take such positions concerning the issue/sub-issues?

The rationale behind the demand of Doğan to work in a wealthy area was associated with the customer profile she could access in these neighbourhoods. As mentioned before, Doğan was working with customers from the wealthiest segments of the society since she was working in a branch located in Çankaya, which is a wealthy

district. People living in the wealthy districts were bringing considerable amount of savings to their bank which is something very profitable for the bank and its customer relations managers. Therefore, the underlying interest of Doğan was to maintain her high profile of customers having considerable amount of portfolio, by working at the same area as her former bank. Moreover, she thought that working in a wealthy district would increase her chances of finding new customers having considerable amount of savings.

For the HRD, the employee need of the branches was the decisive factor of his position. Since there was no employee need in the managerial positions of the branches which were demanded by Doğan, the HRD opposed Doğan's proposals in the beginning. Moreover, placing Doğan in a branch located in Çankaya or Gazi Osman Paşa areas would require the HRD to change the place of managers already working in the concerned branches demanded by Doğan.

What were the priorities of each party concerning this issue/sub-issue?

For Doğan, location of the branch she would work in was coming after the issue of city of the branch in terms of its importance. The same ordering holds true for the HRD.

What did each party get at the end of the negotiation process?

In the end of the negotiations between the parties, the HRD accepted Doğan's demand of working in Çankaya area. However, in return for this, she wanted Doğan to make certain concessions. According to the agreement between the parties, Doğan would sign a contract with binding her to pay compensation of 20 000 YTL to T Bank in case she quits working there and starts working in another financial institution earlier than 3 years. This contract in a way guaranteed Doğan's working for at least 3 years.

4.1.1.4.1 Outcome Analysis of the Third Sub-issue

As the above account shows the final settlement of the issue can be labeled as a non-specific compensation. In a non-specific compensation while one party gets the total of what she asks for, the cost of the other side is compensated through some items unrelated to the original issue. Here, Doğan's demand was fully satisfied since she would work at a branch which she preferred. On the other hand, the HRD made Doğan

to sign a contract which would bind her to work in T Bank at least for three years. By this way, some of the loss occurred due to the concessions the HRD made was compensated with an item that was not on the negotiation table in the beginning.

4.1.2 Case 2 “He is mine!”

The second negotiation case, took place between Akgün Doğan, who was working as the domestic brand manager at G Securities, and the manager of the credit department of C Bank. After Akgün Doğan started working as the domestic brand manager in G Securities he wanted to continue managing the portfolio of one of his former customers (Ali Demir) whom he knew from his former job in C Bank. Before started working in G Securities, Dogan had worked in C Bank for years. While working there Doğan gained Demir as a customer to C Bank. When Dogan started working in G Securities, he wanted to transfer certain part of Demir’s portfolio, which was equal to 1 million dollar in the form of euro bond and securities, to G Securities. In other words, he wanted to make Demir as the new customer of his new organization, G Securities.

Mr. Demir, very pleased with Mr. Dogan’s financial consultancy and service, accepted Dogan’s proposal to withdraw certain portion of his money (1 million US dollar) from C Bank and invest it in the G Securities. However, Dogan’s ex-colleague, who was the credit manager at C Bank, naturally did not want the outflow of 1 million USD from his bank. He opposed the transfer demand of Demir saying that Demir that he had to pay considerably high percentage of commission fee if he wanted to transfer his money to G Securities. As a result, Doğan had to negotiate with his ex-colleague in order to convince him to the transfer.

What was the negotiation issue? What were the sub-issues?

The main issue of the negotiation was the transfer of half of Demir’s portfolio from C Bank to G Securities. The main issue consisted of three sub-issues: (1) acceptability of the transfer, (2) amount of the commission rate, and (3) exact timing of the transfer. Throughout the negotiation Dogan aimed at persuading the opposing side to accept the transfer of 1 million dollar of Demir’s existing portfolio invested in C Bank to G Securities. Here it is important to note that Doğan was interested merely in the half of Demir’s portfolio, which was in the form of treasury and euro bonds. He was

not interested in deposits which compromised another 1 million dollar of Demir's portfolio.

4.1.2.1 Process Summary

During the negotiation process, Akgün Doğan, in order to convince the opposing side to agree with the transfer, expressed his underlying concerns. Doğan tried to persuade the other side that Demir was actually his own customer since he was the one who first contacted Demir and gained him as a customer to C Bank. The credit manager of C Bank directly opposed this proposal. He also stated that he would not even negotiate the issue of transfer since it was something unacceptable and added that he would not change his idea about the transfer. He also claimed that what Doğan did was not ethical since he attempted to steal their customer.

Both sides did not want to make any concession on the issue. Doğan insisted that Demir had the right to work with the person whom he chooses, so the credit manager's objections were meaningless. However, his colleague accused Doğan of being selfish and completely disregarding the interests of his ex-organization. After Doğan realized that it was impossible to reach an agreement in that way, he wanted to show his determination in the transfer of the portfolio by stating that unless his colleague had accepted the transfer of the half of Demir's portfolio, he could have convinced Demir to withdraw all of his savings, including the deposits, from C Bank and invest in G Securities. In the face of this statement, the opposing party accepted the idea of transfer, but added that the terms of the transfer should be determined in a way which would not put C Bank in a difficult situation.

The parties also negotiated the issue of commission rate applied on the transferred money. Whereas the credit manager of C Bank demanded that they would apply a commission rate of 2 %, Doğan found this rate high and offered 0,05 % in response. Both sides did not want to make any concession on their positions. The opposing party stated that since he accepted the idea of transfer now it was Doğan's turn to make a concession and agree with the commission rate he asked for. On the other hand, Doğan opposed this idea saying that although his colleague seemed to make a concession and accept the transfer, by applying a high commission rate actually he was still trying to prevent the transfer to be realized. The opposing side answered that in order to decrease

the cost of C Bank stemming from the transfer; the commission rate he was asking for was tolerable. However, Doğan rejected the proposal of the other side by arguing that the commission rate he was asking for was so high that his customer naturally would not want to pay considerable amount of his savings as a commission fee. He also stated that he knew that it was based on his colleague's initiative to reduce the commission rate to be applied on the transfers. Moreover, he made a promise saying that if the opposing side accepted Doğan's proposal regarding the commission rate, he could guarantee that Demir would continue keeping his deposits in C Bank. At the same time, he once more made it clear that if his proposal is not accepted, he would advise his customer to withdraw all of his savings from C Bank. In the face of resistance of Doğan, the credit manager had to accept his offer. The final issue negotiated between the parties was the timing of the transfer. For the issue of when the transfer would be realized, the credit manager of C Bank demanded that the transfer would be realized in the next month following the negotiation date. He said that since he accepted what Akgün Doğan demanded in the two other issue, for the timing issue Doğan had to make a concession. Doğan made a concession and accepted this demand. Therefore, in this issue he accepted to compromise on his own stated position and accepted the proposal of the other side.

Below each sub-issue will be analyzed on the basis of methods presented in the methodology section. It should be noted that for the 2nd case the outcome analysis of the three negotiated sub-issues will be conducted together since the parties established linkages between the negotiated sub-issues while reaching an outcome. The outcome evaluation shall be presented in the end of analysis.

4.1.2.2 Sub- Issue 1: Acceptability of the Transfer

What was the position of each party regarding the issue/ sub-issues?

Doğan wanted to convince the other side to the transfer of half of Demir's portfolio, which was in the form of bonds and securities, from C Bank to G Securities.

The manager of C Bank party did not want the outflow of half of Demir's portfolio from their bank. He wanted to ensure that Demir would continue holding the total of his savings in C Bank.

Why did each party take such positions concerning the issue/sub-issues?

The main underlying interest of Akgün Dogan was to draw high amount of portfolio to G Securities by attracting his former customer to his new organization. In most financial institutions, employees are supposed to attract certain amount of portfolio to their institution by gaining new customers. The amount of portfolio³ they are supposed to bring is identified for every employee depending on different factors such as his position, experience, location of the branch etc. The amount of portfolio they have is one of the most important indications of their performance. Therefore, the higher the amount of portfolio they attract to their organization, the higher their chances to get promoted in the near future.

Having similar interest with Doğan, the credit manager of C Bank opposed the transfer in the intention of maintaining the total of Demir's portfolio in C Bank as an indication of his performance.

What were the priorities of each party concerning this issue/sub-issue?

For Doğan, convincing his colleague to accept the transfer was the most important issue among the other negotiated issues. Like Doğan, for the credit manager of C Bank, this issue had the utmost importance.

What did each party get at the end of the negotiation process?

At the end of the negotiation, it was agreed that half of Demir's portfolio, which was in form of securities and bonds, would be transferred to G Securities.

4.1.2.3 Sub-Issue 2: Amount of the Commission Rate

What was the position of each party regarding the issue/ sub-issues?

It was not enough for Dogan to persuade the other side to accept the transfer. He wanted to the opposing party to apply the minimum commission rate on 1 million dollar of his customer's existing portfolio for the transfer to be realized. In this regard, he specifically aimed at persuading his ex-colleague to apply a commission rate of 0,05 %.

³ "Portfolio (financial), a collection of investments held by an institution or a private individual. (retrieved at <http://en.wikipedia.org/wiki/Portfolio>)

During the interview I conducted with Doğan, he also acknowledged that 0,01 % was the highest rate which he could accept.

On the other hand, the opposing party was willing to apply a commission rate of 0,2 %, which was considerably higher than Doğan's offer, on Demir's portfolio if the transfer is realized.

Why did each party take such positions concerning the issue/sub-issues?

Doğan's interest underlying his position was to realize the transfer of 1 million USD of his customer to his new company by persuading the other side to apply a moderate commission rate for the transfer. The amount of the commission rate was one of the most important factors that could affect his customer's decision regarding the transfer of the money. Certainly the customer would not want to pay high amount of money as a commission fee just for the transfer to be realized. If the cost of the transfer had exceeded the benefit he was expecting to obtain from the transfer, he might have preferred his money to remain in C Bank. Therefore, Dogan tried to minimize the commission rate as much as possible in order to ensure that the transfer would be less costly for his customer. Therefore, for Doğan the issue of the commission rate was as important as the issue of the acceptability of the transfer. In addition to this, the long history of relationship between Dogan and his customer was also significant factor determining the position of Doğan, since he felt the responsibility towards his customer to achieve the most profitable agreement for him.

As mentioned, the credit manager of C Bank was willing to apply a considerably high level of commission rate on the transferred portion of the portfolio. The underlying interest behind this position was to prevent the outflow of money from C Bank by discouraging Demir to withdraw part of his savings and transfer it to Dogan's company. Setting a relatively high commission rate would force Demir to pay larger share of his savings as the commission fee. Predicting that Demir certainly would not want to pay such a high amount of commission fee just for the transfer to take place, the credit manager of C Bank wanted to apply commission rate of 0,2 %. Secondly, if the transfer was to be realized, high commission rate would at least reduce the cost of the bank due to the outflow of currency by ensuring that 2000 \$ would remain in the bank's account.

What were the priorities of each party concerning this issue/sub-issue?

For Doğan, the issue of the commission rate had almost the same importance with the issue of acceptability of transfer. As stated above, for Doğan, it was not enough to convince his colleague to accept the transfer; he wanted to achieve the most profitable agreement for his customer.

For the credit manager of C Bank, the commission rate was the second most important topic on the negotiation agenda. As stated before, for him whether the transfer would be realized or not was the most significant issue.

What did each party get at the end of the negotiation process?

Although the opposing side was reluctant to compromise on the issue, in the face of the resistance of Doğan, he agreed to apply 0,05 % as the commission rate on the transferred money.

4.1.2.4 Sub-Issue 3: Exact Timing of the Transfer

What was the position of each party regarding the issue/ sub-issues?

Regarding the timing of the transfer, Doğan was interested in realizing the transfer before the end of the month in which they negotiated.

The opposing party, on the other hand, wanted the money to be transferred to Doğan's institution as late as possible, thus he at least wanted the transfer to be realized in the next month following the negotiation date.

Why did each party take such positions concerning the issue/sub-issues?

The rationale behind the demands of the two sides was the same indeed. The financial operations in the banking sector are generally done on a monthly basis, thus the cost and profit of the bank are mainly calculated specifically for each month. Moreover, these profits are directly reflected on the salaries of the employee who draw the largest amount of portfolio to the bank. Therefore, if the transfer had been realized within the same month in which negotiations took place; this would have been reckoned as the profit of the institution and the success of Dogan for that specific month. On the other hand, the same transfer would be reckoned as the cost of C Bank and the failure of

the credit manager. Therefore, the credit manager of C Bank was aiming at decreasing the cost of the bank by delaying the transfer.

What were the priorities of each party concerning this issue/sub-issue?

The issue of the timing of location was the least important negotiation topic on the agenda for the both parties.

What did each party get at the end of the negotiation process?

Since Doğan had obtained what he demanded in the other two issues, for the third issue, Doğan gave concession regarding the timing of transfer and accepted the transfer to be realized in the upcoming month.

4.1.2.5 Outcome Evaluation

As stated above the outcome analysis of the three sub-issues was conducted together, since the parties established certain linkages between the sub-issues in order to reach an outcome. In the end of the negotiation, the credit manager of C Bank agreed to the transfer with the commission rate of 0,05 %. Therefore, for the first and second negotiation sub-issues, Akgün Doğan obtained what he demanded in the beginning of the negotiation. On the other hand, the parties agreed that the transfer would be realized in the next month following the negotiation date. Therefore, for the third issue the credit manager of C Bank was compensated with an item that was already on the negotiation table. To sum up, if we look at the whole negotiation case from a wider perspective, it can be concluded cost-cutting was used as a mechanism in the concerned negotiation. Cost cutting is a mechanism where one party gets nearly total of what he asked for; he compensates the other side with items related with the main negotiation issue. In cost cutting the result is joint benefit not because Party changed its position but because other party suffers less (Rubin, Pruitt and Kim, 1994). Here in this case, while Doğan received what he demanded for the two sub-issues, which of more importance to him, the credit manager of C Bank was compensated by a concession Doğan made in another less important issue for him. By this way, for the credit manager of C Bank, the cost occurred due to the agreement, was decreased.

Here the interesting point is that the way cost-cutting used in this case is slightly different from the Pruitts's definition of cost-cutting. Pruitt defines cost-cutting on an

issue basis. According to Pruitt, in cost-cutting one party gets what it wants, the other is compensated for the losses s/he incurs. His definition of cost cutting does not refer to any situation where sub-issues of a single negotiation in which the parties have the same importance order are exchanged between the parties to compensate the loss of the conceding side. Thus Pruitt's definition of cost cutting does not refer how the linkages made between the negotiated sub-issues are used as a way to cut the cost of the agreement for the conceding party. In our case, Doğan compensated the loss of the credit manager of the C Bank by making a concession in one of the negotiated sub-issues. Therefore, it can be concluded that a form of cost-cutting that we do not understand in the classical sense, was used as a mechanism in this negotiation. For the sake of distinguishing the way this mechanism used by the parties from the classical way of using cost-cutting, I will label this novel way of use of this mechanism in this case as "complex cost-cutting".

4.1.3 Case 3: "What a donation!"

In the third case, the negotiation took place between Erinç Ağacıkoğlu, working in C Bank as the Customer Relations Manager and Arif Obacı, the manager of an intermediary financial institution, Merkez Yatırım. Erinç Ağacıkoğlu wanted to work with Merkez Yatırım by getting the salary payment of its staff⁴. For Ağacıkoğlu the main objective of the negotiation was to convince Obacı to make a payment agreement which would enable C Bank to pay the salaries of Obacı's staff each month on a regular basis. It should be also noted that Obacı had already been working with another bank for this purpose at the time of the negotiation.

What was the negotiation issue? What were the sub-issues?

The main issue of the negotiation, therefore, was to convince Mr. Obacı to accept working with C Bank for the salary payment of his personnel (payroll acquisition). Although it was not discussed initially, during the negotiation process another issue was incorporated to the negotiation agenda, which was the amount of bank credit to be granted to Obacı. The bank credit was not at the negotiation table at the first place, but

⁴ In the banking literature, these type of agreements are also called as payroll acquisition.

in the end of the negotiation the exchange of issues helped the parties reach a settlement.

4.1.3.1 Summary of the Process

In the beginning of the interview Obacı clearly declared that he was not interested in the offer made by Ağacıkoğlu. He said that he was already satisfied with the service of the bank he was working with, so he was not thinking about changing his bank. Moreover, Obacı told Ağacıkoğlu that he accepted the interview offer of her upon the request of his close friend. In spite of apparent opposition, Ağacıkoğlu put great effort in persuading Obacı at least to discuss the offer she would make. In order to encourage Obacı to exchange his views with her, Ağacıkoğlu also promised that Obacı would obtain great benefit at the end of the talk they would make. In the face of insistence coming from Ağacıkoğlu, Obacı accepted to continue the interview.

During the interview process, Ağacıkoğlu asked a number of questions in order to learn the services that Obacı's company received from his current bank other than the salary payment. Asking different questions, she discovered that there was also credit agreement between Obacı and the bank. Accordingly, Obacı was getting a credit of 300.000 YTL from the bank in order to fund some of the daily conducts of his company. Learning this, Ağacıkoğlu asked more questions in order to learn whether Obacı was satisfied with the credit service of the bank. Obacı said that sometimes he might need an extra cash flow to conduct his daily operations, so it would have been better if more amount of credit had been supplied by the bank. Upon this, Ağacıkoğlu advanced a new proposal and stated that if Obacı accepts working with C Bank for his staff's salary payments, she could have the chance to provide credit to Obacı's company up to 500.000 YTL. In the face of this new proposal which seemed very attractive to Obacı, he accepted working with C Bank.

Below outcome analysis of the concerned negotiation shall be conducted. Similar to the previous case, the outcome analysis of the two negotiated sub-issues will be conducted together since the parties established a linkage between the negotiated issues in order to reach an outcome. The outcome evaluation of two sub-issues shall be presented in the end of analysis

4.1.3.2 Sub-Issue 1: Payroll Acquisition

What was the position of each party regarding the issue/ sub-issues?

The main negotiation issue was the payroll acquisition of Obacı's staff by C Bank. In other words, Ağacıkoğlu wanted to convince Obacı to accept working with C Bank for the salary payment of his personnel.

On the other hand, initially Obacı was not interested in working with C Bank and did not want to change the bank he was already working with at the time of negotiation.

Why did each party take such positions concerning the issue/sub-issues?

There were three interests underlying Ağacıkoğlu's position regarding the payroll acquisition. First of all, conducting the payment of salaries is very crucial for banks since salaries of personnel of any organization means a regular influx of revenue to the bank. The total sum of salaries of the personnel of a large organization would then mean a considerable source of wealth for the bank. In the concerned case, Obacı's company was a large organization where he employed 600 personnel having a monthly salary of 1.200 YTL on average. Secondly, since people generally do not spend their salaries straightaway, money remains at their bank for a certain period of time which is profitable for the bank. Banks operating this money makes profit out of it. Finally, people generally prefer to conduct their other financial operations with the bank by which their salaries are paid. In other words, the bank can realize cross-sales by the payroll acquisition of the personnel. This fact also increases the chances of Bank gaining more customers through getting this salary payment deal of a large organization. Due to these reasons signing the salary agreement with Obacı was of great importance for Ağacıkoğlu

On the other hand, there were two underlying of Obacı. He had been working with his current for a long period of time at the time of the negotiation and he did not face any problem regarding the payment of salaries. He was satisfied with the service they provided. Therefore, Obacı did not feel any urgent need to change the bank he was already working with. Secondly, the bank he was working with had a large number of branches throughout the city which is very significant for the personnel due to practical reasons. C Bank did not have as many branches as of A Bank. The only reason Obacı

agreed to have an interview with Ağacıkoğlu was that a very close friend of him had requested from Obacı at least to have a talk with Ağacıkoğlu .

What were the priorities of each party concerning this issue/sub-issue?

For Ağacıkoğlu, the issue of payroll acquisition was of more importance compared with the other issue of an amount of credit to be granted to Obacı. Indeed, the ultimate aim of the negotiation was to convince Obacı to give the salary acquisition right to C Bank.

On the other hand, for Obacı the opposite order applied. Getting a satisfactory amount of credit was more important than changing the bank he was working with.

What did each party get at the end of the negotiation process?

As a result of the negotiation between the parties, Ağacıkoğlu convinced the other side to give the right of payroll acquisition to C Bank. As a result, Obacı accepted working with C Bank for the salary payment of his staff.

4.1.3.3 Sub-Issue 2: Amount of the Credit

What was the position of each party regarding the issue/ sub-issues?

Erinç Ağacıkoğlu offered to provide a credit of 500.000 YTL to Obacı, who was in need of credit supply for conducting the operations, if he accepts working with C Bank for the payment of salaries of his staff.

As stated above, the issue of credit granted to Obacı was not a negotiation topic in the beginning. It was later added to the agenda. Obacı was willing to get a credit which had a higher amount than 300.000 YTL.

Why did each party take such positions concerning the issue/sub-issues?

Ağacıkoğlu's main interest in providing a credit of 500.000 YTL was to convince Obacı give the salary acquisition right to C Bank. She presented the credit issue as an incentive in order to make Obacı change his mind about working with a new bank.

There were two main underlying interests of Obacı regarding the credit issue. First, he was in need of cash credit for the daily operations of his company. Second, the

credit (300.000 YTL) he was getting from his current bank was insufficient. Therefore, the idea of getting a relatively higher amount of credit seemed attractive to him.

What were the priorities of each party concerning this issue/sub-issue?

As stated above, for Ağacıkoğlu, getting the salary acquisition right was the most important issue. Therefore, the credit issue was her secondary priority.

On the other hand, for Obacı credit issue was the most important issue on the negotiation table.

What did each party get at the end of the negotiation process?

As a result of the negotiations, Ağacıkoğlu accepted to grant 500.000 YTL of donation to Obacı and got the salary payment right.

4.1.3.4 Outcome Analysis

As a result of the negotiation, it was agreed that Ağacıkoğlu would get the payroll acquisition right of C Bank, in return she would give a credit of 500.000 YTL to Obacı. The outcome of the negotiation on this topic can be identified as a form of log-rolling. In log-rolling, each side gets what it wants on its high priority issue, and gives in to the other on its low priority issue. In our case, the negotiated issues differed in their relative importance to the parties. Since the issue of credit amount was more important for Obacı, Ağacıkoğlu made a concession on this issue and in return acquired what she asked for the issue of payroll acquisition. On the other hand, for Obacı getting a high amount of credit was more significant than which bank he would work with for the salary payment of his personnel. Therefore, by exchanging the issues that they have different preference ordering, each side got what s/he wanted the most. One of the interesting points about this case was that initially there was only issue between the parties, which was the salary agreement. The issue of credit amount was later incorporated to the negotiation agenda by Erinç Ağacıkoğlu in the course of the negotiation, which enabled the parties to use logrolling as a mechanisms to reach an agreement.

4.1.4 Case 4: “To donate or not to donate?”

Ceren Aydođan, working as the Customer Relations Manager of T Bank, sat at the negotiation table with Mr. Tulhan who is the manager of Güven Yatırım, which is another intermediary financial institution.

What was the negotiation issue? What were the sub-issues?

The main negotiation issue was the payroll acquisition of the personnel of Güven Yatırım by the T Bank. The issue consisted of three sub-issues. The first issue negotiated by the parties was the amount of the donation to be made by the Bank to Güven Yatırım. Generally in these types of payroll acquisitions negotiations, banks offer to donate certain amount of money to the institution in order to increase their chances of payroll acquisition of the related company. Another negotiated issue was the validity length of the agreement that would be signed between the parties. Lastly, the parties negotiated over the number of blockage days⁵.

4.1.4.1 Process Summary

The negotiation started with Aydođan’s offer. She asked Tulhan whether the amount of 275.000 YTL could be accepted by Tulhan as a donation. Tulhan disagreed with this proposal by saying that he wanted 350.000 YTL to give the right of payroll acquisition. During the negotiation, Tulhan insisted that the amount of donation was the most significant factor that would determine whether he would sign the payroll acquisition agreement with Aydogan or not. Therefore, he frequently showed his determination in not making any concession on the issue of donation. He also insisted on keeping the validity length of the agreement just for one year. Tulhan also said that if his demands are not met by T Bank, it was better for him to end the negotiation and evaluate the proposals of other banks. On the other hand, in the face of Tulhan’s determination in the amount of donation and the validity length of the agreement,

⁵ Number of days salaries is supposed to be idle in a bank’s account. When a salary of an employee is invested into a bank’s account by an employer, there is a limited time period in which the salary could be operated just by the bank. During this period, the money is just under the control of the bank. This period is named as a “blockage period”. The length of this period is significant for the banks, since this period makes it possible for the bank to use this money for making profit out of it. On the other hand, institutions want to invest the salaries of their personnel in the bank as later as possible since it is more profitable to keep the money and use it for another operation.

Aydođan offered a different proposal to Tulhan in order to persuade him to make a concession on the issue of the amount of donation. She offered a construction of an ATM (Asynchronous Transfer Mode) machine of in front of Merkez Yatırım if he accepts in making a concession on the amount he demanded. Tulhan, in the face of this proposal, conceded to 330.000 YTL as the amount of donation. Regarding the issue of number of blockage days on the salaries, Tulhan also made a concession accepting Aydođan’s proposal of the “two days as the blockage period.”

In return for the concessions he made, Tulhan asked Aydođan to accept his proposal that the agreement between the parties would be valid for one year. However, Aydođan disagreed with this idea saying that the cost of the agreement would have exceeded its benefit if she had agreed with Tulhan. Upon this explanation, Tulhan provided new information and acknowledged that the number of the personnel which was 500 at the time of the negotiation would increase up to 630 in the upcoming months which would mean an extra amount of revenue for the bank. Moreover, he promised that he would give the payroll acquisition right to T Bank next year if his demands are met. Tulhan suggested that if Aydođan accepts his proposal about the donation of 350.000 YTL, T bank would also benefit from this increase in the number of personnel in the long term. As a result, Aydođan accepted Tulhan’s proposal and agreed that the agreement between the parties would be valid for a year.

In the end of the negotiations, an agreement was reached between the parties. According to the agreement, Mr. Tulhan would get 330.000 as the donation. He also accepted that he would invest the salaries of his personnel before two days from the day of salary payment and the agreement between the parties would be valid for a year. Moreover, an ATM would be built in front of the Güven Yatırım by T Bank.

Below outcome analysis of the concerned negotiation shall be conducted. Similar to the previous case, the outcome analysis of the three negotiated sub-issues will be conducted together since the parties established linkages between the negotiated issues in order to reach an integrative outcome. The outcome evaluation of three sub issues shall be presented in the end of analysis.

4.1.4.2 Sub Issue 1: The Amount of Donation

What was the position of each party regarding the issue/ sub-issues?

Aydođan wanted to get the right of payroll acquisition of the Merkez Yatırım by making a donation of 275.000 YTL. This amount can be identified as her aspiration point. During the interview I conducted with Aydođan, she acknowledged that this amount could increase up to 350.000 YTL.

On the other hand, Tulhan was willing to convince Aydogan to make the highest amount of donation to his company. His stated aspiration point was 350.000 YTL:

Why did each party take such positions concerning the issue/sub-issues?

Underlying interest of Ceren Aydođan offering 275.000 YTL as an amount of donation was to make the most profitable agreement for her bank by giving the minimum possible amount of donation to Merkez Yatırım. Smaller the amount of donation is, the smaller the cost of the agreement to the bank would become. In the personal interview, Aydođan acknowledged that according to the market conditions she also estimated that Tulhan would not accept any proposal under 250.000 YTL.

On the other side, Tulhan's underlying interest was to make the most profitable agreement by convincing the other side to donate a high amount of money. 350.000 YTL was the amount of donation demanded by Tulhan.

What were the priorities of each party concerning this issue/sub-issue?

For Ceren Aydođan, the amount of the donation granted to Tulhan's company was the most important issue on the agenda.

On the other hand, for Tulhan the amount of donation together with the validity length of the agreement were the most significant sub-issues of the negotiation.

What did each party get at the end of the negotiation process?

As a result of the negotiation between the parties, it was agreed that Tulhan would get a donation of 330.000 YTL from T Bank. On the other hand, it was also agreed that an ATM would be built in front of Güven Yatırım by the bank.

The outcome formulation of the all negotiated sub-issues will be conducted together in the end of the analysis of the third-sub issue, since the parties established linkages between the issues to reach an outcome. However, one of the interesting points

to be mentioned in this negotiation is that the party who nearly obtained what he asked for was also somewhat rewarded by the other party. The construction of an ATM in front of Güven Yatırım, which was offered by Aydođan, was also to the advantage of Güven Yatırım enabling his personnel to withdraw their salaries easily. On the other hand, this concession granted by Aydođan would cost 5.000 YTL for the bank. This means, by offering a kind of reward to Tulhan, Aydođan convinced him to make a concession on the credit amount. By this way, rather than granting 350.000 as the credit, 330.000 YTL plus 5.000 YTL for the ATM machine would decrease the cost of the agreement to 335.000 YTL by using the award.

4.1.4.3 Sub Issue 2: Validity Length of the Agreement

What was the position of each party regarding the issue/ sub-issues?

The duration of the validity of the agreement was another negotiated issue between the parties. Aydođan wanted to sign an agreement which would be valid for at least two years. Tulhan, on the other hand, wanted the agreement to be valid merely for a period of one year.

Why did each party take such positions concerning the issue/sub-issues?

By keeping the duration of the agreement relatively short, Tulhan aimed at getting donation for the second time when the agreement he signs with the bank expires. If the parties have made an agreement that would be valid for a year, they should have to negotiate again in the end of that year in order to renew the payroll acquisition agreement. This would force T bank to make a donation to Güven Yatırım once again in order to get the right of payroll accusation.

Aydođan wanted to keep the validity length of the agreement relatively longer with the opposing underlying interest of not having to make a donation again while renewing the agreement. Moreover, binding Güven Yatırım to T Bank for the salary payment of their personnel for two years would guarantee an important source of regular revenue to T bank for a longer period of time.

What were the priorities of each party concerning this issue/sub-issue?

For Aydoğan, the issue of validity length important was the second important negotiation topic.

On the other hand, for Tulhan the issue of validity length of the agreement was as important as the issue of amount of credit, since the underlying interest of these two demands were the same. Both getting a higher amount of donation and keeping the validity of agreement shot would make Tulhan gain more profit out of the agreement.

What did each party get at the end of the negotiation process?

At the end of the negotiation, both parties agreed that the agreement between the parties would be valid for one year.

4.1.4.4 Sub Issue 3: The length of the blockage period

What was the position of each party regarding the issue/ sub-issues?

Aydoğan wanted Tulhan to invest the salaries of his personnel two days before the pay day. Tulhan, on the other hand, wanted to invest the salaries of the personnel just one day before the pay day

Why did each party take such positions concerning the issue/sub-issues?

The underlying interest of Aydoğan's demand was to extend the period that the salaries remain in the bank account in order to increase the profit made out of it.

Tulhan had the similar interest of keeping the money under his own control one more day and use it for making profit.

What were the priorities of each party concerning this issue/sub-issue?

For the both parties, the issue of blockage period was the least important topic on the agenda.

What did each party get at the end of the negotiation process?

In the end of the negotiation, the parties agreed on the condition that the period of the blockage would be two days.

4.1.4.5 Outcome Evaluation of Three Sub Issues

In the end of the negotiation, Tulhan gave the payroll acquisition right to T Bank on the condition that 330.000 YTL would be donated to his company and the agreement would be valid for a year. For these two sub-issues (amount of donation and the validity length of the agreement) Tulhan achieved getting almost all of what he asked for. However, in return for this, he made certain concessions. First, he promised that he would give the payroll acquisition right to T Bank next year as well. Second, for the third sub-issue of blockage period, he accepted Aydođan's demand and agreed that the blockage period would be two days. Therefore, the settlement of the negotiation can be best described as cost-cutting. In cost-cutting, one party gets what it wants and the other party is compensated for the costs associated with the concessions he or she gives. Here, while Tulhan get what he wanted on the first and second sub-issues, Aydođan's cost was reduced thanks to the above mentioned concessions Tulhan made.

Similar to the second case analyzed above, in the third case the way cost-cutting used as a mechanism by the parties is slightly different from the way Pruitt defines. As mentioned before, Pruitt's definition of cost cutting does not refer to any situation where sub-issues of a single negotiation in which the parties have the same importance ordering are exchanged between the parties to compensate the loss of the conceding side. Thus Pruitt's definition of cost cutting does not refer to how cost-cutting is used as a mechanism in negotiations by making linkages across the sub-issues. However, in this case parties reached an agreement by using cot-cutting through establishing linkages between the issues which they attribute the same importance (i.e. the amount of donation was the most important issue for the both parties). Therefore, complex cost-cutting was the mechanism used by the parties to reach an outcome.

4.1.5 Case 5 "Give me what I want or I'll go!"

The fifth case is a credit agreement which took place between Osman Gven, working as the financial consulter of a Construction Company and with the Credit Manager of A bank, Halit Akçay. The construction company was planning make an investment that would be worth \$ 2.350.000. The investment consisted of construction

of a production plant which required the company to provide certain equipment externally. As a result, the company decided to lease this equipment from the vendor. The leasing cost was \$1.350.000. In order to afford this cost certain amount of credit from a bank was needed. Güven, as the financial consultant of company, wanted to get a credit of \$1 350 000 from the Bank via signing a leasing agreement. Thus, the bank would become a funding source and pay \$1.350.000 to the vendor of the equipment. The company will pay the credit back to the bank within a certain period. Osman Güven, as the financial consultant of the company, loaned the negotiations in order to get the concerned credit from the bank under favorable conditions.

What was the negotiation issue? What were the sub-issues?

Therefore, the main issue of the negotiation was making a leasing agreement with A Bank. The main issue consisted of two issues: (1) The lending rate and (2) the form of the credit payment.

4.1.5.1 Summary of the Negotiation Process

The negotiation started with the proposal of the credit manager. He asked Osman Güven whether he agreed on the interest rate of 1,4 % which was also included in the credit proposal that the bank sent him beforehand⁶. Osman Güven answered that the only offer he could accept was 1 %. The credit manager directly opposed this idea saying that there was a big difference what he asked and what Güven says. Moreover, he stated that the 1,4 % was an appropriate interest rate for the amount of credit demanded by Güven. Güven answered that most of the banks in the sector offer an amount which is very close to 1, 4 % and asked why then he would prefer his bank. The credit manager said that 1, 4 % was set as an interest rate determined through a set of rigid calculations made by their credit risk department, and it was the best price they could offer. As a response, Güven stated that he knew there was always a room for negotiation. The credit manager, however, said he could do nothing regarding the issue since he had a limited mandate and the concerned issue was determined by the board of

⁶ In most of the credit negotiations, the bank sends a proposal to its customers which includes offers about the terms to be negotiated.

credit department of the bank. Güven criticized the credit manager by asking if what he says is true, then why he carried the title of a manager. Neither side wanted to change their positions for a while. As a result, Güven showed some of the credit proposals sent by the other banks and said that he had the chance to prefer one of these alternatives if the credit manager would not reduce the interest rate. He said if the credit manager does not have a new proposal about the issue of interest rate, they would then end the negotiation. The credit manager then replied that since Güven was a very special customer of the bank, he would do something exceptional just for that issue. He offered 1,2 % as the interest rate. Güven did not accept the offer reminding the credit manager that he would not accept any price other than 1 %.

The credit manager changing the subject asked Güven whether he accepted the other conditions in the credit proposal the bank submitted beforehand. Güven answered that he agreed with other conditions except a specific detail about the payment. The bank had wanted the company to start paying back the credit without delay. However, Güven acknowledged that he wanted his company to be exempted from making payment to the bank for the first 12 months. The credit manager disagreed with this offer saying that not receiving any payment from the company for 12 months would incur a considerable cost to the bank. Osman Güven, as a response stated that if Akçay accepts his demand on the interest rate, he could then make a concession regarding this issue. The credit manager replied under no condition he could reduce the interest rate to 1 %. As a result, Güven said that under these conditions he could not work with A bank. He wanted to end the negotiation. Whereupon Akçay asked Güven to wait for a few minutes saying that he would consult the board whether they could do anything regarding the issue. After making a phone call, he declared that the bank was accepting to apply 1 % as an interest rate on the granted credit on the condition that the company would start paying back the credit right away. Therefore, by making a concession on the issue of payments, Güven obtained what he demanded regarding the interest rate.

Below outcome analysis of the concerned negotiation shall be conducted. The outcome analysis of the negotiated sub-issues will be made together since the parties established certain linkages between the negotiated issues in order to reach an outcome.

4.1.5.2 Sub-issue 1: The Lending Rate

What was the position of each party regarding the issue/ sub-issues?

Osman Güven, as the financial consultant of the Company, wanted to get the credit from the Bank with the lowest possible lending rate. He wanted to get the credit agreement with a lending rate of 1 %. During the personal interview I conducted with Güven, he said that on the basis of the comparisons he made among the credit proposals made by other banks, he also decided that he would not accept any proposal of the other side exceeding 1,2 %. Therefore, 1,2 % can be defined as his resistance point for the specific issue of lending rate.

On the other hand, the credit manager wanted to grant the credit with % 1,4 as the lending rate.

Why did each party take such positions concerning the issue/sub-issues?

The underlying interest of Güven's demand was to lower the cost of the investment that would be made by the construction company by keeping the pay back rate of the loan low. The lesser the payback rate was, the smaller the cost of the credit would become for the Company.

The credit manager had opposing underlying interest with Osman Güven. He aimed to decrease the cost of the credit for his bank by keeping the pay back rate of the loan high. The greater the lending rate, the smaller the cost that it would bring to the bank was. The bank receives the interest as a compensation for giving up other uses of their funds, including postponing its own consumption. Therefore, by convincing Güven to pay a relatively higher amount of interest for the granted credit, he aimed at decreasing the cost of credit agreement.

What were the priorities of each party concerning this issue/sub-issue?

For the both parties the issue of interest rate was the most significant topic of the negotiation.

What did each party get at the end of the negotiation process?

As a result of the negotiation, the parties agreed on 1 % as the amount of the interest rate. Therefore, for the issue of lending rate Güven obtained what he asked for.

4.1.5.3 Sub-issue 2: Structure of the Credit Payment

What was the position of each party regarding the issue/ sub-issues?

According to the proposal submitted beforehand, both sides agreed on the condition that the credit would be paid back to the bank within a period of 36 months if the credit agreement is signed between the parties. However, the structure of the back payments of the credit was another negotiation issue. Whether the Company would start paying back the credit right away after the agreement signed or whether it would be exempted from making payments for the first 12 months became a negotiation issue between the parties. For this specific issue, Mr Guven wanted his Company to be exempted from making back payments to the bank for the first 12 months.

On the other hand, the manager of A Bank wanted the opposing side to start paying back the credit immediately. He did not accept Mr Guven's proposal of 12 months delay in the payments.

Why did each party take such positions concerning the issue/sub-issues?

There were two underlying interests of Güven's demand. First of all, it was very difficult for the Company to start paying back the loan in the first 12 months since the manufacturing plant would not start the production until the equipment is installed and the construction of the plant is completed. The manager of the construction company was willing to pay back the loan with the revenue he obtained by the sales of the products of the new manufacturing plant. Secondly, it was advantageous for the company to postpone the back-payment for a year since the value of the currency would lose its value due to an increase in inflation rates.

The underlying interest of the credit manager's demand, on the other hand, was to start receiving back the credit as soon as possible. The rationale was that the shorter the time period that the bank starts receiving the money back, the lesser the cost of the credit would become for the bank.

What were the priorities of each party concerning this issue/sub-issue?

For the both parties, this issue had secondary place compared with the other negotiation topic. However, compared with the credit manager for Güven the issue was less important, because getting the credit with the interest rate 1 % would be very profitable for the company so that the structure of payment would not be matter so much.

What did each party get at the end of the negotiation process?

In the end, Osman Güven accepted the proposal of the credit manager and gave up his demand about being exempted from making payment for the first 12 months. However, in return the credit manager made a concession on the issue of the interest rate.

4.1.5.4 Outcome Analysis of Two Sub-Issues

As the above account shows, for the issue of interest rate, Güven had obtained almost all of what he asked for. However, by making a concession on the structure of payments the cost of the other party was reduced. Therefore, the agreement can be identified as cost-cutting. In cost-cutting, one party gets what it wants and the other party is compensated for his cost associated with the concessions he makes.

Similar to the above cases analyzed before, in the third case the cost-cutting used as a mechanism by the parties slightly different from the way Pruitt defines. As mentioned before, Pruitt's definition of cost cutting does not refer to any situation where sub-issues of a single negotiation in which the parties have the same importance ordering are exchanged between the parties to cut the loss of the conceding side. In this case, complex cost-cutting is used as a mechanism in the negotiations by making linkages across the sub-issues.

4.1.6 Case 6: “Fate of the apartments”

The last case is a credit negotiation between a financial consultant of a construction company and a credit manager of F Bank. The Construction Company would start a project of construction of a new apartment building. The company wanted to sign a credit agreement with a bank in order to ensure that the bank would provide certain amount of loan for the potential customers of the apartments. The credit supplied by the

bank for each customer would be directly invested in the account of the Construction Company. By this way, the Company would be able to fund its project. Therefore, the financial consulter of the company, Ali Özbudun, sat at the negotiation table with the credit manager of F Bank in order to negotiate the lending terms of the credit the bank would grant the customers.

What was the negotiation issue? What were the sub-issues?

The main negotiation subject was the credit granted to the Company by F Bank. There were three sub-issues on the agenda: (1) the amount of the credit, (2) the amount of the collateral that the company should exhibit to a bank; and (3) the amount of the interest rate applied on the credits granted to the customers.

4.1.6.1 Process Summary

The negotiation started with the proposal of the credit manager. He suggested that his bank could grant a credit of 160.000 YTL per each customer with an interest rate of % 2,2. Özbudun opposed to this proposal saying that 160.000 YTL per each customer would not be enough to meet the currency need of the company. He demanded an amount of 18.000 YTL as a credit. The credit manager stated that it was impossible for the bank to give loan above 160.000 YTL. Upon this, Özbudun expressed how the issue of amount of credit is significant for the company to finish its project. He acknowledged that if the bank does not accept providing 180.000 YTL, there was no point in continuing the negotiation. Upon this, the credit manager said that there was only a difference of 20.000 YTL between their demands, therefore they could solve this problem if they collaborate. Changing the subject, he asked Özbudun whether he agreed on his proposal regarding the other issues. Özbudun stated that for the issue of interest rate he wanted the bank to apply a lending rate of %2 rather than % 2,20. The credit manager opposed to this proposal stating that he could not do anything about the issue since the board of credit was the main organ determining the interest rates. As a response, Özbudun asked the credit manager at least to increase the amount of credit granted to the customers if he will not reduce the interest rates. The manager, in return, proposed 170.000 YTL. Özbudun this time stated that he was not bluffing when he said that any price lower than 180.000 YTL had no use for the company.

The credit manager explained that in order for him to supply an amount of 180.000 YTL as the credit, the company should pledge 150 % of the value of the apartment building as collateral and accept a higher amount of interest rate on the loans.

Özbudun did not accept the proposal about the collateral issue saying that the company does not possess enough assets that can afford the demanded rate of collateral. However, he said that if the amount of the credit manager agrees to grant a credit of 180.000 by him, he could make a concession on the issue of interest rate. Then, Özbudun asked whether it would be enough to show 100 % as collateral, if he accepts the interest rate asked by the credit manager. The credit manager disagreed with the proposal saying that decreasing the amount of the collateral rate was exceeding his mandate as a negotiator. As a response, Özbudun asked the credit manager to stop the negotiations and declared that it was better for him to evaluate alternative proposals made by the other banks. The impasse was broken by a new proposal of the credit manager. He stated that if the company can not afford to provide the collateral which is 150 % of the value of the houses with its own assets, % 50 of the collateral could be demanded from the third persons. Özbudun accepted this proposal and the parties reached an agreement in the end.

Below outcome analysis of the concerned negotiation shall be conducted. The outcome analysis of the negotiated sub-issues will be conducted together since the parties established certain linkages between the negotiated issues in order to reach an outcome.

4.1.6.2 Sub-issue 1: The amount of the credit

What was the position of each party regarding the issue/ sub-issues?

Ali Özbudun wanted the credit manager to provide a credit of 180.000 YTL per each potential customer of the apartments. During the personal interview I conducted with Özbudun, he acknowledged that he could reduce this amount to 170.000 YTL.

On the other hand, the credit specialist of the Bank did not want to supply credit more than an amount of 160.000 YTL

Why did each party take such positions concerning the issue/sub-issues?

There were two underlying interests of Özbudun's demand. The first one was to supply certain amount of loan from the bank in order to meet the currency need of the company to complete the construction project. Actually 160.000 YTL would be sufficient for the company to complete the project. However, the more the amount of cash the company obtains from the bank, the shorter it takes to finish the project and deliver the houses. It should be here noted that Özbudun would not accept any proposal of the other side lower than 160.000 YTL, since this was the minimum amount of credit needed for the construction. His second interest was to increase the purchasing power of customers of apartments by ensuring that the bank would afford the larger share of the price of the apartments.

For the credit manager, the main decisive factor on the amount of credit supply was that the bank did not want to take a relatively higher amount of "credit risk"⁷ by giving a higher amount of credit. Since the level of the risk the Bank takes would increase with the amount of credit it gives, they preferred to give 160.000 YTL on the basis of calculations which they made by evaluating different factors. Secondly, since housing credit would be paid in the long term, it would not bring in a considerable profit to the bank compared to other types of credits.

What were the priorities of each party concerning this issue/sub-issue?

For Mr. Özbudun, the amount of the credit received by the bank was the most significant issue of the negotiation. On the other hand, the priorities of the credit manager could not be detected initially. His priorities have been determined in the course of the talks. Accordingly, for the credit manager the amount of the credit was dependent on the two other sub-issues: collateral supplied by the company and the level of interest rate. Therefore, it is understood that amount of the credit issue was relatively less significant than the other issues.

⁷ Credit risk is the risk of loss due to a debtor's non-payment of a loan. Darrell Duffie and Kenneth J. Singleton (2003). *Credit Risk: Pricing, Measurement, and Management*. Princeton University Press. ISBN13 978-0691090467.

What did each party get at the end of the negotiation process?

As a result of the negotiation, the credit manager of the bank agreed to grant a credit of 180 000 YTL to the company. Therefore, Özbudun obtained what he asked for.

4.1.6.3 Sub-issue 2: The Amount of the Collateral the Company Supposed to Pledge:

What was the position of each party regarding the issue/ sub-issues?

Özbudun wanted to show 100 % of the value of the apartment building as collateral in order to get the credit which he asked for. For Özbudun, it was not possible for his company to pledge 150 % of collateral with its own assets.

Although according to the credit proposal pledging 100 % of collateral was acceptable for the credit manager, this offer was valid for the amount of 160.000 YTL as the credit. When Mr. Özbudun declared that he wanted to get an amount of 180.000 YTL; the credit specialist of the bank demanded 150 % of collateral⁸ from the company. This means for every 100 unit of loan the company was required to pledge 150 unit of security.

Why did each party take such positions concerning the issue/sub-issues?

The main reason why Özbudun wanted to pledge 100 % collateral rather than 150 % was that the holder of the company did not possess enough assets that worth the amount asked by the bank. Without selling the completed houses, the company could not supply the demanded amount of collateral. With its own assets, the company could only show 100 % of collateral.

⁸ Collateral, within banking, refers to a form of secured lending where the bank is secured against the default risk of the borrower not being able to meet the interest payments. Companies should pledge some of their assets as security in order to demand loan from the Bank. The ease of getting credit is associated with the opportunity to use movable and immovable assets as collateral". In the case of housing credits, banks give the loans to the customers of the houses in return for the collateral pledged by the Construction Company or by the third persons. Thus, even before the houses are completed by the company, the collateral provided by the Company makes it possible for the bank to give housing credits for the customers. This data is obtained from the interviewee.

On the other hand, the underlying interest of the credit manager's demand was to decrease the credit risk by requiring the company to pledge more amount of security (collateral). In order to compensate the loss that could occur in case the company fails to meet its obligations in accordance with the agreed terms, the credit specialist of the bank obliged the company to pledge a relatively high amount of collateral to compensate its loss.

What were the priorities of each party concerning this issue/sub-issue?

According to Özbudun, the issues of interest rate and the collateral were of same importance and they were relatively less important than the issue of credit amount.

On the other hand, the credit manager had an opposing preference ordering on the issues. As stated by Özbudun, although it was not clear in the beginning, during the course of the negotiation it was understood that interest rate and the amount of collateral were more important for the credit manager than the issue of credit amount.

What did each party get at the end of the negotiation process?

As a result of the negotiation, it was agreed that the company would pledge 150 % collateral. Whereas the company holder would pledge 100 % of the collateral through his own assets, the remaining 50 % would be pledged through the third parties.

4.1.6.4 Sub-issue 3: The Amount of the Interest to be Paid by the Customers

What was the position of each party regarding the issue/ sub-issues?

Another negotiated issue between the parties was the amount of the interest rate the customers would have to pay the bank in order to borrow the money. Özbudun wanted the credit manager to accept % 2 as the interest rate. Except some slight differences generally housing loan rates are almost the same for most banks. The sector-specific average was % 2, 24 at the time of the negotiations.

On the other hand, the credit manager offered to apply % 2, 20 as the interest rate.

Why did each party take such positions concerning the issue/sub-issues?

Özbudun wanted the Bank to give loans to the customers with a lower interest rate compared to the other banks in the sector. The underlying interest of this demand was to ensure that more people would be willing to buy the apartments since the payment conditions with lower interest rate would seem attractive to them. The lower interest rate would make it easier for the potential customers to pay back the loan they receive from the bank. By making the paying conditions more suitable for the potential customers, Özbudun targeted to increase the sales of the houses.

On the other side, there were two underlying interests of the credit manager. Firstly, the higher the interest rate applied on the credits the more the credit agreement would become profitable for the bank since it would get a higher rent from the borrowed money. Secondly, like the other methods such as demanding collateral from the debtors or limiting the granted credit amount to a certain amount, % 2, 20 was set as an interest rate in order to compensate the certain non- payment risks.

What were the priorities of each party concerning this issue/sub-issue?

As stated above, the issue of interest rate was not that important for Özbudun compared with the issue of credit amount.

What did each party get at the end of the negotiation process?

In the end, the parties agreed that the interest rate applied on the granted credit would be % 2,20. For this specific issue, while the credit manager obtained what he asked for, in return he made a concession about the issue of credit amount.

4.1.6.5 Outcome Analysis of Three Sub-Issues

In the end of the negotiation, it was agreed that the credit which amounts 180.000 YTL would be granted to Özbudun with an interest rate of 2,20 %. In return, Özbudun's company would pledge 150 % collateral through providing certain portion of the collateral from the third persons. It is shown that the parties made a deal through exchanging their differences. In other words, each party got what it wanted through on its high priority issue, and made a concession to the other on its low priority issue. Therefore, the agreement they reached can be defined as log-rolling. However, the log-

rolling used in this negotiation is not a classical type of log-rolling where parties merely exchanged issues on the basis of different priorities they attribute to the issues.

The way of logrolling used in this case is interesting in the sense that the priorities of the credit manager of the bank were not clearly understood in the beginning of the negotiation. The priority ordering of the opposing side became apparent in the course of the process. During the talks between the parties it became apparent that for the credit manager what mattered most was the risk of the credit for the bank. Therefore, Özbudun realized that if enough amount of collateral is pledged as a form of guarantee against the possible non-payment risks, he could get the amount he demanded. This enabled the parties to use log-rolling as a mechanism to reach an integrative agreement.

Another interesting point here is that in order to realize the exchange of concessions, “expanding the pie” was used as a mechanism by the parties. Expanding the pie is simply adding new resources on the table in such a way that both sides can achieve their objectives. For the issue of collateral, pledging the third parties’ assets as collateral would enable the company to borrow 180.000 YTL as credit and at the same time it would enable the bank to receive the necessary amount of collateral in order to grant the demanded credit. Here the resource of a third party was brought to the table to break a possible impasse.

Before moving onto the next section about the analysis of negotiation processes, the findings about the analysis of outcomes of 6 negotiation cases is summarized in Table 4-1.

Table 4-1: Outcome Results

Case 1 “Don’t move me!”	1 st Sub-issue :Work location (distributive) 3 rd Sub-issue: Neighborhood of the branch (NSC)
Case 2 “He is mine!”	Linkage between the three sub-issues (CC)
Case 3 “What a donation!”	Exchange between the two sub- issues (LR)
Case 4 “To donate or not to donate?”	Linkage between the three sub-issues (CC)
Case 5 “Give me what I want or I’ll go!”	Linkage between the two sub-issues (CC)
Case 6 “Fate of the apartments”	Exchange between the two sub- issues (LR)
NSC: Non specific compensation. LR: Logrolling. CC: Cost-cutting.	

4.2 Process Analysis

In this section, the analysis of the process of each negotiation case will be presented. It will be recalled that, the data on the cases was collected by using the Bargaining Process Analysis on the verbatim transcripts of interviews conducted with the parties. Cooperative and competitive indices were developed accordingly for the purpose of the analysis. For each case, a table is created in order to demonstrate the reader the coded statements of both parties throughout the whole negotiation process. Moreover, the number of statements within the categories of commitments, threats, accommodations and promises will be illustrated separately since the indices are structured on the basis of these categories.

4.2.1 Case 1“Do not move me!”

The coded statements of the first negotiation case are presented in Appendix C. As the Table 4-2 presents during the negotiation process Çiğdem Doğan and the human resources director applied commitments 5 times and threats 3 times. On the other hand, the parties accommodated 3 times and made promise only 1 time. Therefore, the total number of the hard statements (commitments and threats), is 8. The total number of the soft statements (accommodations and promises) on the other hand, is 4.

Table 4-2: Number of Hard and Soft Statements of Case 1

Number of Commitments (c)	5
Number of Threats	3
Numbers of Accommodations (a)	3
Number of Promises (p)	1

Accordingly the indices for the concerned case can be formulated as follows:

$$\text{Competitive Index} = \text{Hard Statement} / \text{Hard Statement} + \text{Soft Statement} = 67 \%$$

$$\text{Cooperative Index} = \text{Soft Statements} / \text{Hard Statement} + \text{Soft Statement} = 33 \%$$

As the above account shows, the value of the competitive index is found to be higher than the cooperative index. Therefore, it can be concluded that the process of the

concerned case is mostly characterized by competitive (hard) behavior rather than cooperative (soft) behavior.

4.2.2 Case 2 “He is mine!”

The coded statements of the second negotiation case are illustrated in Appendix D. As the Table 4-3 presents during the negotiation process Akgün Doğan and the credit manager of C Bank applied commitments 1 time and threats 3 times. On the other hand, the parties accommodated 2 times and made promise 1 time. Therefore, the total number of the hard statements (commitments and threats), is 4. The total number of the soft statements (accommodations and promises) on the other hand, is 3.

Table 4-3: Number of Hard and Soft Statements of Case 2

Number of Commitments (c)	1
Number of Threats	3
Numbers of Accommodations (a)	2
Number of Promises (p)	1

Accordingly the indices for the concerned case can be formulated as follows:

$$\text{Competitive Index} = \text{Hard Statement} / \text{Hard Statement} + \text{Soft Statement} = 57 \%$$

$$\text{Cooperative Index} = \text{Soft Statements} / \text{Hard Statement} + \text{Soft Statement} = 43 \%$$

According to the above account, the value of the competitive index is higher than the cooperative index. Therefore, it can be concluded that the process of the concerned case is mostly characterized by competitive (hard) behavior rather than cooperative (soft) behavior.

4.2.3 Case 3 “What a donation!”

The coded statements of the second negotiation case are illustrated in Appendix E. As the Table 4-4 presents during the negotiation process Erinç Ağacıkoğlu and the manager of an intermediary financial institution applied commitments 2 times and threats 1 time. On the other hand, the parties accommodated 2 times and made promise 3 times. Therefore, as illustrated in table....,the total number of the hard statements

(commitments and threats), is 3. The total number of the soft statements (accommodations and promises) on the other hand, is 5.

Table 4-4: Number of Hard and Soft Statements of Case 3

Number of Commitments (c)	2
Number of Threats	1
Numbers of Accommodations (a)	2
Number of Promises (p)	3

Accordingly the indices for the concerned case can be formulated as follows:

Competitive Index = $\text{Hard Statement} / \text{Hard Statement} + \text{Soft Statement} = 38\%$

Cooperative Index = $\text{Soft Statements} / \text{Hard Statement} + \text{Soft Statement} = 62\%$

As the above account shows, the value of the cooperative index is found to be higher than the competitive index. Therefore, it can be concluded that the process of the concerned case is mostly characterized by cooperative (soft) behavior rather than competitive (hard) behavior.

4.2.4 Case 4 “To donate or not to donate?”

The coded statements of the second negotiation case are illustrated in Appendix F. As the Table 4-5 presents during the negotiation process Ceren Aydoğan and the manager of Merkez Yatırım applied commitments 2 times and threats 2 times as well. On the other hand, the parties accommodated 3 times and made promise 4 times. Therefore, the total number of the hard statements (commitments and threats), is 4. The total number of the soft statements (accommodations and promises) on the other hand, is 7.

Table 4-5: Number of Hard and Soft Statements of Case 4

Number of Commitments (c)	2
Number of Threats	2
Numbers of Accommodations (a)	3
Number of Promises (p)	4

Accordingly the indices for the concerned case can be formulated as follows:

$$\text{Competitive Index} = \text{Hard Statement} / \text{Hard Statement} + \text{Soft Statement} = 36 \%$$

$$\text{Cooperative Index} = \text{Soft Statements} / \text{Hard Statement} + \text{Soft Statement} = 64 \%$$

As the above account shows, the value of the cooperative index is found to be higher than the competitive index. Therefore, it can be concluded that the process of the concerned case is mostly characterized by cooperative (soft) behavior rather than competitive (hard) behavior.

4.2.5 Case 5 “Give me what I want or I’ll go!”

The coded statements of the second negotiation case are illustrated in Appendix G. As the Table 4-6 presents during the negotiation process Osman Güven and the credit manager of A Bank applied commitments 5 times and threats 3 times. On the other hand, the parties accommodated 2 times and made promise 1 time. Therefore, the total number of the hard statements (commitments and threats), is 8. The total number of the soft statements (accommodations and promises) on the other hand, is 3.

Table 4-6: Number of Hard and Soft Statements of Case 5

Number of Commitments (c)	5
Number of Threats	3
Numbers of Accommodations (a)	2
Number of Promises (p)	1

Accordingly the indices for the concerned case can be formulated as follows:

$$\text{Competitive Index} = \text{Hard Statement} / \text{Hard Statement} + \text{Soft Statement} = 73 \%$$

$$\text{Cooperative Index} = \text{Soft Statements} / \text{Hard Statement} + \text{Soft Statement} = 27 \%$$

As demonstrated above, the value of the competitive index is found to be higher than the cooperative index. Therefore, it can be concluded that the process of the concerned case is mostly characterized by competitive (hard) behavior rather than cooperative (soft) behavior.

4.2.6 Case 6 “Fate of the apartments”

The coded statements of the second negotiation case are illustrated in Appendix H. As the Table 4-6 presents during the negotiation process Ali Özbudun and the credit manager of F Bank applied commitments 6 times and threats 1 times. On the other hand, the parties accommodated merely once, and no promise was given during the process. Therefore, the total number of the hard statements (commitments and threats), is 7. The total number of the soft statements (accommodations and promises) on the other hand, is 1.

Table 4-7: Number of Hard and Soft Statements of Case 6

Number of Commitments (c)	6
Number of Threats	1
Numbers of Accommodations (a)	1
Number of Promises (p)	-

Accordingly the indices for the concerned case can be formulated as follows:

Competitive Index = $\frac{\text{Hard Statement}}{\text{Hard Statement} + \text{Soft Statement}} = 88\%$

Cooperative Index = $\frac{\text{Soft Statements}}{\text{Hard Statement} + \text{Soft Statement}} = 12\%$

As the above account illustrates, the value of the competitive index is found to be much higher than the cooperative index. It should be here noted that the difference between the two indices is relatively higher compared to other cases. Therefore, it can be concluded that the process of the concerned case is profoundly characterized by competitive (hard) behavior rather than cooperative (soft) behavior.

Table 4-8 summarizes the findings of process analysis of 6 negotiation cases.

4.3 Analysis of the Negotiation Styles

In this section negotiation styles of the interviewees assessed by a psychological assessment tool, Thomas-Kilmann Conflict Mode Instrument (TKI), will be presented. TKI scores of each interviewee are plotted against a relevant sample table which is

depicted in Appendix B. The table displays the various TKI scores provided by the sample in percentile form. Each possible score is graphed in relation to the scores of managers who have already completed the questionnaire. The horizontal lines represent percentage of people who have scored at or below a given number. If an interviewee scored some number above the 80 % of competing, that would mean that s/he had scored higher than 80 % of the people who have taken the TKI.

Table 4-8: Summary of Findings of Process Analysis

Case 1 “Don’t move me!”	Competitive
Case 2 “He is mine”	Competitive
Case 3 “What a donation!”	Cooperative
Case 4 “To donate or not to donate?”	Cooperative
Case 5 “Give me what I want or I go!”	Competitive
Case 6 “Fate of the apartments”	Competitive

4.3.1 Case 1

According to the results depicted in the Appendix I, Çiğdem Doğan has a TKI score of 12 for competing, 8 for collaboration, 5 for compromise, 3 for avoiding and 2 for accommodating. This profile suggests that she has strong predispositions for competing mode (above 75th percentile). On the other hand, Doğan’s predisposition towards avoiding and accommodation is low (below 25th percentile). Her predisposition towards collaborating and compromising can be regarded as middle (between 25th and 60th percentiles).

4.3.2 Case 2

According to the results depicted in the Appendix J, Akgün Doğan has a TKI score of 10 for competing, 8 for collaboration, 6 for compromise, 3 for avoiding and 3 for accommodating. This profile suggests that he has strong predispositions for competing mode (above 90th percentile). On the other hand, Doğan’s predisposition towards avoiding and accommodation is low (below 25th percentile). Her predisposition towards collaborating and compromising can be regarded as middle (between 30th and 60th percentiles).

4.3.3 Case 3

According to the results depicted in the Appendix K, Erinç Ağacıkoğlu has a TKI score of 4 for competing, 8 for collaboration, 5 for compromising, 6 for avoiding and 7 for accommodating. This profile suggests that Ağacıkoğlu has strong predispositions for collaborating mode (above 80th percentile). On the other hand, Doğan's predisposition towards competing, collaborating, compromising and avoiding is middle (falling between 30th and 60th percentiles).

4.3.4 Case 4

Results, which are given in Appendix L, show that, Ceren Aydoğan has a TKI score of 7 for competing, 2 for collaboration, 10 for compromising, 6 for avoiding and 5 for accommodating. This profile suggests that Aydoğan has strong predispositions for compromising mode (above 90th percentile). On the other hand, Doğan's predisposition towards collaborating is low. Her predispositions towards competing, avoiding and accommodating is middle (falling between 50th and 70th percentiles).

4.3.5 Case 5

According to the results depicted in the Appendix M, Osman Güven has a TKI score of 12 for competing, 7 for collaboration, 6 for compromising, 3 for avoiding and 2 for accommodating. This profile suggests that Güven has strong predispositions for competing mode (above 90th percentile). However, he scored low for the modes of avoiding and accommodating (below 25 the percentile). On the other hand, Güven's predisposition towards collaborating and compromising is middle (falling between 30th and 60th percentiles).

4.3.6 Case 6

In the results that are shown in Appendix N, Özbudun has a TKI score of 9 for competing, 6 for collaboration, 7 for compromising, 5 for avoiding and 3 for accommodating. This profile suggests that Güven has strong predispositions for competing mode (above 80th percentile). However, he scored low for the modes of accommodating (below 25 the percentile). Güven's predisposition towards

collaborating, compromising and avoiding is middle (falling between 25th and 70th percentiles).

Table 4-9 summarizes the main findings about the styles of the interviewees:

Table 4-9: Summary of the Main Findings About the Styles of Interviewees

Case 1 “Don’t move me!”	Çiğdem Doğan: competing
Case 2 “He is mine”	Akgün Doğan: competing
Case 3 “What a donation!”	Erinç Ağacıkoğlu: collaborating
Case 4 “To donate or not to donate”	Ceren Aydoğan: compromising
Case 5 “Accept my offer or I go”	Osman Güven: competing
Case 6 “Fate of the apartments”	Ali Özbudun: competing

Chapter 5 Conclusion

5.1 Findings and Discussion

This study has aimed to answer the research question of how in real life and in the context of Turkish financial sector, managers conduct their negotiations at the interpersonal level and which type of negotiated outcomes are achieved in consequence. The objective of this study has been to further the understanding on the negotiation outcomes, processes and styles; and the interplay between these three elements. In parallel with the research objective of the study, three set of analysis have been conducted in the previous chapter. Negotiation outcomes and processes per case; and individualistic negotiation styles of interviewees were analyzed respectively. In this chapter, after the summary of findings of the study is summarized, the results and their implications will be discussed following the same structural order of the three set of analysis. Next the conclusions related with the relationship between the negotiation outcomes, processes, and negotiation styles of the individuals will be discussed for each case separately.

5.1.1 Findings and Discussion on the Outcome Analysis:

The analysis chapter revealed that among the six cases, the outcomes of all cases include integrative agreements. Only in the first case, the first negotiated sub-issue was labeled as a distributive outcome. On the other hand, among the six negotiation cases analyzed, except the first case, in all cases parties reached an integrative agreement by establishing linkages or trade offs between the negotiated sub-issues. Only in the first case, as stated by the interviewee herself, no linkage was established across the sub-issues, thus each issue was independently handled by the negotiators. If we have a close look at the type of integrative agreements reached by the parties, in the second, fourth and fifth cases “cost-cutting” was the basic mechanism used by the parties. In the first

case, the nature of the integrative outcome was depicted as non-specific compensation. On the other hand, it is found that in the third and sixth cases parties reached an integrative agreement by using log-rolling.

Several conclusions can be drawn from the findings of the outcome analysis. Conclusions about the outcomes can be discussed under two general headings: (1) Conclusions about the novelty of ways in which parties used the integrative mechanisms to reach an agreement, (2) The conclusions regarding the integrative/distributive distinction in the literature.

First, the way exchanges are made between the and within the issues in real world business negotiations may be more complicated than what has been described in Rubin, Pruitt and Kim (1994). In some of the cases, parties used integrative mechanisms in a novel way to reach an outcome. For example, in certain cases the way cost-cutting is used as a mechanism to reach an integrative agreement was more complicated than what has been described by Pruitt (1981, 1983), e.g. in the second, fourth and fifth cases. In the mentioned cases, cost-cutting was used by the linkages made between the negotiated sub-issues. According to Pruitt, in cost-cutting one party gets what it wants, and the other is compensated for the losses s/he incurs. Pruitt's definition of cost cutting does not refer to any circumstance in which the parties exchange sub-issues of a negotiation in which they have the same preference orderings in order to compensate the loss of the conceding side. Thus Pruitt's definition of cost cutting does not refer how cost-cutting is used as a mechanism in negotiations by making exchanges across the sub-issues. If the parties had different priorities among the issues, the mechanisms used in the mentioned cases would be labeled as logrolling. However, interestingly in the concerned cases, parties reached an agreement by making exchanges between the issues on which they put the same priority. By this way, the cost of the conceding party was reduced. In the second, fourth and fifth cases parties used the cost-cutting as a mechanism in such way. To give an example, in the second case three sub-issues were negotiated between the parties. For the first and second negotiation sub-issues, Akgün Doğan obtained what he demanded in the beginning of the negotiation. On the other hand, he made a concession on the third issue to reduce the cost of the agreement for the opposing side. Therefore, for the third issue the credit manager of C Bank was compensated with an item that was already on the negotiation table.

The way parties using logrolling in the sixth case (Fate of the apartments) is also interesting in the sense that the priorities of the credit manager of the bank were not clearly defined in the beginning of the negotiation. The priority ordering of the opposing side was shaped in the course of the process. During the negotiation process it became apparent that for the credit manager what mattered most was the risk of the credit for the bank. The main reason why the credit manager insisted on 160.000 YTL as an amount of credit was to decrease the risk of non-payment. Therefore, Özbudun understood that if enough amount of collateral is pledged as a form of guarantee against the possible non-payment risks, he could get the amount he demanded. This enabled the parties to use log-rolling as a mechanism to reach an integrative agreement.

Another conclusion that can be drawn from the findings is that in certain cases for the same issue more than one integrative mechanism was used simultaneously to reach an agreement. The sixth case can be given as an example. One of the negotiated sub-issues of the negotiation was the amount of collateral that would be pledged to the bank by the company. In this negotiation, the way log-rolling is used as a mechanism to achieve an integrative agreement was different. The log-rolling used in this negotiation is not a classical type of log-rolling where parties merely exchanged issues on the basis of different priorities they attribute to the issues. The interesting point here is that in order to realize the exchange of concessions, “expanding the pie” was used as a mechanism by the parties. Expanding the pie is simply adding new resources on the table in such a way that both sides can achieve their objectives. For the sub-issue of collateral, pledging the third parties’ assets as collateral would enable the company to borrow 180.000 YTL as credit and at the same time it would enable the bank would to receive the necessary amount of collateral in order to grant the demanded credit. Here the resource of a third party was brought to the table to break a possible impasse. Therefore, to make the logrolling possible another integrative mechanism, expanding the pie, was used. This finding suggests that sometimes parties may use more than one integrative mechanism in the same issue to reach an outcome.

One of the interesting findings of the outcome analysis was that within the same negotiation case both integrative and distributive outcome can be attained for the different negotiated sub-issues. To give an example, in the first case for the first sub-issue distributive outcome was attained by the parties, but for the third issue the nature

of the outcome was labeled as non-specific compensation, a specific type of integrative outcome. This conclusion is interesting in the sense that although the distinction between the distributive and integrative types of outcome is clear-cut according to some scholars, the results indicate that integrative and distributive outcomes can be attained simultaneously within the same negotiation case. This finding supports the view that most negotiations consist of overlapping processes (Bartos, 1995; Beriker, 1995; Beriker and Pegg, 2000, Lax and Sebenius, 1986)

A different conclusion that can be drawn from these findings is that “each integrative mechanism has also distributive aspect” (Beriker and Pegg, 2000). For example, in non-specific compensation the loss of the conceding party is compensated. The amount of the compensation and the timing of it can be a matter of distribution. To give an example, in the first case Çiğdem Doğan agreed to sign a contract binding her to pay compensation of 20.000 YTL in case she quits working in and starts working in another financial institution earlier than 3 years. In this example, the amount of the compensation and the validity length of the contract could be a matter of distributive bargaining if the parties had different positions on the issues. The same logic applies to cost cutting as well. Cost cutting is a mechanism where one party gets nearly total of what he asked for; other side is compensated with items related with the main negotiation issue. In the second case for the first and second negotiated sub-issues, Akgün Doğan obtained what he demanded. However, for the third sub-issue (timing of the negotiation) he made a concession and the parties agreed that the transfer would be realized in the upcoming month of the negotiation date. Here, Doğan’s concession on timing of the transfer was the compensation given to the other party. In the course of the negotiation, this issue became a matter of purely distributive bargaining. While Doğan was interested in realizing the transfer before the end of the month in which they negotiated, the opposing party wanted the money to be transferred to Doğan’s institution in the upcoming month. Logrolling can also convey a distributive aspect as well. For example, in the third case the parties made an exchange between two sub-issues: payroll acquisition and amount of the credit. As a result of the negotiation, it was agreed that Ağacıkoğlu would get the payroll acquisition right of C Bank, in return she would give a credit of 500.000 YTL to Obacı. Here, the amount of the credit could have turned into a matter of distribution if Obacı had demanded a higher amount of credit to give the payroll acquisition right to Ağacıkoğlu. Therefore, the findings of the research

support the view that most negotiations is a combination of “creating and claiming value”. (Lax and Sebenius, 1986). The above examples supports the argument that “No matter how much creative problem solving enlarges pie, it must still be divided.” as suggested by Lax and Sebenius (1986, p.33).

5.1.2 Findings and Discussion on the Process Analysis:

In the analysis chapter, second set of analysis was conducted to find out whether competitive (hard) or cooperative (soft) behavior was predominantly characterized the narrated negotiation processes. Results related with the negotiation processes showed that among the six negotiation processes analyzed, 4 of them were characterized as competitive; whereas 2 of them were labeled as cooperative. The results of the analysis of six cases can be summarized as follows: for the first, second, fifth and sixth cases, the scores of the competitive index were 67 %, 57 %, 75 % and 88% respectively. On the other hand, the scores of the cooperative index of the third and fourth cases were found 62 % and 64 % respectively.

One of the conclusions that can be drawn from these findings is that the discrepancies among the indices indicate that among the two processes, which is characterized by the same type of behavior, the extent to which these cases are characterized as competitive or cooperative may differ. To give an example, while the negotiation processes of both the second and sixth cases were labeled as competitive, the extent of the competitiveness differed considerably in each case. While the competitive index of the second case was 57 % for the second case, the same index was found 88 % for the sixth case. Secondly, although the negotiation processes were labeled as either cooperative or competitive on the basis of the indices developed in the methods section, the presence of both cooperative and competitive indices in the analysis, suggest that in all negotiation cases analyzed in this study included both cooperative and competitive behaviors. This also gives support to the assumption that value creating and value claiming are linked parts of negotiation processes(Lax and Sebenius, 1986).

5.1.3 Findings and Discussion about Negotiation Style Analysis:

The last analysis conducted for exploring the negotiation styles of the interviewees showed that the first, second and fifth interviewees had strong predispositions towards the competing mode (they scored above 90th percentile). Sixth interviewee was also found having strong predisposition towards the competing mode (above 80th percentile). In addition to this, the third interviewee scored high on the accommodating mode (above 80th percentile) and the fourth interviewee scored high on compromising mode (above 90th percentile). One of the implications of these findings is that the different scores of the interviewees have demonstrated that people often display preferences for several TKI modes.

Having presented the summary of findings and their implications for each three sets of analysis, in the next section the relationship between three elements of (1) outcomes (2) processes and (3) styles of the interviewee, for each case will be discussed independently. In doing this, I shall focus on three sets of relationship: first, I shall look at the relation between process and outcomes; second, the relationship between the styles and processes will be examined. Finally, overall relationship between the three elements shall be evaluated by looking at whether there is consistency between each element. In doing this, I shall look at whether there is consistency between the elements. To give an example, if the outcome of a concerned negotiation case is labeled as integrative and the process is described as cooperative, it will be concluded that there is a consistency between the process and outcome. For the same case, if the style of the interviewee is also found as cooperative, it will be decided that all of the three elements are consistent with each other.

5.1.4 Findings and Discussion about the Interplay between Outcomes, Processes and Analysis

5.1.4.1 Case 1 “Don’t move me!”

As Table 5-1 and Table 5-2 show, in the first case two sub-issues were negotiated between the parties. The results show that while the parties reached a distributive outcome in the first sub-issue (location of the work); the negotiated outcome of the third sub-issue (neighborhood of the branch) was labeled as non-specific compensation. The

results show that the negotiation process was characterized by hard (competitive) behavior (67 %). The interviewee also scored high on the competing mode, as an individual negotiation style. In the light of information, some conclusions can be drawn regarding the relationship between outcome, process and style.

Table 5-1: Summary of the Findings of Sub-Issue 1 of Case 1

		OUTCOME	
		Integrative	Distributive
PROCESS	Cooperative		
	Competitive		Sub-issue 1 DISTRIBUTIVE

Mode: COMPETING

Table 5-2: Summary of the Findings of Sub-Issue 3 of Case 1

		OUTCOME	
		Integrative	Distributive
PROCESS	Cooperative		
	Competitive	Sub-issue 3 NON-SPECIFIC COMPENSATION	

Mode: COMPETING

For the first sub-issue, regarding the relationship between the outcome and process, the findings suggest that distributive outcome was reached as a consequence of a competitive process. Therefore, there is a consistency between the outcome and process. This finding supports the common view in the literature that distributive

outcomes are the results of competitive (distributive) processes (Pruitt, 1981 and Pruitt and Carnevale, 1993).

With regard to the relationship between the negotiation style and the process, the interviewee is found having a competing style and the process is characterized as competitive. Therefore, it is concluded that there is consistency between the process and style as well. These finding supports the existing literature which suggests that people generally reflect their attitudes and styles on their behaviors (Fazio and Zanna,1981; Fazio and Powell, 1989; Fazio,1990;). Fazio and Powell (1989) argue that attitudes can guide a person's behavior even when the person does not actively reflect and conscious about the attitude. In this respect, people having competing style are expected to engage in distributive behavior while conducting negotiations (Rahim, 1994; Lewicki et. al., 2003).

Lastly, if we examine the overall relationship between outcome, process and style, the findings suggest that for the first sub-issue, beside the consistency between competitive process and competing style, the distributive nature of the outcome is also consistent with the process and style. Therefore, the overall relationship between outcome, process and style is found consistent.

For the third sub-issue, the results show that although negotiation process was characterized by competitive behavior, the nature of the outcome was integrative. This finding is against the classical view in the literature which suggests that integrative (high-joint) outcomes are the results of integrative (cooperative) processes (Pruitt, 1981 and Pruitt and Carnevale, 1993). Therefore, findings give support to the other view in the literature that most negotiations consist of overlapping processes (Bartos, 1995; Beriker,1995; Beriker and Pegg, 2000, Lax and Sebenius).

Regarding the relationship between style and process, it is found that there is a consistency between the process (competitive) and the style (competing). However, for the third sub-issue, the integrative nature of the outcome is not consistent with the negotiation process (competitive) and style (competing). Therefore, the overall relationship between outcome, process and style can be regarded as inconsistent.

5.1.4.2 Case 2“He is mine!”

Table 5-3: Summary of the Finding of Case 2

		OUTCOME	
		Integrative	Distributive
PROCESS	Cooperative		
	Competitive	Linkage of 3 Sub-Issues: COST CUTTING	

Mode: COMPETING

In the second case, as Table 5-3 shows the parties reached an integrative agreement by using cost cutting as a mechanism. The process of the negotiation was labeled as competitive (57 %) and the negotiation style of the interviewee was competing. One of the conclusions regarding the relationship between these three set of findings concerns the process-outcome relationship. In the second case integrative outcome was attained as a result of a competitive process. Therefore, there is not a consistency between process and outcome. This finding supports the view in the literature that most negotiations consist of overlapping processes (Beriker and Pegg, 2000).

If we look at the relationship between the negotiation style and the process of the negotiation, the analysis of the process show that there is a consistency between the process (competitive) and the style (competing). This is an expected finding parallel with the general assumption in the literature which suggests that people having competing style are expected to engage in distributive behavior while conducting negotiations (Rahim, 1994; Lewicki et. al., 2003). Regarding the overall relationship between the three elements, while there is a consistency between the style and the process, the integrative nature of the outcome is inconsistent with the style and the process. Therefore, the overall relationship between the elements is inconsistent.

5.1.4.3 Case 3 “What a donation!”

Table 5-4: Summary of the Finding of Case 3

		OUTCOME	
		Integrative	Distributive
PROCESS	Cooperative	Linkage between 2 Sub-issues LOGROLLING	
	Competitive		

Mode: COLLABORATING

As Table 5-4 demonstrates, in the third case log-rolling was used as a mechanism to reach an integrative outcome. The process of the negotiation is found to be cooperative and the interviewee had a high predisposition for collaborating. Therefore, there is a consistency between the process and outcome in the third case. In this respect, this case strongly supports the classical view in the literature that integrative (high-joint) outcomes are the results of integrative (cooperative) processes (Pruitt, 1981 and Pruitt and Carnevale, 1993).

As the Table 5-4 presents, the style (collaborating) and the process (cooperative) were also found consistent with each other. Similar to the first and second cases, the findings of the third case support the assumption that attitudes (styles) directly guide the behavior (process). Accordingly, it is expected that people having collaborating negotiation style display cooperative types of behavior during the negotiation process. On the other hand, since the integrative nature of the outcome is also consistent with the process and style, it is concluded that the overall relationship between the three elements of outcome (integrative), process (cooperative) and style (collaborating) is also strongly consistent with each other.

5.1.4.4 Case 4 “To donate or not to donate?”

Table 5-5: Summary of the Finding of Case 4

		OUTCOME	
		Integrative	Distributive
PROCESS	Cooperative	Linkage between 3 Sub-issues COST CUTTING	
	Competitive		

Mode: COMPRISING

As will be inferred from the above table, cost-cutting was used as a mechanism to reach an integrative outcome. The process of the negotiation was characterized as cooperative. In addition to these, it is found that the interviewee scored high on the compromising mode. On the basis of these findings, one conclusion that can be drawn regarding the relationship between process and outcomes is that integrative outcome in this case derived from cooperative negotiation process. Therefore, there is a consistency between the process and outcome. This finding supports the classical assumption in the literature which suggests that there is a direct link between parties’ cooperative behavior and achievement of an integrative outcome.

As the findings that is depicted in Table 5-5 suggest, the relationship between the elements of process (cooperative) and style (compromising) is found almost consistent. The interviewee having a compromising style reflected her style on the process, which is characterized as cooperative. On the other hand, since the nature of the negotiated outcome (integrative) is also found consistent with the process (cooperative) and style, the overall relationship between the three elements (outcome, process and style) is found consistent.

5.1.4.5 Case 5 “Give me what I want or I’ll go!”

Table 5-6: Summary of the Finding of Case 5

		OUTCOME	
		Integrative	Distributive
PROCESS	Cooperative		
	Competitive	Linkage between 2 Sub-issues COST CUTTING	

Mode: COMPETING

As Table 5-6 shows, in the fifth case the parties reached an integrative agreement by using cost-cutting as a mechanism. The analysis section also showed that the negotiation process was mostly characterized by competitive behavior. The interviewee scored high on the competing mode. The relationship between process and outcome in this case points out that integrative agreement was a product of a competitive process. Therefore, there is an inconsistency between process and outcome. This result challenges the classical assumption about the strong link between integrative processes lead to integrative outcomes.

The findings related with the relationship between the elements of process (competitive) and style (competing) is also consistent. As expected, the interviewee having a competing style reflected his style on the process, which is characterized as competitive. On the other hand, since the nature of the negotiated outcome is inconsistent with the process and the style; it is concluded that the overall relationship between the three elements (outcome, process and style) is inconsistent.

5.1.4.6 Case 6 “Fate of the apartments”

Table 5-7: Summary of the Finding of Case 5

		OUTCOME	
		Integrative	Distributive
PROCESS	Cooperative		
	Competitive	Linkage between 3 Sub-issues LOGROLLING	

Mode: COMPETING

Table 5-7 shows that, in the last case the parties attained an integrative outcome by using logrolling as a mechanism. Analysis section also shows that the process of the negotiation is predominantly characterized by competitive (hard) behavior. In addition to these, according to the results the interviewee had a high score on the competing mode. The findings show that although negotiation process was mostly characterized by competitive (hard) behavior, the nature of the outcome derived from the process was integrative. Findings regarding the relationship between the process and outcome of the negotiation show that there is an inconsistency between the process and outcome. This finding supports the view that there is not always a direct link between distributive behavior and a distributive outcome, rather negotiations involve both types of behavior.

In the sixth case, the relationship between the process (competitive) and style (competing) is found consistent. As expected, the interviewee having a competing style reflected his style on the process, which is characterized as competitive. On the other hand, since the nature of the negotiated outcome is inconsistent with the process and style and the overall relationship between the three elements (outcome, process and style) is found inconsistent.

5.1.5 Summary Conclusion

This research investigated the real-life business negotiations conducted in the Turkish financial sector. Content analysis was used as the main methodology to depict the process and outcomes of negotiations. The outcomes of the negotiations were studied on the basis of the “integrative and distributive” distinction. Furthermore, the mechanisms employed by the parties to reach those outcomes were analyzed on the basis of Pruitt’s classification of integrative outcomes. Bargaining Process Analysis of Walcott and Hopmann (1975) was applied to analyze the process of negotiations in terms of their cooperative or competitive aspects. In addition to this, styles of the interviewees were also assessed by, Thomas Kilman Conflict Mode Instrument, which is a psychological assessment tool. In the end, a comparative study which integrates the elements of outcome, process and style was conducted to analyze the relationship between these three elements.

The findings showed that the way exchanges are made between the and within the issues in real world business negotiations may be more complicated than what has been described than Pruitt. In most of the cases, parties used integrative mechanisms in a novel way to reach an outcome such as trading off issues which of same importance for them or using more than one integrative mechanism for handling the same issue.

Regarding the integrative and distributive aspects of the cases, one of the conclusions of the outcome analysis was that within the same negotiation case both integrative and distributive outcome was attained for the different issues. It is also found that “each integrative mechanism has also distributive aspect” (Beriker and Pegg, 2000). Some issues were subjected to redistribution in order to reach an integrative agreement.

Finally, the relationship between the elements of outcomes, processes and styles were examined by first comparing the relationship between the outcome and process; second by comparing the relationship between style and process; and finally overall relationship between the three elements were evaluated. In this comparison, I examined whether there is consistency between these elements. In terms of the relationship between the outcome, process and style; the findings suggest that in five of the cases while there was a great consistency between the process and style, the nature of the outcomes were inconsistent with the elements of style and process. Only in the first (for

the first sub-issue) and the third case, all of the three elements were found consistent with each other.

5.1.6 Implications of This Research

5.1.6.1 Methodological

This study investigated the real world business negotiations on a sector-specific basis. As mentioned before studies of negotiation were mostly based on experimental findings which are attained in laboratory settings. Real world negotiations are rarely studied in the existing literature. Studies which analyze the real world negotiations are mostly about the international diplomacy and they are heavily based on historical and legal perspectives. Besides, use of integrative and distributive classification in a real world negotiation case is nothing but exception in the literature (Beriker and Pegg, 2000). Beriker and Pegg (2000) used the integrative and distributive categories to analyze a real world negotiation case. The authors further analyzed the types of integrative mechanisms to reach the integrative type of outcomes.

In this respect, the present study by applying the content analysis as a main methodology to real world business negotiations in a specific sector has made an important methodological contribution to the literature. As mentioned before, studies of real world of negotiation which are conducted in the field is very rare in the literature. Using interviews as a research strategy, the real actors of the negotiation cases were made as a subject of the present study. By this way, the negotiators who best know how the case, generated data for the research. Moreover, using interviews as a research strategy also made it possible to identify certain integrative mechanisms such as “log-rolling” where it requires information about the priorities of the parties.

One important limitation of the research could be that interviews were conducted with merely one of the parties to the concerned negotiation. Therefore, the information about the positions, interests and the priority ranking of the other party was also obtained from the interviewee. To overcome this limitation, it might be useful to interview the both parties. However, given the fact that interview is a costly method of gathering information and finding the other party is practically very difficulty for

various reasons (such as the party changed his/her location), interviewing with one of the parties was chosen as the best strategy to conduct this study.

Secondly, to the best of my knowledge, no research about the integrative and distributive aspects of a real world negotiation has been conducted before by focusing on a specific sector. The sector-specific basis of the study is significant in the sense that it provides coherence and integrity to the subject matter of the cases analyzed here. Selecting all the cases from the financial sector enabled a focused study in which similar cases were analyzed.

One of the limitations of this research could be the subject ranges of cases analyzed. Although all cases were selected from the financial sector negotiations, they did not have the exactly same topics. However, since it was required from the interviewees to narrate the negotiation case they most vividly remember, no manipulation has been made in order to make the interviewee narrate a case of a specific topic. Since obtaining reliable data is very crucial for the researcher, the interviewees were allowed to narrate the case that they could remember vividly. Furthermore, the fact that in all negotiation cases similar interests were underlying the positions of the interviewees (such as decreasing the cost of the agreement or increasing the gain obtained out of it) the subject ranges of the cases did not pose an important limitation on the integrity of the study. Another limitation of the present study might be that in the first case the interviewee narrated a case where she negotiated over an item which was directly related with herself, however in other cases the interviewees narrated the occasions where they negotiated on behalf of the institution they were working for. This difference might have affected the way the first interviewee negotiated since the subject on the table would influence her directly, however as I said before since interviewees were required to narrate a negotiation they most vividly remember, no manipulation has been made in order to make the interviewee narrate a case of a specific topic.

Findings of this study suggest that in all of the cases there was great consistency between the process and style. This finding implies that the methodology used for analyzing the process of the negotiations (BPA) and the methodology used for assessing the negotiation style of individuals (TKI) are reliable instruments as they provided compatible results with each other.

5.1.6.2 Theoretical

Much of the literature on negotiation focuses on either outcome or process or style. The interplay between these variables has been a subject of fewer studies. Research has largely focused on the relationship between either on process and outcomes or styles and outcomes. To the best of my knowledge, the relationship between all of these three elements has not been studied in a single study before. In this respect, the present study makes an important theoretical contribution to the existing literature by examining the dynamics between outcome, process and style together in a wide picture.

Second theoretical contribution of this study has been the elaboration of the novel ways of applying integrative mechanisms in real world negotiations different from their classical usage as described by Pruitt (1981, 1983). The novel way of parties using cost-cutting (complex cost-cutting) or logrolling can be given as an example in this respect. In certain cases the way cost-cutting is used as a mechanism to reach an integrative agreement was more complicated than what has been described by Pruitt. Although Pruitt's cost cutting does not refer to how cost-cutting is used as a mechanism by making exchanges across the sub-issues, in the analyzed cases it is found that parties reached an agreement by making linkages or exchanges between the issues on which they attribute the same priority. Similarly, the log-rolling used in one of the cases was not a classical type of log-rolling where parties merely exchanged issues on the basis of different priorities they attribute to the issues. In order to realize the exchange of concessions, "expanding the pie" was used as a mechanism by the parties.

5.1.6.3 Practical

Investigating the real-life business negotiations and uncovering information regarding negotiation processes and the outcomes is very significant because providing answers to my research question was not merely of academic concern but also it will be very useful for the managerial level strategic decision makers. In addition to gaining better understanding of the negotiation process, the information can be used to predict whether negotiations reach agreement as well as the nature and quality of agreements, and to determine how negotiators can be better trained to effectively negotiate (Weingart, Olekalns and Smith, 2004, p.441). Moreover, self-awareness of negotiation style is critical to the success of negotiations. Such knowledge can help the managers

gain perspective on their actions, interpret their own behaviors and use feedback more constructively. As stated by Weingart, Olekalns and Smith (2004, p.441), the resulting data of this study can be used to capture general strategies employed by negotiators, how they employed those strategies and when they did so.

5.1.7 Future Research

The aim of this research has been to further the understanding on real life business negotiations by focusing on the negotiation outcomes, processes and styles. In line with the aim of this research, interviews have been conducted to collect data. As mentioned before, these interviews have been conducted with one of the parties to the negotiation. A further research strategy could be interviewing the both parties to the negotiation case. This strategy could increase the reliability of the collected data since the same case would be narrated by two different sources. This strategy would also allow the researcher to compare how the same case is narrated by two different points of view. Differences in the narrations could make it possible to see how the perceptions could matter in negotiations. This strategy may also allow the researcher to examine the relationship between outcomes, processes and styles more accurately.

Another line of suggested research could be looking at the impact of different contextual factors on the negotiation outcomes and processes. In this respect, the role of Best Alternative to Negotiated Agreement (BATNA) can be further examined. Although studying the role of BATNA s in the negotiation outcomes and processes was not the main concern of this research, findings showed that in negotiation cases where the party has favorable alternatives to the negotiated agreement, this increased the negotiating power of the party by enabling him/her to threaten the other party to evaluate these options (e.g. in the fourth and fifth cases).

The findings of the study suggested that in all of the cases the parties obtained integrative outcomes. This result points out how the sector specific values might have forced the parties to seek for integrative outcomes that are mutually beneficial for the parties rather than distributive outcomes. One of the reasons of this could be that the parties to the negotiations knew that they would be entering into a long-term, interdependent relationship by signing an agreement. This awareness might have forced them to seek for ways to maintain their relations and be responsive to the interests and

concerns of each other during the negotiation. As the actors in the financial sector are strongly dependent on each other to survive and the agreements they sign mostly put them into a long term relationship, these sector-specific characteristics might also had an impact on the formation of outcomes in the negotiations. The future research might look at in more detail how the sector-specific characteristics affect the way parties negotiate.

Last of all, a similar study might be conducted in a different sector. This may allow the researchers to look at whether negotiations in other sectors sharply differ from the negotiations in the financial sector. Although, the cases examined here shall not be used to generalize to all negotiation cases in the Turkish financial sector; through examining the cases systematically, the negotiation outcomes, processes and styles; and the relationship between these elements were elaborated. A future study conducted in a different sector may also serve the same purpose and further the understanding on negotiations conducted in these sectors and may allow the researcher to compare and contrast the differences of negotiations in different sectors.

Appendix A

- A. Substantive Behavior: Behavior directly associated with the subject matter of the negotiation.
 - 1. Initiations: Actor advances a substantially new proposal or states his/her own substantive position for the first time
 - 2. Accommodations: Actor concedes a point to another, reacts a proposal in the face of resistance, or express a willingness to negotiate or compromise his own stated position.
- B. Strategic Behavior: Behavior designed to affect the behavior of other actors in the negotiations, but not to imply a substantive change of position on the part of the initiator.
 - 1. Commitments: Actor takes a position or reiterates it with a clear statement that it will not change under any circumstance and/or declares his/her own position non-negotiable.
 - 2. Threats: Actor offers or predicts a negative consequence (sanction or withholding of potential rewards) if another does not behave in a specified manner.
 - 3. Promise: Actor offers or predicts positive consequences (rewards or withdrawal of sanctions) if another behaves in a stated manner.
- C. Task Behavior: Behavior primarily designed to promote business-like discussion and clarification of issues.
 - 1. Agreements: Actor accepts another's proposal, accepts a retraction or accommodation, or expresses substantive agreement with another's position.
 - 2. Disagreements: Actor rejects information, inquires as to another's position, reaction or intention, or requests clarification or justification of a position.
 - 3. Answers: Actor supplies information, reiterates a previously stated position, or clarifies or justifies a position.
- D. Affective Behavior: Behavior in which actors express their feelings or emotions toward one another or toward a situation.
 - 1. Positive Affect: Actor jokes or otherwise attempts to relieve tension, attempts to create feelings of solidarity in the group, or expresses approval or satisfaction.
 - 2. Negative Affect: Actor becomes irritable or otherwise shows tension, criticizes another in general terms, expresses disapproval or dissatisfaction with group performance or with the situation.

E. Procedural Behavior: Behavior designed to move the discussion along, but which does not fit any of the above categories.

1. Subject Change: Attempts to divert discussion from one substantive topic to another.
2. Other: Any other rhetoric that does not fit into the above categories.

Appendix B

Sample of TKI Scores

		Competing	Collaborating	Compromising	Avoiding	Accommodating
High 25%	100%	12		12	12	12
					11	11
		11	12	11	10	10
		10	11	10	9	9
	90%					8
		9	10			7
	80%	8		9	8	
			9			6
				8		
Middle 50%	70%	7			7	
	60%	6				5
			8		6	
	50%			7		
			7			
	40%	5				4
				6	5	
	30%	4		5		
			6			
						3
Low 25%	20%	3			4	
			5			
				4		
	10%	2			3	
			4			
			3	3		
			2	2	2	2
		1	1	1	1	1
		0	0	0	0	0

Appendix C

Coding Sheet Used for Content Analysis of Case 1

		1	2	3	4	5	6	7	8	9	10	11	12	13
1	HRD												*	
2	B. Çiğdem Doğan											*		
1														*
2		*				*								*
1	Accommodations						*							*
2	Commitments									*				*
1	Threats											*		
2	Promises													*
1	Agrees	*					*							
2	Disagrees						*							
1	Positive Affect											*		
2	Negative Affect												*	*
1	Subject Changes		*				*							*
2	Other										*			*
1	Questions						*				*	*		*
2	Initiations													
1	Answers													
2											*			*
1						*								
2		*	*			*								
1		*												
2		*												*
1						*							*	
2				*								*		
1					*									

Appendix D

Coding Sheet Used For Content Analysis of Case 2

		1	2	3	4	5	6	7	8	9	10	11	12	13
1	Erinç Ağacıkoğlu	1									*			
2	Arif Obacı	2	*								*			
		1						*						
Column:		2									*	*		
1	Accommodations	1										*		
2	Commitments	2												*
3	Threats	1										*		
4	Promises	2									*			
5	Agrees	1			*									
6	Disagrees	2	*											
7	Positive Affect	1										*		
8	Negative Affect	2												*
9	Subject Changes	1										*		
10	Other	2												*
11	Questions	1										*		
12	Initiations	2												*
13	Answers	1										*		
		2									*			*
		1										*		
		2												*
		1										*		
		2												*
		1								*			*	
		2	*					*			*			*
		1									*	*		
		2												*
		1												*
		2										*		
		1			*									*
		2						*			*			
		1	*	*				*						
		2				*								
		1			*									
		2				*								

Appendix E

Coding Sheet Used For Content Analysis of Case 3

	1	2	3	4	5	6	7	8	9	10	11	12	13
1 Akgün Doğan										*	*		
2 The credit manager of C Bank													*
Column													
1 Accommodations									*				
2 Commitments													*
3 Threats										*			
4 Promises		*					*			*			
5 Agrees													*
6 Disagrees							*						
7 Positive Affect							*						*
8 Negative Affect							*						
9 Subject Changes									*				
10 Other							*						
11 Questions			*										
12 Initiations											*		
13 Answers			*										
	2	*								*			
	1										*		
	2												*
	1								*				
	2									*			*
	1											*	
	2				*				*				
	1												*
	2												*
	1						*						*
	2												*
	1			*						*			
	2	*											
	1						*						
	2									*			
	1												*
	2											*	
	1				*								

Appendix F

Coding Sheet Used For Content Analysis of Case 4

		1	2	3	4	5	6	7	8	9	10	11	12	13
1	Ceren Aydođan													
2	Mr. Tulhan	1											*	
		2					*							*
		1										*		
		2											*	
1	Accommodations	1					*							
2	Commitments	2												*
3	Threats	1	*											
4	Promises	2												*
5	Agrees	1								*			*	
6	Disagrees	2					*						*	
7	Positive Affect	1					*							
8	Negative Affect	2		*										
9	Subject Changes	1	*											
10	Other	2		*										
11	Questions	1			*			*					*	
12	Initiations	2	*											
13	Answers	1								*			*	
		2					*							
		1						*						
		2	*											
		1									*			
		2										*		
		1					*							*
		2			*									
		1							*					
		2			*									
		1	*											

Appendix G

Coding Sheet Used For Content Analysis of Case 5

		1	2	3	4	5	6	7	8	9	10	11	12	13
1	Halit Akçay													
2	Osman Güven												*	
		1											*	
		2					*						*	
		1	*											
		2	*											
1	Accommodations	1									*			
2	Commitments	2	*											
3	Threats	1											*	
4	Promises	2										*		
5	Agrees	1	*											*
6	Disagrees	2									*			
7	Positive Affect	1	*											
8	Negative Affect	2							*					
9	Subject Changes	1									*			
10	Other	2		*										
11	Questions	1									*			
12	Initiations	2		*							*			
13	Answers	1						*						
		2									*			
		1											*	
		2												*
		1							*					
		2											*	
		1												*
		2	*		*									
		1												*
		2		*										
		1									*			
		2									*			
		1	*					*						
		2									*			

Appendix H

Coding Sheet Used For Content Analysis of Case 6

		1	2	3	4	5	6	7	8	9	10	11	12	13
1	Credit manager of F Bank	1											*	
2	Ali Özbudun	2				*								
		1										*		
		2											*	
1	Accommodations	1	*											
2	Commitments	2												*
3	Threats	1												*
4	Promises	2	*											
5	Agrees	1						*						
6	Disagrees	2												*
7	Positive Affect	1								*				
8	Negative Affect	2									*			
9	Subject Changes	1										*		
10	Other	2											*	
11	Questions	1	*											
12	Initiations	2												*
13	Answers	1	*											
		2												*
		1	*											
		2		*										
		1											*	
		2					*							
		1									*			
		2										*		
		1				*								
		2									*			
		1									*			
		2												

Appendix I

TKI Profile of Çiğdem Doğan (Case 1)

	Competing	Collaborating	Compromising	Avoiding	Accommodating
High 25%	100%	12		12	12
				11	11
		11	12	11	10
		10	11	10	9
	90%				8
Middle 50%	80%	9	10		7
		8		9	8
			9		6
	70%	7		8	
				7	
Low 25%	60%	6	8		5
				7	6
	50%		7		
		5			4
	40%	4		6	
Low 25%	30%			5	
			6		3
	20%	3	5		
				4	
	10%	2		4	3
		4			
		3	3		
		2	2	2	
	1	1	1	1	
	0	0	0	0	

Appendix J

TKI Profile of Akgün Doğan (Case 2)

		Competing	Collaborating	Compromising	Avoiding	Accommodating
High 25%	100%	12		12	12	12
					11	11
		11	12	11	10	10
		10	11	10	9	9
	90%					8
Middle 50%	80%	9	10			7
		8		9	8	
			9			6
	70%	7		8		
					7	
Low 25%	60%	6	8			5
				7	6	
	50%		7			
		5				4
	40%			6		
Low 25%	30%	4		5	5	
			6			
	20%	3			4	3
			5			
	10%	2		4		3
		4				
		3		3		
		2		2	2	2
	1	1	1	1	1	1
	0	0	0	0	0	0

Appendix K

TKI Profile of Erinç Ağacıkoğlu (Case 3)

		Competing	Collaborating	Compromising	Avoiding	Accommodating
High 25%	100%	12		12	12	12
					11	11
		11	12	11	10	10
		10	11	10	9	9
	90%					8
		9	10			7
	80%	8		9	8	
			9			6
				8		
Middle 50%	70%	7			7	
	60%	6	8		6	5
				7		
	50%		7			
		5				4
	40%					
		4		6		5
	30%			5		
			6			
Low 25%	20%	3			4	3
			5			
				4		
	10%	2			3	
			4			
			3	3		
			2	2	2	2
		1	1	1	1	1
		0	0	0	0	0

Appendix L

TKI Profile of Ceren Aydoğan (Case 4)

		Competing	Collaborating	Compromising	Avoiding	Accommodating
High 25%	100%	12		12	12	12
					11	11
		11	12	11	10	10
		10	11	10	9	9
	90%					8
Middle 50%		9	10	9	8	7
	80%	8				
			9	8		6
	70%	7		8		
					7	
	60%	6	8			5
				7	6	
	50%		7			
	40%	5				4
	30%	4		6	5	
Low 25%			6	5		
	20%	3			4	3
			5			
				4		
	10%	2			3	
			4			
			3	3	2	2
	1	1	2	1	1	
	0	0	0	0	0	
		2	1	1	1	
			0	0	0	

Appendix L

TKI Profile of Osman Güven (Case 5)

		Competing	Collaborating	Compromising	Avoiding	Accommodating
High 25%	100%	12		12	12	12
					11	11
		11	12	11	10	10
		10	11	10	9	9
	90%					8
	9	10			7	
	8			9	8	
Middle 50%			9			6
	70%	7		8		
					7	
	60%	6				
			8			
				7		
					6	
						5
	50%		7			
		5				
40%					4	
			6			
30%	4			5		
			5			
			6			
Low 25%						3
	20%	3			4	
			5			
				4		
	10%	2			3	
			4			
		3		3		
		2		2	2	
	1	1		1	1	
	0	0		0	0	

Appendix M

TKI Profile of Ali Özbudun (Case 6)

		Competing	Collaborating	Compromising	Avoiding	Accommodating
High 25%	100%	12		12	12	12
		11	12	11	11	11
		10	11	10	10	10
	90%				9	9
		9	10			8
Middle 50%	80%	8		9	8	
			9			6
	70%	7		8		
					7	
	60%	6				
			8			5
	50%			7	6	
			7			
	40%	5				4
				6		
Low 25%	30%	4		5	5	
			6			
	20%	3			4	3
			5			
	10%	2		4	3	
			4			
			3	3		
			2	2	2	2
		1	1	1	1	1
	0	0	0	0	0	

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