Does Emotional Intelligence Matter in Interpersonal Processes? The Mediating Role of Emotion Management*

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Abstract

Researchers have identified emotional intelligence (EI) as an important individual characteristic that predicts interpersonal effectiveness. In this study, we identified three potential areas of emotion management (emotion expression, emotion recognition, and shaping counterpart emotion) that may be promoted by intrapersonal and interpersonal EI, and may mediate the effects of EI on interpersonal process and outcomes. Our analysis of data from a dyadic negotiation simulation indicates that EI predicts one aspect of emotion management (shaping counterpart emotion). Intrapersonal EI (but not interpersonal EI) increased counterpart positive emotion and decreased counterpart negative emotion during the negotiation simulation. Nevertheless, the overall relationship between EI and emotion management was weak. The present study highlighted the need for clearly conceptualizing and investigating emotional management through which individuals accrue interpersonal and performance benefits.

Keywords: emotional intelligence, emotion management, interpersonal behavior, negotiation

INTRODUCTION

Negotiation is a social process used to manage the interdependent goals of multiple individuals (Dwyer and Moore 2010; Pruitt and Carnevale 1993). Scholars of conflict and negotiation have acknowledged the important role played by emotions in this social process (Thompson 2005). Attention to the role of emotion has recently emerged among negotiation researchers, resulting in an increasing number of empirical investigations on this issue (e.g., Foo et al. 2004; Fulmer and Barry 2004; Overbeck, Neale, and Govan 2010). Emotions seem to shape many aspects of negotiation, such as interpersonal communication (Morris and Keltner 2000), information processing (Clore, Shwarz, and Conway 1994), and judgment and choice during negotiation (Forgas 1995). For instance, empirical evidences indicate that positive emotions lead to more integrative and less competitive negotiation behaviors (Butt and Choi 2006) and higher joint gains (Kopelman, Rosette, and Thompson 2006), while negative emotions such as anger induce more dominating behavior (Butt, Choi, and Jaeger 2005) and less likelihood of reaching an agreement (Friedman et al. 2004).

Considering the significance of emotion in the negotiation process, it is reasonable to expect that adequate management of emotions is

necessary to improve the process and effectiveness of negotiation. In this regard, scholars have attended to individual characteristics relevant to managing emotions such as emotional intelligence (EI) as a key construct in negotiation (e.g., Fulmer and Barry 2004; Foo et al. 2004; Jordan and Troth 2004; Kong and Bottom 2010). In linking EI and negotiation processes and outcomes, these studies assumed that EI as an individual disposition leads to effective emotion management of negotiators such as regulating self emotion and shaping the counterpart's emotion, which ultimately generates desirable interpersonal processes and positive outcomes. However, it is not clear whether this presumed link between EI and emotion management actually takes place and what aspects of EI affects what types of emotion management.

In the present study, we theorize and empirically examine the role of emotion management as a mediating mechanism between EI and negotiation behavior and outcomes. Our view is that EI provides the negotiator with the *capacity or potential* to successfully manage emotions. In other words, some individuals with high EI may be predisposed to be better emotion managers than those with low EI. However, this capacity or predisposition does not automatically lead to better negotiation process and outcomes. Rather, this capacity has to be leveraged in a specific situation to effectively manage emotions. Therefore, only when EI results in effective emotion management, the negotiator may accrue benefits from EI and generate desirable negotiation behavior and outcomes.

As depicted in our research framework shown in figure 1, in examining the link between EI, emotion management, and negotiation, we distinguish between *intrapersonal* EI and *interpersonal* EI that are likely to affect different aspects of emotion management such as regulating self emotions and shaping the counterpart's emotion, respectively. To empirically examine the effect of EI on actual emotion management in an interpersonal setting, we identified three areas of emotion management: *emotion expression*, *emotion recognition*, and *shaping the other's emotion*. In an effort to reveal the hidden link between EI and interpersonal outcomes, we further hypothesize that these emotion management dimensions mediate the effects of negotiators' EI on negotiation process and outcomes by shaping the counterpart's negotiation behavior (either integrative or distributive) and ultimately shaping the counterpart's satisfaction with the negotiation and his/her desire for continued

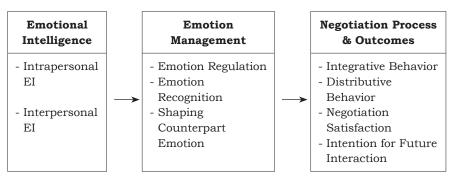


Figure 1. Effects of emotion management, with EI as antecedent, on negotiation behaviors and outcomes

working relationship. Our focus on counterpart behavior and outcomes taps on the social aspect of EI and emotion management and thus make a distinct contribution to the literature that has focused on the effect of EI on the focal person's behavior and outcomes. We empirically validate our theoretical model using data from a negotiation simulation, in which various types of emotions and behaviors of the focal negotiator and his/her counterpart were measured.

THEORY AND HYPOTHESES

Emotional Intelligence: Individuals' Capacity for Emotion Management

Emotional Intelligence (EI) is defined as the ability to monitor one's own and others' emotions, to discriminate among them, and to use the information to guide one's thinking and actions (Salovey and Mayer 1990). Gardner (1993) identified two distinct dimensions of EI that include intrapersonal and interpersonal EI. Intrapersonal EI refers to one's ability to deal with oneself by symbolizing and properly expressing complex and highly differentiated sets of emotions felt by the self. On the other hand, interpersonal EI relates to one's ability to deal with others by noticing and making distinctions among other individuals' moods, motivations, and intentions. Similar classifications of EI have proposed by other researchers. Mayer and Salovey (1997) proposed a four dimensional theoretical model that included abilities to (a) accurately perceive

and express emotions, (b) access emotions to facilitate thoughts, (c) understand and analyze emotions, and (d) regulate emotions in self and others. Likewise, other scholars have identified regulation and expression of emotion in oneself, appraisal and recognition of emotion in others, and use of emotion to facilitate performance as critical dimensions of EI (Ashkanasy, Härtel, and Zerbe 2000; Davies, Stankov, and Roberts 1998; Law, Wong, and Song 2004).

The definition and commonly accepted dimensions of EI clearly indicate that individuals with high EI have greater empathic ability and be able to understand self and counterpart emotions and as a result may produce better outcomes. However, as much as intelligent quotient is not a strong predictor of performance in academic or other domains, having the trait or skill may be different from successfully performing the behavior based on it. Therefore, it is misleading to equate the possession of EI with successful engagement in emotion work in varying situations. In the present study, we conceptualize EI as an individual's ability that facilitates the intrapersonal or interpersonal process of emotion management, which is defined as a process in which an individual identifies and expresses self emotions and shapes partner emotions that are desirable in the given social context.

Drawing on various dimensions comprising EI, we propose that EI enhances individuals' emotion management in the following three areas: (a) regulating self emotions in the form of expressed emotions in interpersonal encounters (emotion expression); (b) recognizing the counterpart's emotions and moods (emotion recognition); and (c) eliciting desirable emotions from the counterpart (shaping counterpart emotion). These three areas of emotion management have important implications particularly in the negotiation context.

Emotion Expression. By properly regulating self emotions, individuals may express and sustain pleasant and unpleasant emotions as deemed appropriate, and restrain negative emotional outbursts and impulses (Boyatzis 1982). Negotiation researchers stress that careful regulation of self emotions is vital for successful completion of negotiations (Bazerman et al. 2000). The focal negotiator's emotional expression provides important cues that may help advance the negotiation process through its different phases (Morris and Keltner 2000). For example, expression of emotions in a constructive manner enables a negotiator to communicate effectively

with counterparts to fulfill his/her needs and accomplish his/her objectives (George 2000).

Emotion Recognition. Awareness and understanding of the partner's emotions are crucial in many interpersonal engagements (Huy 1999). A person's expressed emotions affect the counterpart's behavior only when they were accurately perceived and recognized. George (2000), for example, asserts that the accurate appraisal of emotions facilitates the use of emotional input in judgment formation and decision making. Indeed, negotiators' behavior is frequently guided by their interpretations of the counterparts' emotions (Butt et al. 2005).

Shaping Counterpart Emotion. Research suggests that people are able to and actually take steps to manage others' emotions (Mayer et al. 1991). Research also shows that generation and expression of beneficial emotions by self and others in interpersonal situations directly influence social relationship outcomes (Lopes et al. 2004). Given that people with positive emotions are disposed to be sociable (Cunningham 1988) and negotiators in positive moods are more likely to seek integrative solutions (Isen, Daubman, and Nowicki 1987), eliciting positive emotions from the counterparts may comprise a critical part of emotion management in interpersonal settings.

Instead of assuming that EI enhances the emotion management among individuals, we hypothesize and empirically test the link between EI and emotion management. By doing so, we further test our view that EI can influence individual or interpersonal outcomes to the extent that EI actually leads to effective emotion management. There is a possibility that interpersonal EI plays a more important role for emotion management because it takes place in interpersonal encounters. However, emotion management may also need competences based on intrapersonal EI such as deep understanding of emotion itself, its regulation, and effective utilization of emotion for task performance. Therefore, we hypothesize that both intrapersonal and interpersonal dimensions of EI are beneficial for the three aspects of emotion management.

H1: Intrapersonal and interpersonal EI is positively related to emotion management (emotion expression, emotion recognition,

and shaping counterpart emotion).

Emotional Intelligence and Interpersonal Behavior and Outcomes

EI has been found to influence a number of workplace outcomes including job satisfaction, task performance (Sy, Tram, and O'Hara 2006), extra-role behavior (Wong and Law 2002), conflict resolution (Jordan and Troth 2004), and interpersonal relationships (Saklofske, Austin, and Minski 2003). EI also affects negotiation. For example, Jordan and Troth (2002) found that people with high levels of EI engaged in constructive conflict resolution behaviors. Moreover, negotiators with high EI tend to obtain greater psychological and economic gains from the negotiation (Foo et al. 2004). In interpreting these results, researchers have presumed a rather automatic application of EI in various interpersonal settings (e.g., teamwork, negotiation) that result in successful emotion management.

Considering that EI provides negotiators with critical interpersonal skills such as regulating and utilizing emotions, negotiators with high EI are likely to develop mutually beneficial interpersonal processes that lead to positive psychological and interpersonal outcomes (Allred et al. 1997; Friedman et al. 2004). Unlike previous studies that have demonstrated the positive relationship between EI and the focal negotiator's behavior and personal economic gains (Foo et al. 2004), we attend to the effects of EI on the counterpart's behavior and outcomes. By focusing on the counterpart behavior and outcomes, we meaningfully expand the role of EI in interpersonal encounters such that EI shapes the partner's behavior as well in addition to one's own behavior. Thus, in this study, EI and emotion management is expected to have social functions involving the interaction partner instead of (or in addition to) within-person, psychological functions.

Emotion Management as a Mediating Mechanism

Emotions play a vital role in influencing negotiation behavior (Allred et al. 1997; Barry and Oliver 1996; Ogilvie and Carsky 2002). Negotiators not only purposefully express and conceal their emotions in order to achieve their negotiation outcomes (Kumar 1997; Thompson 2005), but also interpret and manage their counterpart's emotions and behavior, and respond accordingly

(Van Kleef, De Dreu, and Manstead 2004a). For this reason, Fulmer and Barry (2004) argue that a negotiation process may "include an emotional dimension within which a negotiator could operate strategically." In line with their argument, a main premise in this paper is that emotions can be used strategically to elicit specific negotiation behaviors from the counterpart and to achieve desired outcomes for both negotiators.

Previous studies investigated various types of emotions in the negotiation context. Similar to most prior studies (e.g., Forgas 1998; Ogilvie and Carsky 2002), we attend to the role of positive and negative emotions. Specifically, we focus on gratitude and anger toward the partner, which have strong interpersonal connotations and thus behavioral implications in the context of negotiation (Butt and Choi 2006). In this study, we investigate how the focal negotiators regulate, recognize, and shape the two types of discrete emotions. The focal negotiators' intrapersonal and interpersonal EI will predict their management of gratitude and anger for themselves and their counterparts (hypothesis 1), which in turn should affect the counterparts' negotiation behavior and outcomes. Thus, we propose that emotion management mediates the relationship between EI and negotiation process and outcomes.

First, in line with the strategic use of emotion in negotiation settings, high-EI negotiators are apt to regulate their emotions and express positive emotions that are likely to elicit counterparts' integrative behavior rather than destructive, competitive behavior (Allred et al. 1997). In order to set a collaborative tone for integrative efforts, it is particularly important to suppress anger toward the counterpart, which is highly contagious and quickly introduce the fixed-pie mindset on the negotiation table (Butt et al. 2005). A number of studies have also shown that expression of positive emotions is positively related to social, psychological outcomes of negotiation such as negotiation satisfaction and desire to continue the relationship (e.g., Butt and Choi 2006). Therefore, the counterpart will perform a greater level of integrative behavior and report greater social-psychological outcomes when the focal negotiator exhibits gratitude and suppresses anger during the negotiation.

Second, we expect the same positive role of emotion recognition in explaining the relationship between EI and negotiation outcomes. Negotiators who are perceptive of the counterparts' emotions are also more likely to form appropriate responses during the negotiation. When the focal negotiator accurately appraises the counterpart's positive emotion, then he/she may respond with integrative negotiation behavior that is apt to be reciprocated by willing collaboration and creative problem solving for identifying win-win solutions (Butt et al. 2005). On the contrary, the focal negotiator may recognize that the counterpart is frustrated, and thus expect that distributive behavior would follow. In this case, the negotiator can take preventive actions to pacify the counterpart's anger or to keep his/her portion of negotiation outcomes by holding a firm stance and ultimately urging the counterpart to behave in a constructive manner (De Dreu et al. 2001; Van Kleef et al. 2004a). Therefore, when the negotiators accurately recognize the counterparts' emotion, the counterparts are likely to employ collaborative approaches, which should increase their satisfaction and intention to work with their partners in the future.

Finally, negotiators who can shape their counterparts' emotion are also expected to elicit desirable behavior and satisfaction from their counterparts. Negotiators with high EI may be able to promote positive emotions in the counterparts and suppress negative emotions, creating a collaborative atmosphere in the dyad (Butt et al. 2005). Negotiators who can manage the others' emotions may alleviate their anger in order to increase the likelihood of the settlement and maintain constructive interpersonal exchanges (Kopelman et al. 2006).

In general, we expect that a negotiator's effective emotion management enhances the counterpart's social psychological outcomes because the counterpart will consider the negotiator to be more trustworthy and cooperative due to higher levels of positive emotions (Morris, Larrick, and Su 1999) and also because they are more likely to reach an agreement (Thompson 1990). All in all, we propose that emotion management as a direct predictor of negotiation process and outcomes serves the key route between EI and negotiation outcomes.

H2: The focal negotiator's emotion management is positively related to integrative behavior and negatively to distributive behavior of the counterpart.

H3: The focal negotiator's emotion management is positively related to the counterpart's negotiation satisfaction and desire for

future interaction.

H4: Emotion management mediates the relationships between the focal negotiator's EI and the counterpart's negotiation behavior and outcomes.

METHOD

Sample and Procedure

Based on Allred et al. (1997), we developed a dyadic negotiation simulation in which participants assumed the role of a human resource manager of a company or a job applicant. Negotiation dyads were formed with the participants of the same gender, because negotiators' gender may affect negotiation behaviors (Rubin and Brown 1975). All participants were randomly assigned to the dyads within the same gender groups. Negotiator roles were also randomly assigned within the dyad. The sample consisted of 340 participants enrolled in the MBA and the executive education programs at a private university in Pakistan. The average age of the participants was 29.0 years (SD = 7.02) and 87.8% of the participants were male. On average, participants had 12 years of education (SD = 1.05) and 5.5 years of work experiences (SD = 6.21).

Participants engaged in a mixed motive negotiation situation involving four issues depicting real-life recruitment situation: salary, insurance company, company transportation, and the start date of employment. Each issue had five possible outcomes that were assigned points corresponding to their level of importance for each negotiator role. In this simulation, salary was a purely distributive issue, as the point values were equal but in the opposite directions for the two negotiators. Insurance company and company transportation were the integrative issues while the start date was a congruent issue such that the point values assigned for possible outcomes were equal and in the same direction for both negotiators. Participants were given 40 minutes to complete the negotiation task. After completing the negotiation, participants responded to a questionnaire which measured their own emotion and their behavior as well as their perceptions of the counterparts' emotion and behavior.

Measures

All constructs were measured with multi-item scales with acceptable reliability coefficients. Response format was a 5-point Likert type scales with anchors ranging from strongly disagree to strongly agree, except for EI measures. To avoid the potential problem of same method bias, we collected EI and counterpart negotiation behavior from the focal negotiators, whereas emotion expression, shaping counterpart emotion, and negotiation outcomes were reported by the counterparts. Emotion recognition was operationalized by computing the difference between counterparts' self-reported emotions during the negotiation and the focal negotiators' perceptions of the counterparts' emotions.

Emotional Intelligence (EI). There has been a debate regarding the operationalization of EI. Some scholars argue that EI is an individual ability (Mayer, Roberts, and Barsade 2008), while others maintain that it is a personality trait (Bar-On 2004; Law et al. 2004). Thus, Petrides and Furnham (2000) suggest two distinct types of EI: Trait EI and ability EI. Trait EI represents "cross-situational consistencies in behavior" as compared to "information-processing EI", which relates to abilities. In the present study, we adopted the second approach to understand the role of EI as a predictor of the negotiators' emotion management.

Emotional Intelligence was measured using 16 items adopted from the EI measure developed by Rahim and his colleagues (2002). The intrapersonal EI scale comprised of 8 items (α = .71) classified into self awareness (4 items, e.g. "I am well aware of which emotions I am experiencing and why") and self regulation (4 items, e.g. "I keep my disruptive impulses in check"). On the other hand, the interpersonal EI scale comprised of 8 items (α = .67) categorized into empathy (4 items, e.g. "I understand others' feelings transmitted through nonverbal messages") and social skills (4 items, e.g. "I don't allow my own negative feelings to inhibit collaboration"). Participants rated these items 3 weeks before they participated in the present negotiation simulation using 7-point Likert-type scales.

Emotion Management. We examined three aspects of emotion management: emotion expression, emotion recognition, and shaping

counterpart emotion. For each of these aspects, we attended to two discrete emotions: (a) gratitude, which is "generated to regulate human response to altruistic acts" (Butt and Choi 2006: 309), and (b) anger, which is a feeling of "demeaning offense against me and mine" (Butt et al. 2005: 685). Gratitude was measured by 6 items (e.g., happy, thankful) (Richins 1997; Roseman et al. 1990). Anger was also measured by 6 items (e.g., angry, frustrated).

Expression of these emotions by the focal negotiator was reported by the counterpart as he/she had observed the focal negotiator's emotional display. Specifically, the counterparts were asked to rate the extent to which the focal negotiators exhibit gratitude (6 items, α = .87, "My counterpart seemed to feel thankful to me") and anger (6 items, α = .85, "My counterpart seemed to feel angry with me").

Recognition of these emotions was operationalized as the absolute difference between two scores: (a) the counterparts' self-reported gratitude and anger they felt during the negotiation ("I felt angry during the negotiation"), and (b) the negotiator's assessment of the counterparts' gratitude and anger as they observed the counterpart during the negotiation ("My counterpart seemed to feel angry with me"). The difference between the counterpart's self report and the negotiator's observation constitutes the *inaccuracy* of emotion recognition on the part of the negotiator. To convert this difference score to an indicator of the accuracy of recognition, we reverse the direction of the score by subtracting it from the maximum difference (i.e., 4 – difference score).

Finally, shaping counterpart emotion was operationalized as the level of gratitude (6 items, α = .84) and anger (6 items, α = .87) that the counterparts experienced during the negotiation. Although these emotions experienced by the counterparts could be affected by other variables such as trait affectivity, their emotional experiences during the negotiation are likely to be shaped by the nature of the interaction and the influence from the focal negotiators.

Negotiation Behavior. As mentioned earlier, we were interested in examining the effect of EI and emotion management on the counterparts' behavior and outcomes, instead of the focal negotiator's behavior and outcomes that have been investigated in prior studies. To this end, we measured two types of negotiation behavior exhibited by the counterpart using scales adapted from Rahim (1983) and De Dreu and Van Vianen (2001). Focal negotiators

rated the counterparts' integrative behavior (4 items, α = .84, e.g., "My counterpart cooperated with me to better understand each other's views and positions") and distributive behavior (4 items, α = .69, e.g., "My counterpart put pressure on me to accept his/her demands").

Negotiation Outcomes. We assessed social psychological outcomes of the negotiation by asking the counterparts to report their satisfaction with the process and outcome of the negotiation (5 items, α = .83, e.g., "I am satisfied with the outcome of the negotiation," "I am pleased with the negotiation process") and their desire for future interaction (2 items, α = .76, e.g., "I prefer to negotiate in the future with this negotiator").

Identifying Analysis Sample

It is critical to adopt an appropriate analytic approach that fits with the theoretical reasoning and the data structure (Choi, Price, and Vinokur 2003). In the present study, since our primary concern was the interpersonal influences within the negotiation dyad, it was preferable to examine negotiation dynamics as a multilevel phenomenon which simultaneously took into account individual and dyadic processes (Butt et al. 2005). However, the present study variables drew on both the focal negotiator and the counterpart and the accuracy of emotion recognition was computed using the difference between the two. Under this situation, the overlap and interdependence between the negotiator data and the counterpart data become substantial, and it is unrealistic to include both negotiator and counterpart as separate cases within the same analysis. Therefore, of the two negotiation parties (manager and job applicant), we only analyzed the manager data that include a half of the sample (n = 170). We attended to the managers in the present negotiation simulation because in interpersonal exchanges, those with power and higher status tend to exhibit their own emotion instead of hiding it and they are in a better position to manage the emotional tone of the interaction, thus more likely to affect their counterparts' emotions than their low-power counterparts (Butt and Choi 2010). In the analyses reported below, focal negotiators are managers and the counterparts are job applicants in the negotiation simulation. In addition, in accordance with previous findings that demographic factors such as gender, age, and work experience

have meaningful influences on negotiation process and outcomes (Rubin and Brown 1975; Thompson 1990) and psychological process and outcomes (Price, Choi, and Vinokur 2002), we included those demographic factors as control variables in our analysis.

RESULTS

Table 1 presents descriptive statistics and intercorrelations between study variables. To test our theoretical framework summarized in figure 1, we conducted a series of regression analyses controlling for the effects of negotiators' age, gender, and work experience.

Effects of EI on Emotion Management

Hypothesis 1 posits that intrapersonal and interpersonal EI have favorable effects on emotion management. Table 2 reports the results of six regression equations in which the two EI dimensions predict three aspects of emotion management in regard to two discrete emotions, gratitude and anger. Although interpersonal EI exhibited a marginal effect on accurate recognition of counterparts' anger (β = .15, p < .10), the overall relationships between the two EI dimensions and emotion expression and emotion recognition were not significant.

In contrast, intrapersonal EI had significant positive and negative effects on the counterpart's gratitude and anger, respectively (β = .17 and -.22, respectively, both p < .05). The focal negotiator's intrapersonal EI seems to increase positive emotion and suppress negative emotion of the counterpart. Interpersonal EI, however, did not show such effects. Hypothesis 1 was thus supported only for intrapersonal EI in predicting shaping counterpart emotion.

Effects of Emotion Management on Negotiation Behavior and Outcomes

In Hypotheses 2, 3, and 4, we propose that the focal negotiator's emotion management has direct effects on the counterpart's negotiation behavior and outcomes, and thus emotion management mediates the relationship between the focal negotiator's EI and the counterpart behavior and outcomes. Table 3 shows the results of four sets of hierarchical regression analyses that test these

Table 1. Means, standard deviations, and correlations

N	Mean S	S.D.	1	2	8	4	ഹ	9	7	∞	6	10	11	12	13	14
28.98	- 1	7.02	1													
.878		.33	.21	-												
5.49 6		6.21	.91	.20	1											
5.13		.77.	05	27	.02	1										
5.14	٠.	.75	05	17	.01	.63										
2.71	<u> </u>	.90	02	.04	01	.03	.07	1								
9. 76.1	0,	.93	.03	10	01	90	00.	29								
3.18 .6	9	.63	17	.03	18	60	04	60.	12							
3.19 .79	7	6	80.	.01	60.	80.	.13	.05	15	01	1					
2.67 .88	ŏ		.19	.17	.20	.17	.16	.41	28	00.	.24					
1.79 .78	7	∞	.02	60	08	24	18	.02	.35	10	23	31				
3.16 1.04	٠,		00.	60:	.04	.20	.10	.22	37	80.	.19	.14	23	1		
8. 74.2	∞	.82	00.	.02	03	08	90	11	.21	08	22	23	.31	21	1	
3.40 .8	∞	.83	.02	60.	60.	.18	.12	.27	25	.07	.15	.46	27	.26	08	1
3.41	-:	.10	.02	.17	60.	60.	.07	.32	36	10	.18	.47	37	.21	17	.47

r > .15, p < .05; r > .20, p < .01; r > .26, p < .001

Dependent Variable	Gratitude Expression	Anger Expression	Gratitude Recogni- tion	Anger Recogni- tion	Gratitude Shaping	Anger Shaping
Age	08	.34	03	.02	.13	.69**
Gender	.05	13	.05	.01	.19*	15*
Work Experience	.06	30	16	.07	.04	70**
Intrapersonal EI	01	11	11	02	.17*	22*
Interpersonal EI	.08	.07	.04	.15+	.09	03
\mathbb{R}^2	.01	.03	.05	.03	.11**	.14***

Table 2. Emotional intelligence predicting emotion management

hypotheses. In regard to direct effects of EI, intrapersonal EI had significant effects on counterparts' integrative behavior and negotiation satisfaction (β = .25 and .20, respectively, both p < .05).

As reported in table 3, the negotiator's emotion management exhibited significant effects on the counterpart's negotiation behavior and social psychological outcomes. Negotiators' expression of gratitude enhanced counterparts' integrative behavior and desire for future interaction (both β = .17, p < .05). In contrast, expression of anger was negatively related to the same outcome measures (β = -.27, p < .01 and β = -.15, p < .05, respectively).

In accordance with our prediction, the focal negotiator's accurate perception of the counterpart's anger was a positive and a negative predictor of integrative and distributive behavior, respectively (β = .13, p < .10 and β = -.15, p < .05, respectively). Interestingly, accurate recognition of the counterpart's gratitude was significantly and *negatively* related to the counterpart's desire for future interaction (β = -.15, p < .05).

Shaping counterpart emotion also showed significant effects on behavior and outcomes. When the counterparts felt gratitude toward the focal negotiators, they reported more satisfaction and desire for continued working relationship (β = .35, p < .001 and β = .28, p < .01, respectively). On the other hand, when they felt anger, they exhibited more distributive behavior as observed by the focal negotiators and reported less desire for future interaction (β = .24

^{*} *p* < .05; ** *p* < .01; *** *p* < .001

Table 3. Mediating role of emotion management between emotional intelligence and negotiation behavior and outcomes

Dependent Variable	Counterpart Integrative Behavior		Counterpart Distributive Behavior		Counterpart Negotiation Satisfaction		Counterpart Desire for Future Interaction	
Model	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Age	23	07	.15	03	41+	38+	55*	39*
Gender	.15+	.11	.01	.07	.14+	.04	.20*	.09
Work Experience	.22	.09	17	.03	.44*	.36+	.57*	.34+
Intrapersonal EI	.25*	.23*	07	01	.20*	.12	.11	02
Interpersonal EI	04	05	.01	.04	02	06	.00	04
Gratitude Expression		.17*		05		.10		.17*
Anger Expression		27**		.07		06		15*
Gratitude		.04		05		.06		16*
Recognition								
Anger Recognition		.13+		15*		.04		.04
Gratitude Shaping		11		10		.35***		.28**
Anger Shaping		06		.24**		08		21**
R^2	.07*	.21***	.01	.15**	.08*	.27***	.09*	.38***
ΔR^2		.14***		.14**		.19***		.29***

^{*} *p* < .05; ** *p* < .01; *** *p* < .001

and -.21, respectively, both p < .01).

In summary, our analysis indicates that emotion expression, emotion regulation, and shaping counterpart emotion are significant predictors of counterpart behavior and outcomes, thus supporting Hypotheses 2 and 3. Of the two dimensions of EI, only intrapersonal EI had significant effects on integrative behavior and negotiation satisfaction. Combined with the results reported in table 2, the mediating hypothesis was tenable only for the effect of intrapersonal EI on negotiation satisfaction mediated by shaping counterpart gratitude emotion (Sobel z = 2.06, p < .05). Thus, hypothesis 4 was only partially supported for intrapersonal EI.

DISCUSSION

Emotion plays a critical role in shaping interpersonal exchanges such as teamwork and negotiation (Lopes et al. 2004; Overbeck, Neale, and Govan 2010). EI has been identified as a key factor that promotes the effective utilization of emotion in various interpersonal interactions and empirical studies indicate that EI is positively related to various individual outcomes (Joseph and Newman 2010; Law et al. 2004). Nevertheless, the underlying mechanism by which EI contributes to the individual and interpersonal outcomes have not yet been clearly articulated nor empirically investigated. The present study identified three aspects of emotion management that may directly predict interpersonal behavior and outcomes in negotiation settings and mediate the effect of negotiators' EI on those behavior and outcomes. We further expand the literature by examining the effect of EI and emotion management on the counterparts instead of the focal negotiators themselves, thus revealing the interpersonal processes initiated by EI and emotion management. Our hypotheses were empirically tested using data collected from 170 focal negotiators and their counterparts. Below we discuss theoretical and practical implications of the present study and its limitations.

Theoretical Implications

The present data analysis showed a rather weak relationship between EI and emotion management. The only significant link was found between intrapersonal EI and shaping of the counterpart's gratitude and anger. This lack of significant findings indicates the possibility that there has been an overestimation of the role of EI in the actual process of emotion management and that there may be other sources of emotion management, such as situational factors including role of third parties, level of stakes involved, and time availability. Perhaps, contrary to the arguments of the proponents of EI, EI may not capture appropriately the ability to regulate and recognize emotions in interpersonal situations (Davies et al. 1998). Most scholars of EI have taken for granted the relationship between EI and effective emotion management. However, they may need to revisit this critical assumption and specify and empirically validate what aspects of EI facilitate what kinds of emotion management of

individuals for themselves and for their interaction partners.

Of the two dimensions of EI, the results suggest that intrapersonal El plays a more significant role in predicting counterpart emotions and behavior than does interpersonal EI. This pattern was somewhat surprising because although we did not advance an explicit hypothesis, our initial expectation was that intrapersonal EI would be closely aligned with emotion expression because intrapersonal EI domains such as awareness and regulation of self emotion pertain to expression of own emotions (Freudenthaler and Neubauer 2005). On the other hand, we expected that interpersonal EI would be more predictive of emotion recognition and shaping counterpart emotion because interpersonal EI characteristics such as empathy and social skills are core competence for managing emotions in interpersonal settings (Rahim et al. 2002). Although this pattern should be further validated using other measures of EI in different social contexts, it is possible that internal emotional competence allows a fundamental advantage in interpersonal emotion management that cannot be offered by interpersonal skills or sensitivity. This idea resonates with the recent emphasis on integrity, trust, ethos, and authenticity in interpersonal relations and leadership (Brown, Trevino, and Harrison 2005). Perhaps, without possessing internal emotional competence based on intrapersonal EI that creates the trustworthiness and authenticity of the person, being shrewd in managing interpersonal situations can be seen as superficial, political, or even manipulative. Although intriguing, this interpretation is only speculative and needs to be further theorized and empirically investigated.

In any case, based on our preliminary findings that EI may not necessarily lead to effective management of emotions, it is important to expand the present research using other operationalizations of EI such as ability-based measures (Mayer et al. 2008) to other domains of interpersonal interactions such as teamwork, crosscultural communication, and virtual collaboration. Only after the implications of EI regarding emotion management are explicitly articulated and demonstrated, scholars can accept EI as a valid individual construct for understanding interpersonal dynamics, and practitioners can use EI as a tool for selection and training interventions.

As compared to EI, the results showed that effective emotion management has a robust explanatory power for negotiation process and outcomes. The overall pattern suggests that for both self emotion expression and shaping counterpart emotion, positive emotions such as gratitude introduce constructive negotiation behaviors of the counterpart and enhance social psychological outcomes for the counterpart. While these results corroborate the previous findings (e.g., Allred et al. 1997; Butt et al. 2005; Kopelman et al. 2006), we also investigated the effect of accurate recognition of the counterpart's emotion. As hypothesized, the focal negotiator's accurate recognition of counterpart anger increased integrative behavior and decreased distributive behavior of the counterpart. Interestingly, however, accurate recognition of gratitude was a negative predictor of desire for future interaction. Although this result seems counter to the findings from Elfenbein and Ambady (2002), which showed the positive association between accurate recognition of positive emotions and the quality of workplace interpersonal relationships, it is not contradictory considering the interpersonal bargaining context of this study, The negative effect of accurate recognition of partner's gratitude on desire for future interaction in this study is perhaps due to the possibility that when a negotiator accurately appraises the level of gratitude felt by the counterpart, he/she is apt to exploit the good intention of the counterpart, which may result in somewhat negative experiences for the counterpart. After all, people may not want their partners to be fully cognizant of their personal feelings, particularly when they are negotiating with each other. Further research should investigate individual differences (e.g., extroversion) or interpersonal variables (e.g., mutual trust) that determine the level of comfort in revealing private feelings.

Practical Implications

Practically speaking, an effective negotiator needs to control the emotions they feel and express and should be able to elicit desirable counterpart emotions. Anger expression may make the negotiation more competitive and tense (Kopelman et al. 2006), make the counterpart get angry (Friedman et al. 2004) and be unwilling to interact with the opponent again (Van Kleef and Côté 2007; Van Kleef, De Dreu, and Manstead 2004b). On the other hand, showing gratitude seems to be reciprocated by the counterpart by adopting integrative behavior, ultimately increasing negotiation outcome for both negotiators (Butt and Choi 2006). Nevertheless, some times,

to increase their personal gains, negotiators use competitive tactics such as threats and forced persuasion (De Dreu et al. 2001; Rahim 1983). To this end, negotiators who regulate their emotion well may express excessive anger to induce concession from the counterpart (Sinaceur and Tiedens 2006). Although this strategy may offer a short term gain at the expense of long term relationships and the possibility of win-win solutions, even the short term gain can be thwarted by urging the counterpart to take a more rigid and aggressive stance. Research shows that the use of collaborative tactics such as creative problem solving (Isen et al. 1987), concession making (Baron 1990), and constructive communication tends to increase outcomes for both negotiators. In order to activate this constructive climate, negotiators need to engage in effective emotion management such as expressing positive emotions, recognizing counterpart emotions, and eliciting desirable emotions from the counterpart.

Limitations and Future Research Directions

The findings from this study should be interpreted with caution due to several limitations. First, the data for this study came from a negotiation simulation involving MBA students and participants of executive education programs so that the results may not be generalizable to real-life negotiation situations. In addition, the participants of this study are from Pakistan and may have different social values and interpersonal behavioral patterns from people in other cultures (Hofstede 1991). To increase the external validity of our findings, it is desirable to replicate them in real-life negotiation situations with negotiators from a variety of cultures.

Second, the present data were based on measures reported by the negotiators and the counterparts. A more fine-grained and contextualized interpretations of negotiation dynamics could have been achieved if we have employed qualitative analysis such as video analysis and content coding of transcripts. Future studies should expand our findings using different research designs that may offer deeper understandings of emotions evoked during the negotiation and their impact on subsequent negotiation processes.

Third, due to present focus on the role of EI and emotion management, we excluded other variables that might have significant implications in the negotiation setting. For example, individuals' trait affectivity, motivational orientations, and Big-Five personality factors are likely to explain their emotion management and negotiation behavior (Thompson 1990). In addition, different individual dispositions may become a salient predictor of emotion management depending on the nature of negotiation (e.g., one shot vs. multisession) and social context (e.g., interaction history, power differentials) (Butt and Choi 2010).

Despite these potential limitations, the present study meaningfully extends the literature on EI, emotion, and negotiation. It highlights the need for further conceptualizing and actually investigating the presumed functions of EI through which individuals accrue interpersonal and performance benefits. Without identifying and empirically demonstrating this critical missing link in the EI literature, it will be challenging to advance it as a meaningful construct for understanding human behavior. To this end, we attempted to isolate a set of emotion management dimensions that are likely affected by EI and predict counterpart behavior and outcomes in a negotiation situation. Future studies may identify additional dimensions of emotion management and examine individual and contextual moderators that shape the link between EI and emotion management and that between emotion management and interpersonal processes.

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