

May 2015

Negotiating Stances Used with Minority Suppliers: A Research Note

Alicia D. Cooper Ph.D.
Dillard University, alicia.diane.cooper@gmail.com

Rodney L. Stump Ph.D.
Towson University, rstamp@towson.edu

Follow this and additional works at: <https://digitalcommons.kennesaw.edu/amj>



Part of the [Marketing Commons](#), and the [Operations and Supply Chain Management Commons](#)

Recommended Citation

Cooper, Alicia D. Ph.D. and Stump, Rodney L. Ph.D. (2015) "Negotiating Stances Used with Minority Suppliers: A Research Note," *Atlantic Marketing Journal*: Vol. 4 : No. 1 , Article 2.
Available at: <https://digitalcommons.kennesaw.edu/amj/vol4/iss1/2>

This Article is brought to you for free and open access by DigitalCommons@Kennesaw State University. It has been accepted for inclusion in Atlantic Marketing Journal by an authorized editor of DigitalCommons@Kennesaw State University. For more information, please contact digitalcommons@kennesaw.edu.

Negotiating Stances Used With Minority Suppliers: A Research Note

Alicia D. Cooper, Dillard University

acooper@dillard.edu

Rodney L. Stump, Towson University

rstump@towson.edu

Abstract - While new ways of organizing exchange have become prominent in business-to-business markets, the function of corporate minority supplier purchasing programs in this changing organizational environment has received scant attention. Specifically, the extent to which the present structure of minority supplier purchasing programs enhances -- or deters -- the creation of strategic partnerships, impacts the way buyers and suppliers interact, and ultimately determines the efficacy of these exchange relationships has not been sufficiently addressed in the literature. The present study examines the relationship between the minority supplier categorization (versus those not classified as such) and the negotiation stances that purchasing agents undertake with these suppliers. Data were collected using a mail survey of university purchasing agents. The purchasing agents were asked to select a supplier which is a participant in his or her organization's minority supplier purchasing program and answer questions about a recent negotiation with that supplier. For purposes of comparison, a random sample of purchasing agents was asked to respond with regard to negotiations with a supplier which was *not* a participant in any of the organization's supplier purchasing programs. Cluster analysis was used to examine the negotiation stances used by the purchasing agents.

Keywords - Diversity Issues, Minority, Negotiation, Supplier Development, Social Responsibility, Cluster Analysis

Relevance to Marketing Educators, Researchers and/or Practitioners - This paper is relevant to marketing educators and researchers because it examines an overlooked group in the marketing literature - minority suppliers. With regard to marketing practitioners, this research is especially meaningful as organizations attempt to reduce their supplier base and align their purchasing strategy with higher-level corporate strategies.

Introduction

For more than a decade, new ways of organizing exchange have become prominent in business-to-business markets. These new organizational forms

place an emphasis on relationship management, flexibility, and specialization and have been characterized by terms such as “networks” (Thorelli 1986), “value-added partnerships” (Johnston and Lawrence 1988), and “alliances” (Ohmae 1989; Heide and John 1990). When these new forms are in use, the principal means of conducting business is via transactions within ongoing interfirm relationships. Here, collaboration and negotiation are the exemplars, in contrast to the competitive market-based processes that have historically prevailed (Webster 1992).

As these organizational structures have changed, so has the role of the marketing and procurement functions. Marketing’s role is no longer to solely manage exchanges, but now is increasingly responsible for aiding in the recruitment, design, and negotiation of strategic partnerships with suppliers as means of fostering the firm’s distinctive competence (Webster 1992; Carr and Pearson 1999). Procurement also enjoys an elevated status, as firms now recognize the strategic importance of this function. Many companies are aligning their purchasing and supply base strategies with corporate strategies to attain greater competitive advantage (Monczka and Trent 1995; Ogden, Rossetti and Hendrick 2007).

However, with all these changes in the organizational environment, the role of corporate minority supplier purchasing programs has received scant attention (cf. Carter, Auskalnis and Ketchum 1999; Krause, Ragatz and Hughley 1999; Edmondson, Suh and Munchus 2008). Specifically, the extent to which the present structure of minority supplier purchasing programs enhances -- or deters -- the creation of strategic partnerships, impacts the way buyers and suppliers interact, and ultimately determines the efficacy of these exchange relationships has not been sufficiently addressed in the literature.

With this deficiency in mind, the present study focuses on the negotiation processes between minority suppliers (versus those not categorized in this manner) and organizations that source from them. We begin with an overview of the history of minority supplier development. The theoretical implications of organizational categorization are discussed and our hypothesis is presented. We then describe the empirical test of our hypothesis and the results. Finally, we consider the implications of our findings and identify directions for future research.

Minority Supplier Development: A Historical Synopsis

The most widely accepted definition of a minority-owned firm, also commonly termed minority business enterprise (MBE), is a company that is at least 51 percent owned, managed, and controlled by one or more minority persons, i.e., African American, Hispanic American, Native American, or Asian-Pacific Islander (*Purchasing* 1995). Initial efforts to promote minority supplier development emerged from the government as well as the corporate business

community, with social responsibility as the guiding theme. Federal government procurement policies to source from minority firms commenced in the late 1960's and increased through a series of executive orders and legislative acts. In 1978, Public Law 95-507 was enacted, which required companies bidding on federal contracts to submit plans that included percentage goals for the use of minority subcontractors (*Purchasing* 1995). Numerous other minority firm procurement mandates at the federal, state and local government levels have subsequently followed (Rice 1995).

While these various laws primarily applied to government procurements and government contractors, another consequence was that large companies became aware of sourcing opportunities they had previously overlooked. As a result, many firms implemented "minority-owned" business purchasing programs designed specifically to increase purchases from MBEs (Dollinger and Daily 1989). However, attempts to adhere to federal requirements and voluntary efforts to support the economic development of minority and small businesses have often ended in disappointment for both parties (Spratlen 1978; Bates 1985; Dollinger and Daily 1989; Pearson, Fawcett and Cooper 1993; Edmondson, Suh and Munchus 2008).

While efforts to foster minority supplier development have existed for more than four decades, scholarly research related to MBEs is still relatively scarce and has been concentrated in three general areas: 1) public policy and the effects of preferential procurement policies, 2) comparisons between MBEs and their non-minority counterparts on a range of factors, including organizational value similarity and performance, and 3) examinations of corporate purchasing programs and best practices (cf. Cooper 1999; Whitfield and Landeros 2006). Three themes are suggested by this literature: 1) corporate purchasing agents find the atmosphere (i.e., relationship aspects) of interacting with minority suppliers uncomfortable, 2) minority suppliers incur transaction costs that may be attributed, in part, to their "minority" status rather than other demographic characteristics, such as firm size, and 3) most of these studies lack sufficient theoretical foundations.

Organizational Categorization in Interorganizational Marketing Negotiations

A critical element of how exchange is enacted is negotiation, or the decision-making process through which a buyer and seller establish the terms of a purchase agreement (Dobler, Lee and Burt 1984; Atkin and Rinehart 2006). Interorganizational negotiations are further distinguished in that both the buyer and seller organizations are represented by individuals with the responsibility of supporting their respective organizations' goals and strategies (Graham 1987).

Categorizing suppliers into groups such as "minority" exists primarily to fulfill organizational needs. However, it may also have unintended -- even

dysfunctional -- social consequences. This distinctive categorization may act to differentiate corporate or government purchasing agents from minority supplier representatives and affect the nature of the exchange relationship that develops between the two parties.

Organizationally defined categories shape social interactions between individuals, as well as the outcomes of these interactions (Kramer 1991). Organizational theorists have also displayed considerable interest in this premise, resulting in a substantial body of literature that documents this phenomenon in interpersonal and intergroup behavior *within* organizations. However, there has been little investigation of how categorization processes affect interdependent behavior *between* organizations to date. This has also been largely overlooked by marketing scholars and thus leads us to pose the general proposition that *organizational categorization will act as a situational constraint that influences interfirm exchange relationships, specifically negotiation processes.*

Social exchange theory (Kelley and Thibaut 1978; Emerson 1981) posits that interdependence, i.e., the way in which two parties control each other's outcomes through their individual and joint activities, is a basic feature of dyadic relationships. Research in this area has shown that within interdependence relationships, processes such as exchange and negotiation are affected by the objective or structural features of social situations, as well as the manner in which those situations are interpreted by the interdependent actors (Thibaut and Kelley 1959; Kelley and Thibaut 1978; Kelley 1983). The relationship between the structural basis of interdependence among parties and their social representations of it can be considered to be a transformation process (Kelley 1979; 1983; 1985). Transformations function much like decision rules that parties use to govern interdependent behavior. They also reflect the notion that parties tend to be more attentive and responsive to selected features of interdependence situations. For instance, when one party is interested in fostering a cooperative relationship, they may respond to only selected features of a given interdependence relationship that affords them the opportunity to signal cooperative intentions. Thus, problem solving or compromise negotiation strategies may be used to foster the development of the relationship. For example, the buyer and seller may agree to concessions on issues such as price or delivery terms, or solicit ideas from one another during the negotiation in order to encourage cooperation in future exchanges. In a similar manner, non-cooperative or competitive transformations may be favored by parties who construe the goal of their behavior as being that of maximizing their individual outcomes.

While these two general classes of transformations, i.e., cooperative and competitive, have been recognized in the literature, the question of "which" type of transformation or whether hybrid approaches that encompass both cooperation and competition is likely to be evoked in a given situation has not

been thoroughly examined. Extrapolating from the work of Kramer (1991) in the context of interpersonal interdependence relationships, an implication of the organizational categorization of suppliers as “minority,” versus those without any such designation, is that it will likely affect the use of cooperative/competitive negotiation stances by buyers. The rationale for such an explanation is developed below.

Regardless of the organizational impetus for categorizing suppliers, procurement decisions are enacted by individuals. Motivated to achieve positive self-esteem or self-regard, individuals may achieve this through a variety of demographic traits, as well as group membership, e.g., their employer or exchange partners. Group memberships may have positive or negative value connotations (Tajfel and Turner 1986), which develop as a result of comparing one’s own group to a relevant outgroup. Categories which contain the self are likely to be regarded more positively, enjoy more collaborative interactions, and receive preferential allocations of monetary and other rewards, a phenomenon known as the “minimal groups effect” (Tajfel 1970; Turner 1975). In other words, self-esteem may be enhanced through discrimination. However, esteem motivations may not be the only cause for such discrimination. Arguing along the lines of cognitive processes, Doise (1978) and Wilder (1986; 1990) suggest that group categorization results in an accentuation of perceived differences between groups and perceived similarities within groups as a means of organizing the environment. Thus, we formally tender the following hypothesis:

Hypothesis. The incidence of competitive negotiating stances will occur more frequently in exchanges where the supplier has been categorized as “minority,” whereas the incidence of cooperative negotiating stances will occur more frequently with suppliers without such a classification.

Methodology and Empirical Test

Negotiation Constructs

Research indicates that most purchasing agents have a preference for three general negotiation styles, i.e., problem-solving, compromising, and aggressive (active and passive), when interacting with external organizational constituents (Day, Michaels and Perdue 1988; Perdue and Summers 1991; Ganesan 1993). Problem-solving and compromising represent cooperative negotiation strategies, while the aggressive negotiation style is representative of a competitive negotiation strategy. These three negotiation styles represent distinct strategies, i.e., plans of action based on the bargainers’ goals and analyses of the situation (Ganesan 1993), rather than a single polar scale.

The problem-solving negotiation strategy utilizes attempts by the purchasing agent to fully satisfy his or her own interests, as well as those of the seller (Perdue, Day and Michaels 1986). This entails searching for alternative

solutions and assessing the outcomes likely to occur for both parties from alternative actions (Ganesan 1993).

A compromise strategy involves attempts by the purchasing agent to obtain partial satisfaction for each of the parties in the negotiation. This strategy differs from the problem-solving strategy in that the parties are not required to exchange information about their respective needs, goals and priorities (Ganesan 1993).

Aggressive negotiation strategies have as their objective the elicitation of unilateral concessions from the other party (Pruitt 1981). An active aggressive strategy makes use of active behaviors potentially designed to deliver negative outcomes to the negotiation partner, while a passive aggressive strategy focuses on the "appearance of being firm" through the use of positional commitments in order to obtain an agreement from the negotiation partner (Ganesan 1993).

In complex, multiple-issue bargaining situations, such as those faced by most purchasing agents, multiple strategies could be used in a single negotiation encounter (cf. Ganesan 1993). Thus the relative intensity of individual negotiation strategies, i.e., the combinations and extent to which particular strategies are emphasized, which we collectively term "negotiation stances," can be thought to denote the underlying of cooperative/competitive transformations by buyers.

Questionnaire Development and Measurement of Constructs

The measurement development procedures recommended by Churchill (1979) and Gerbing and Anderson (1988) were followed. As shown in Table 1, existing multi-item scales were used for each of the negotiation strategies constructs. A questionnaire was designed to address a recent negotiation between the purchasing agent and a supplier. The instrument was pretested with a small group of university purchasing agents prior to the administration of the survey. Revisions were made based on the suggestions of the purchasing agents. An excerpt of the questionnaire is included as Appendix A.

Table 1: Construct Measures

Measure & Reliability	Representative Item	Source
Problem-Solving (6 item Likert scale) Reliability = .94	We try to show this supplier the logic and benefits of our position.	Ganesan 1993; Thomas 1976
Compromise (7 item Likert scale) Reliability = .92	We try to find a position that is intermediate between their position and our position	Ganesan 1993; Thomas 1976
Passive Aggressive (4 item Likert scale) Reliability = .84	We press to get our points made.	Ganesan 1993; Thomas 1976
Active Aggressive (4 item Likert scale) Reliability = .73	We threatened to break off negotiations with the supplier.	Ganesan 1993; Thomas 1976

Data Collection

A mail survey of university purchasing agents from universities with 10,000 or more students was conducted to collect the primary data. The sampling frame consisted of the membership directory of the National Association of Educational Buyers (NAEB). During the initial phase of data collection, questionnaire packets which included a personalized cover letter which assured confidentiality, a questionnaire, and a postage-paid first-class business reply envelope were mailed to the randomly selected purchasing agents. In addition, a reminder post card was mailed to all questionnaire recipients one week after the initial mailing (Dillman 2011). Approximately three weeks after the initial mailing, a personalized cover letter, a replacement copy of the questionnaire and a postage-paid business reply envelope were mailed to all non-respondents.

Since organizational data is being collected, key informants were used (Seidler 1974). The purchasing agent was asked to select a supplier which is a participant in his or her organization's minority supplier purchasing program and answer questions about a recent negotiation with that supplier. For purposes of comparison, a random sample of purchasing agents was asked to respond with regard to negotiations with a supplier which was *not* a participant in any of the organization's supplier purchasing programs. In addition, a self-report scale measuring the informant's difficulty recalling information about the negotiation was included in the survey (Ganesan 1993).

The initial mailings (sent in two waves) consisted of 1166 questionnaires; a total of 279 surveys were returned resulting in an overall response rate of 23.9 percent. Of these surveys, 64 were excluded from the study with the informants indicating that their organizations did not have minority supplier purchasing programs, used lowest bid as the method of transaction, or that they personally had not participated in negotiations with a supplier which had been categorized as minority. In addition, four cases were eliminated from the analyses due to the informants' difficulty recalling information about the negotiation (mean scores less than four on a multiple-item seven-point scale), resulting in 216 usable surveys and an effective response rate of 18.4 percent. A summary of the characteristics of the survey respondents is presented in Appendix B.

Nonresponse bias was assessed using the wave analysis procedure developed by Armstrong and Overton (1977). Early respondents (defined as the first 75 percent of the returned questionnaires (Ganesan and Weitz 1996)) were compared with late respondents with regard to the number of months since the negotiation, number of years purchasing from this supplier, number of years purchasing from this particular representative, and number of years in current position. The results of the t-tests suggest that early and late respondents are not significantly different with regard to any of the aforementioned characteristics. Thus nonresponse bias does not appear to be a concern.

Data Quality

In order to assess the quality of the data, descriptive statistics (i.e., means, standard deviations, kurtosis and skewness) were computed for each item. While kurtosis was a minor concern for a few variables, it did not significantly affect the ability to achieve model fit in subsequent confirmatory factor analysis or path analysis. In addition, analysis of multivariate kurtosis did not reveal any problems.

An examination of the data revealed random missing values for variables in several cases. Given the small sample size, it was important that missing data be addressed to allow for full use of the data. Missing values were replaced by the sample mean for the variable. While this procedure allows all cases to be included in the analyses, it is noted that it may also constrain the variation among responses for some variables (Kim and Curry 1977). A total of 25 values (approximately 0.5 percent) were replaced during this procedure.

Validation of Measures

Item-to-total correlations and exploratory factor analysis were used as preliminary assessments for each scale. After this initial analysis, the entire set of scale items was subjected to confirmatory factor analyses in a single measurement model using EQS (Bentler 2006) and ERLS estimation (Sharma, Durvasula and Dillon 1989) to assess unidimensionality and establish convergent and discriminant validity. Each item in the model was restricted to load on its a priori specified factor, and the factors themselves were allowed to

correlate (Gerbing and Anderson 1988). Overall the model showed a good fit to the data: $\chi^2 = 370.31$, $df = 187$, $p < .01$; comparative fit index (CFI) = .94, root mean square error of approximation (RMSEA) = .07. Once unidimensionality was established, internal consistency was calculated using construct reliability (Fornell and Larker 1981). All items had loadings exceeding .49 and construct reliabilities ranged from .73 to .94. Discriminant validity was assessed in a series of alternative measurement models in which each intertrait correlation was constrained to unity. Comparing each to the original model using the difference in Chi-Square test indicated each respecified model had a worse fit, thus providing evidence of discriminant ability.

Substantive Analysis

Cluster analysis was used to determine the negotiating stances following the procedures recommended by Punj and Stewart (1983) and Bunn (1993). An index of each of the scales was calculated by taking the average of the scale items. Using the average rather than merely summing the items retains the original range of values, which is deemed desirable since cluster analysis results are sensitive to the scaling of the variables used in the analysis. These four indexes were then used in the clustering and subsequent analyses. The data set was randomly halved and a hierarchical cluster technique (Ward's method) was used on the initial subgroup to arrive at preliminary centroids and evaluate a two-cluster solution. These initial centroids were then applied to the holdout sample using the non-hierarchical, K-means, clustering technique. K-mean clustering was then applied to the entire sample. The purification procedure using discriminant analysis (Bunn 1993) was then conducted. However, because over 98 percent of the cases were already correctly classified, no reclassifications were deemed necessary.

The means and standard deviations of the negotiation strategies for each cluster are displayed in Table 2. The defining characteristics of each cluster can be summarized as:

- **Cluster 1** – reflects an overall cooperative negotiation stance, with the use of problem solving and compromise as the dominant negotiation strategies, both of which are relatively higher than with the alternate cluster, and relatively low use of the active aggressive strategy.
- **Cluster 2** – suggests a hybrid cooperative/competitive stance, with problem solving and passive aggressive negotiation strategies dominating, and moderate use of compromise and active aggressive.

Table 2: Cluster Solution for Negotiation Strategies

Negotiation Strategy	Cluster 1 Overall Cooperative Stance		Cluster 2 Hybrid Cooperative/Competitive Stance	
	Mean ⁺	s.d.	Mean ⁺	s.d.
Problem Solving	6.22	0.68	6.01	0.74
Compromise	5.23	1.05	4.84	0.96
Passive Aggressive	4.82	1.00	5.59	0.68
Active Aggressive	1.77	0.54	3.72	0.81

⁺All means significantly different across the 2 clusters

While there are significant differences in the means of each negotiation strategy across the two clusters, the most striking distinction is that this difference is highly significant with regard to both aggressive strategies, i.e., cluster 1 is appreciably lower on both of these negotiation strategies.

To determine the extent to which these negotiation stances occurred with minority suppliers, we performed a Chi-square analysis using the cluster and the dichotomous variable that denoted whether the focal supplier was classified as a minority. A significant effect was found, $\chi^2 = 4.50$, *df* 1, *p* < .05. However, when the observed frequencies were compared with the expected values, they were opposite what we had predicted. In addition, a post hoc analysis was performed to determine whether there was any difference in the use of negotiation stances and any of the negotiation strategies based on the ethnicity of the purchasing agents. With regard to negotiation stances, our Chi-square test was found to be non-significant ($\chi^2 = 6.11$, *df* 4, *p* > .10). For the negotiation strategies, we performed a full-factorial MANOVA to test the impact of the main effects for minority supplier designation and ethnicity, as well as the interaction. There was no significant main effect for ethnicity, or the interaction term.

Discussion

The impetus for this research focused on the designation of suppliers as ‘minority’ and its implications for developing relationships with purchasing agents. This is especially meaningful as organizations attempt to reduce their supplier base and align their purchasing strategy with higher-level corporate strategies.

The use of cooperative negotiation stances, where problem solving and compromise strategies dominate, was identified as the predominant means of interacting with participants of minority supplier purchasing programs. While this finding initially seems to be counter-intuitive, the use of cooperative

negotiation strategies, particularly the use of problem solving negotiation strategies, has been shown to dominate interorganizational marketing negotiations (Graham 1986; Adler, Brahm and Graham 1992; Graham, Mintu and Rodgers 1994; Mintu-Wimsatt and Calantone 1995; Calantone, Graham and Mintu-Wimsatt 1998; Hagen, Siddiqi, and Tootoonchi 2007). The integrative nature of this approach, which emphasizes asking questions, gathering information and using information to satisfy needs, provides a platform from which value can be created and shared for both parties in the negotiation. Suppliers who are participants in minority supplier purchasing programs should take advantage of the prevalence of the use of the problem solving approach by purchasing agents.

The sensitive nature of the 'minority' designation may lead some purchasing agents to negotiate more cooperatively with minority suppliers than with other non-categorized suppliers for several reasons. First, the number of qualified minority suppliers is relatively small and finding and/or developing alternate suppliers may prove to be too time-consuming and expensive. Thus, switching costs (Porter 1980) may exist when minority suppliers are involved that may not be perceived to exist with other suppliers. In addition, the purchasing agent may feel that his or her organization has committed to the existence of this program and believe that cooperation with the suppliers is both morally and economically necessary. Finally, some purchasing agents may have felt compelled to respond in a socially desirable manner.

Future research using scenarios may eliminate this tendency. Respondents could be asked to role play a purchasing agent rather than provide responses based on their actual negotiations. In prior research (Francis 1991) this methodology has proven to be successful, as subjects appeared to feel less pressure about giving responses that may be perceived as discriminatory.

While this is useful first step in exploring the relational effect of the 'minority supplier' designation, several limitations must be noted. First, this study relied on retrospectives of negotiations that occurred over a period of time, hence response biases may exist. Second, this study may not be generalizable beyond negotiations of purchasing agents for large universities. Third, this study has not attempted to explore the full range of situational factors that may influence the negotiation stances that purchasing agents may use, such as demographic and psychological traits of the purchasing agent, organizational culture, organizational procurement policies and legal mandates, the purchase situation, and the nature of any pre-existing relationship with the supplier. Moreover, the present study has not examined the outcomes of such negotiations to determine the relative efficacy of minority supplier relationships versus those with non-minority suppliers. Overall, we feel this research area holds great promise and that additional research could prove to be very valuable.

APPENDIX A

Table 3: Questionnaire Excerpt

Please recall your <i>most recent</i> negotiation with a supplier. Please answer all of the following questions with respect to that negotiation session between you and the representative from the supplier organization.								
For the following statements, <i>circle the number</i> on the scale (1 to 7) that <i>best</i> represents your use of various negotiation strategies with this supplier.								
		Strongly Disagree					Strongly Agree	
1.	We lean toward a direct discussion of the problem with this supplier.	1	2	3	4	5	6	7
2.	We try to show this supplier the logic and benefits of our position.	1	2	3	4	5	6	7
3.	We communicate our priorities clearly to the supplier.	1	2	3	4	5	6	7
4.	We attempt to get all our concerns and issues in the open.	1	2	3	4	5	6	7
5.	We tell the supplier our ideas and ask them for their ideas.	1	2	3	4	5	6	7
6.	We share the problem with the supplier so that we can work it out.	1	2	3	4	5	6	7
7.	We try to find a compromise solution.	1	2	3	4	5	6	7
8.	We try to find a position that is intermediate between their position and our position.	1	2	3	4	5	6	7
9.	We try to soothe the supplier's feelings and preserve our relationship.	1	2	3	4	5	6	7
10.	We try to find a fair combination of gains and losses for both of us.	1	2	3	4	5	6	7
11.	We propose a middle ground.	1	2	3	4	5	6	7
12.	We try to do what is necessary to avoid tensions.	1	2	3	4	5	6	7
13.	We will let this supplier have some of their positions if they let us have some of ours.	1	2	3	4	5	6	7
14.	We press to get our points made.	1	2	3	4	5	6	7
15.	We make an effort to get our way.	1	2	3	4	5	6	7
16.	We were committed to our initial position during the negotiation.	1	2	3	4	5	6	7
17.	We try to win our position.	1	2	3	4	5	6	7
18.	We threatened to break off negotiations with the supplier.	1	2	3	4	5	6	7
19.	We indicated that we wanted to deal with other suppliers.	1	2	3	4	5	6	7
20.	We made implicit threats to the supplier.	1	2	3	4	5	6	7
21.	We expressed displeasure with the supplier's behavior.	1	2	3	4	5	6	7

APPENDIX B

Table 4: Respondent Characteristics

Negotiating Partner	Percentage
Minority Supplier	46.8%
Non-Categorized Supplier	53.2%
Product/Service Negotiated	
maintenance services	6.5%
travel & related services	3.7%
computers & supplies	16.7%
office supplies & furniture	31.9%
medical/laboratory supplies	11.1%
food/beverage services	4.2%
construction/electrical	6.9%
telecommunication services	3.2%
miscellaneous	15.7%
Title of Respondent	
Director, assistant director	40.0%
Purchasing agent, buyer	25.0%
Coordinator/manager	11.6%
MBE/SBE Coordinator	1.9%
Senior PA, senior buyer	18.5%
Other	5.1%
Ethnicity of Respondent	
White	85.7%
African American	7.9%
Asian Pacific American	0.9%
Native American	0.0%
Hispanic American	3.2%
Other	2.3%
Gender of Respondent	
Male	63.9%
Female	36.1%
	Mean
Years in Current Position	8.8
Years Purchasing from Supplier (Company)	6.9
Years Purchasing from Supplier (Individual Representative)	4.7
Months Since Negotiation	6.8

References

- Adler, N.J., Brahm, R. and Graham, J.L. (1992) Strategy implementation: a comparison of face-to-face negotiations. *Strategic Management Journal*, 13(6), 449-468.
- Armstrong, J.S. and Overton, T.S. (1977) Estimating nonresponse bias in mail surveys. *Journal of Marketing Research*, 14, 396-402.
- Atkin, T. S., and Rinehart, L. M. (2006) The effect of negotiation practices on the relationship between suppliers and customers. *Negotiation Journal*, 22(1), 47-65.
- Bates, T. (1985) Impact of preferential procurement policies on minority-owned businesses. *Review of Black Political Economy*, 14, 51-65.
- Bentler, P.M. (2006) *EQS 6: Structural Equations Program Manual*. Encino, CA, Multivariate Software Inc.
- Bunn, M.D. (1993) Taxonomy of buying decision approaches. *Journal of Marketing*, 57, 38-56.
- Calantone, R.J., Graham, J.L. and Mintu-Wimsatt, A. (1998) Problem-solving approach in an international context: Antecedents and outcomes. *International Journal of Research in Marketing*, 15(1), 19-35.
- Carr, A.S. and Pearson, J.N. (1999) Strategically managed buyer-supplier relationships and performance outcomes. *Journal of Operations Management*, 17(5), 497-519.
- Carter, C.R., Auskalnis, R.J. and Ketchum, C.L. (1999) Purchasing from minority business enterprises: Key success factors. *Journal of Supply Chain Management*, 35, 28-32.
- Churchill, G.A. Jr. (1979) A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research*, 16, 64-73.
- Cooper, A.D. (1999) The Role of Organizational Categorization in Interorganizational Marketing Negotiations: Implications for Minority Supplier Programs, unpublished doctoral dissertation. East Lansing, MI, Michigan State University.
- Day, R.L., Michaels, R.E. and Perdue, B.C. (1988) How buyers handle conflicts. *Industrial Marketing Management*, 17, 153-60.
- Dillman, D. A. (2011), *Mail and Internet Surveys: The Tailored Design Method--2007 Update with New Internet, Visual, and Mixed-Mode Guide*. New York, NY, John Wiley & Sons, Inc.
- Dobler, D.W., Lee Jr., L. and Burt, D.N. (1984) *Purchasing and Materials Management: Text and Cases*. New York, NY, McGraw-Hill Book Company.
- Doise, W. (1978) *Groups and Individuals: Explanations in Social*

Psychology. Cambridge, Cambridge University Press.

Dollinger, M. and Daily, C.M. (1989) *Purchasing from Small Minority-Owned Firms: Corporate Problems*. Tempe, AZ, Center for Advanced Purchasing Studies.

Edmondson, V.C., Suh, W.S. and Munchus, G. (2008) Exceeding government-mandated social programs: Minority supplier development programs. *Management Research News*, 31(2), 111-124.

Emerson, R.M. (1981) Social Exchange Theory. In: Rosenberg, M. and Turner, R. (eds.) *Social Psychology: Sociological Perspectives*. New York, NY, Basic Books, pp.30-65.

Fornell, C. and Larcker, D.F. (1981) Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18, 382-388.

Francis, J.N. (1991) When in Rome? The effect of cultural adaptation on intercultural business negotiations. *Journal of International Business Studies*, Third Quarter, 403-28.

Ganesan, S. (1993) Negotiation strategies and the nature of channel relationships. *Journal of Marketing Research*, 30, 183-203.

_____ and Weitz, B.A. (1996) The impact of staffing policies on retail buyer job attitudes and behaviors. *Journal of Retailing*, 72(1), 31-56.

Gerbing, D.W. and Anderson, J.C. (1988) An updated paradigm for scale development incorporating unidimensionality and its assessment. *Journal of Marketing Research*, 25, 186-92.

Graham, J.L. (1986) The problem-solving approach to negotiations in industrial marketing. *Journal of Business Research*, 14, 549-66.

_____ (1987) A theory of interorganizational negotiations. *Research in Marketing*, 9, 163-83.

_____, Mintu, A.T. and Rodgers, W. (1994) Explorations of negotiation behaviors in ten foreign cultures using a model developed in the United States. *Management Science*, 40, 72-95.

Hagen, A., Siddiqi, S., and Tootoonchi, A. (2007) An empirical quest to identify the most dominant negotiating styles among American sales managers. *Journal of Promotion Management*, 13(3-4), 413-429.

Heide, J.B. and John, G. (1990) Alliances in industrial purchasing: The determinants of joint action in buyer-supplier relationships. *Journal of Marketing Research*, 52, 24-36.

Johnston, R. and Lawrence, P.R. (1988) Beyond vertical integration -- the role of the value-adding partnership. *Harvard Business Review*, 66, 94-101.

- Kelley, H.H. and Thibaut, J.W. (1978) *Interpersonal Relations: A Theory of Interdependence*. New York, NY, John Wiley & Sons, Inc.
- _____ (1979) *Personal Relationships*. Hillsdale, NJ, Erlbaum.
- _____ (1983) The situational origins of human tendencies: A further reason for the formal analysis of structures. *Personality and Social Psychology Bulletin*, 9, 8-30.
- _____ (1985) The theoretic description of interdependence by transition lists. *Journal of Personality and Social Psychology*, 47, 956-86.
- Kim, J. and Curry, J. (1977) The treatment of missing data in multivariate analysis. *Sociological Methods & Research*, 6(2), 215-239.
- Kramer, R. M. (1991) Intergroup relations and organizational dilemmas: the role of categorization processes. *Research in Organizational Behavior*, 13, 191-228.
- Krause, D.R., Ragatz, G.L. and Hughley, S. (1999) Supplier development from the minority supplier's perspective. *Journal of Supply Chain Management*, 35(4), 33-41.
- Mintu-Wimsatt, A. and Calantone, R.J. (1995) Intra- and inter-cultural negotiations: A Chinese buyer's perspective. *Journal of Marketing Theory and Practice*, 3(3), 88-98.
- Monczka, R.M. and Trent, R.J. (1995) *Purchasing and Sourcing Strategy: Trends and Implications*. Tempe, AZ, Center for Advanced Purchasing Studies.
- Ogden, J. A., Rossetti, C. L., & Hendrick, T. E. (2007) An exploratory cross-country comparison of strategic purchasing. *Journal of Purchasing and Supply Management*, 13(1), 2-16.
- Ohmae, K. (1989) The global logic of strategic alliances. *Harvard Business Review*, 67, 143-54.
- Pearson, J.N., Fawcett, S.E. and Cooper, A. (1993) Challenges and approaches to purchasing from minority-owned firms: A longitudinal examination. *Entrepreneurship, Theory and Practice*, 18(2), 71-88.
- Perdue, B.C., Day, R.L. and Michaels, R.E. (1986) Negotiation styles of industrial buyers. *Industrial Marketing Management*, 15, 171-6.
- _____ and Summers, J.O. (1991) Purchasing agents' use of negotiation strategies. *Journal of Marketing Research*, 28, 175-89.
- Porter, M.E. (1980) *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York, NY, Free Press.
- Pruitt, D.G. (1981) *Negotiation Behavior*. New York, NY, Academic Press, Inc.
- Punj, G. and Stewart, D.W. (1983) Cluster analysis in marketing research: Review and suggestions for application. *Journal of Marketing Research*, 20, 134-

148.

Purchasing (1995) Minority Supplier Development White Paper Report. 87-107.

Rice, M. F. (1995) State and local government set-aside programs and minority business development in the post-croson era: the efficacy of disparity studies. *International Journal of Public Administration*, 18(7), 1011-1064.

Seidler, J. (1974) On Using Informants: A technique for collecting quantitative data and controlling for measurement error in organizational analysis. *American Sociological Review*, 39, 816-831.

Sharma, S., Durvasula, S. and Dillon, W. R. (1989) Some results on the behavior of alternative covariance structure estimation procedures in the presence of non-normal data. *Journal of Marketing Research*, 26, 214-221.

Spratlen, T. (1979) The impact of affirmative action purchasing. *Journal of Purchasing and Materials Management*, 32, 6-8.

Tajfel, H. and Turner, J.C. (1970) Experiments in intergroup discrimination. *Scientific American*, 223, 96-102.

_____ (1986) The social identity theory of intergroup behavior. In: Worchel, S. and Austin, W.G. (eds.) *Psychology of Intergroup Relations*. Chicago, Nelson-Hall.

Thibaut, J.W. and Kelley, H.H. (1959) *The Social Psychology of Groups*. New York, NY, John Wiley & Sons, Inc.

Thomas, K.J. (1976) Conflict and conflict management. In: Dunnette, M. (ed.) *Handbook of Industrial and Organizational Psychology*. Chicago.

Thorelli, H.B. (1986) Networks: Between markets and hierarchies. *Strategic Management Journal*, 7, 37-51.

Turner, J.C. (1975) Social comparison and social identity: some prospects for intergroup behavior. *European Journal of Social Psychology*, 5, 5-34.

Webster, F.E. (1992) The changing role of marketing in the corporation. *Journal of Marketing*, 56, 1-17.

Whitfield, G. and Landeros, R. (2006) Supplier diversity effectiveness: Does organizational culture really matter? *Journal of Supply Chain Management*, 42(4), 16-28.

Wilder, D.A. (1986) Social categorization: implications for the creation and reduction of intergroup bias. *Advances in Experimental Social Psychology*, 19, 291-353.

_____ (1990) Some determinants of the persuasive power of in-groups and out-groups: Organization of information and attribution of independence. *Journal of Personality and Social Psychology*, 59, 1202-13.

Author Information

Alicia D. Cooper, Ph.D. is an Assistant Professor of Marketing in the College of Business at Dillard University. She has taught marketing courses at institutions in the U.S. and Ghana. Dr. Cooper's research interests include social responsibility in the supply chain, specifically minority supplier and fair trade issues, as well as brand building in Ghana. Her research has been published in the *Journal of Asia Pacific Marketing* and *Entrepreneurship Theory and Practice*.

Rodney L. Stump, Ph.D. is a Professor of Marketing in the College of Business and Economics of Towson University. He has taught Marketing courses at several institutions in the U.S., Canada and Norway and is a Fulbright Scholar alumnus (Canada 2002-2003). Dr. Stump conducts research in marketing for nonprofit organizations, business-to-business marketing, channels of distribution, organizational purchasing, and marketing strategy in transitional economies. His work has been published in many top academic journals, including *Journal of Marketing Research*, *Journal of the Academy of Marketing Science*, *European Journal of Marketing*, *Journal of Business Research*, and *Canadian Journal of Administrative Science*, and in a variety of national and international conference proceedings.