

DOES CONTENT OF CONCESSIONS MATTER IN NEGOTIATION?  
MATCH BETWEEN CONCESSION STRATEGY AND  
TARGET'S REGULATORY FOCUS

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Dedicated to My Parents for Their Endless Love and Support and  
to God for His Amazing and Everlasting Grace

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# TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS .....	i
LIST OF TABLES .....	vii
LIST OF FIGURES .....	viii
Chapter	
I. INTRODUCTION .....	1
II. LITERATURE REVIEW .....	8
Concession and Reciprocity in Negotiation.....	8
Factors Affecting Concession-making.....	11
Cognitive Factors .....	12
Social psychological factors .....	21
Situational Factors .....	26
Opponent's Influence.....	31
Regulatory Focus .....	35
Regulatory Fit .....	22
Regulatory Relevance .....	24
Regulatory Focus and Goal Pursuing Theories in Negotiation Literature.....	29
The Present Research.....	47
III. HYPOTHESES.....	50
Match between Concession Strategy and Target Negotiator's Regulatory Focus.....	50
Match between Concession Strategy and Target Negotiator's Self-construal.....	60
IV. METHOD .....	65
Study 1 .....	65
Study 2 .....	85
V. DISCUSSION.....	97
General Discussion .....	97
Contribution .....	104

Limitations .....	108
Future Research .....	109
Appendices	
A. REGULATORY FOCUS QUESTIONNAIRE .....	112
B. NEGOTIATION POINT CHART .....	113
C. NEGOTIATION SCREEN .....	114
D. SUBJECTIVE VALUE INVENTORY (SVI) .....	115
E. SELF-CONSTRUAL SCALE.....	116
REFERENCES .....	118

## LIST OF TABLES

Table	Page
1. Previous Works on Factors Affecting Negotiator's Concession-making .....	13
2. Item Loadings on Promotion and Prevention Focus .....	73
3. Descriptive Statistics and Intercorrelations in Study 1 .....	75
4. Descriptive Statistics and Intercorrelations in Study 2 .....	87

## LIST OF FIGURES

Figure	Page
1. Demand Level as a Function of the Subjects' Chronic Promotion Focus and Negotiation Round in Giving-want Strategy Condition of Study 1 .....	78
2a. Demand Level as a Function of the Subjects' Chronic Prevention Focus and Negotiation Round in Reducing-dislike Strategy Condition of Study 1 .....	80
2b. Demand Level as a Function of the Subjects' Chronic Prevention Focus and Negotiation Round in Giving-want Strategy Condition of Study 1 .....	80
3a. Subjective Feelings about the Relationship with the Opponent as a Function of the Opponent's Concession Strategy and Chronic Promotion Focus in Study 1 .....	82
3b. Subjective Feelings about Negotiation Process as a Function of the Opponent's Concession Strategy and Chronic Promotion Focus in Study 1 .....	82
4a. Subjective Feelings about the Relationship with the Opponent as a Function of the Opponent's Concession Strategy and Chronic Prevention Focus in Study 1 .....	84
4b. Subjective Feelings about Negotiation Process as a Function of the Opponent's Concession Strategy and Chronic Prevention Focus in Study 1 .....	84
5. Demand Level as a Function of the Subjects' Independent Self-construal and Negotiation Round in Reducing-dislike Strategy Condition of Study 2 .....	89
6. Demand Level as a Function of the Subjects' Interdependent Self-construal and Negotiation Round in Giving-want Strategy Condition of Study 2 .....	91
7a. Subjective Feelings about Negotiation Process as a Function of the Opponent's Concession Strategy and Subjects' Independent Self-construal in Study 2 .....	92
7b. Subjective Feelings about Expected Negotiation Outcome as a Function of the Opponent's Concession Strategy and Subjects' Independent Self-construal in Study 2 .....	92
8a. Subjective Feelings about Relationship with the Opponent as a Function of the Opponent's Concession Strategy and Subjects' Interdependent Self-construal in Study 2 .....	94
8b. Subjective Feelings about Negotiation Process as a Function of the Opponent's Concession Strategy and Subjects' Interdependent Self-construal in Study 2 .....	94



## CHAPTER I

### INTRODUCTION

Negotiation researchers have long been intrigued by the fact that a mere concession, one of the most common and basic deal-making moves in a negotiation setting, can significantly influence the other party's (or the target's) evaluations and negotiation behaviors. Concessions have been found to influence the target negotiator's evaluations of the negotiation object (Bazerman & Neal, 1992; Neal & Bazerman, 1991) and the negotiation process (Benton, Kelley, & Liebling, 1972) as well as the target's behavioral responses (e.g., responding concession) (Wall, 1977; Esser & Komoriat, 1975). However, understanding the consequences of concessions is not a simple matter because the effects depend on many situational and individual factors. For example, the consequences of concessions vary by the timing of the concessions (whether concession occur early or late in the negotiation) (Kwon and Weingart, 2004), the emotional expressions (Van Kleef, De Dreu, & Manstead, 2004), or the target's interpersonal orientations (De Dreu, Weingart, & Kwon, 2000). Although there are numerous influential factors for the consequences of concessions, they seem to share a common feature; they are the significant influencers of the target negotiator's evaluations of the situation. In other words, they influence the consequences of concessions by affecting the target negotiator's evaluations of the situation, including the opponent's concessionary moves, the opponent's intentions, and the value of the negotiation object. Therefore, the key to understanding the effects of concessions is identifying the primary influences on

the target's evaluations and investigating their behavioral consequences in a negotiation setting.

This dissertation investigates the consequences of two less investigated influences in the negotiator's evaluations of the opponent's concessions. First is the content of the concession. The content, in this dissertation, refers to the selective focus of the concessions among the multiple issues involved in the negotiation, rather than the "amount" of the concession, on which previous negotiation researchers have concentrated (e.g., Allen, Donohue, & Steward, 1990; Druckman, Zechmeister, & Solomon, 1972). Essentially, the content of concession here is concerned with on *which issue* one grants a concession to the opponent, but not *how much* one concedes. Although negotiation scholars have focused on many features of the concession, such as amount, timing, and rate (the speed at which demand level declines overtime) (e.g., Pruitt, 1981; Kwon & Weingart, 2004; Allen et al., 1990), they have paid less attention to the actual content of the concession. In this dissertation, I investigate how target negotiators, with a particular goal orientation, react differently, depending on the different contents of concessions.

Another influence on the negotiator's evaluation of concession, which I focus on this dissertation, is regulatory focus. Regulatory focus (Higgins, 1997, 1998) is a motivational principle that regulates how individuals approach pleasure and avoid pain. There are two types of regulatory focus: promotion focus and prevention focus. Numerous studies over many disciplines have shown that regulatory focus has a major impact on peoples' feelings, thoughts, and actions (see Cesario, Higgins, & Scholer, 2008 for review). However, relatively few scholars have investigated the potential effects of regulatory focus on a negotiator's evaluations and behaviors. In this dissertation, I

explore how the target negotiator's regulatory focus affects his or her behaviors and subjective feelings in response to particular types of concessions.

The main theoretical framework of this dissertation is based on the theory of regulatory relevance (Higgins, 2002). Regulatory relevance theory suggests that people with different regulatory focuses assign different levels of importance to outcomes of the same value, based on how the outcome relates to their particular regulatory focus. In this dissertation, I argue that the content of the opponent's concessions, whether the content matches or mismatches the target negotiator's regulatory focus, will determine whether the target negotiator perceives the concession offer as more or less valuable. The first empirical study of this dissertation focuses on how a target negotiator's subjective evaluation of the opponent's concession offer will affect both the target negotiator's reciprocal concessions and satisfaction.

This dissertation concerns not only the existence of the regulatory relevance phenomenon (regulatory relevance between the content of concessions and the target's regulatory focus), but also the applicability and generalizability of such findings. Based on previous findings that one's regulatory focus is strongly associated with one's self-construal (Lee, Aaker, & Gardner, 2000), I argue in this dissertation that conceding on negotiation issues that are seen as gain-related or loss-related can generate a regulatory relevant experience for target negotiators, based on their types of self-construal. The second empirical study in this dissertation tests this idea.

An important feature of this dissertation is its focus on the process of the negotiation, rather than the final outcomes. I focus on the negotiation process because a negotiator's evaluations of and behavioral reaction to the opponent's concessionary offers

occur at the moment when they face the concessionary offer from the other party. The experiments in this dissertation track changes in the target negotiators' demand levels as they are presented with concessionary offers throughout four rounds of negotiation.

This dissertation expands the existing negotiation literature in several ways. First, it takes into account the content of concessions in understanding the appeal of the concession offers. When multiple issues are involved in a negotiation, it is reasonable to expect that negotiators have different conscious and subconscious priorities for each issue. In this case, if an opponent makes a concession on an issue that the target negotiator subconsciously cares about, the influence of the concession offers would be greater than the influence of the concession offer on an indifferent issue. My dissertation concerns this situation. This theoretical approach is in line with Malhotra and Bazerman's (2008) suggestion that social influence research will be benefited by including target individual's perspectives and needs in the framework.

Second, this dissertation takes a close look at *how* regulatory focus influences negotiation behaviors and subjective outcomes in a multi-issue negotiation setting. Previous negotiation studies that have applied the concept of regulatory focus have shown that there is a relationship between the negotiator's regulatory focus and the final outcome. For example, Galinsky, Leonardelli, Okhuysen & Mussweiler (2005) demonstrated that promotion-focused negotiators tend to achieve better final economic outcomes than prevention-focused negotiators in both distributive and integrative negotiations. Although the authors maintained that these results were primarily caused by a promotion-focused negotiator's tendency to hold a stronger attention on a desired outcome and to propose a high initial offer, they did not show how a negotiator's

promotion or prevention focus affects behaviors during the negotiation. This dissertation keeps track of changes in negotiation behavior by taking note of the target negotiator's demand level, based on his or her particular regulatory focus, over several rounds of interactions with an opponent. The data in this dissertation provide more clues for how a negotiator's regulatory focus affects his or her demands during the negotiation.

Third, this dissertation suggests an important cause of negotiators' cognitive biases: regulatory relevance. It is well-known that negotiators' decisions and evaluations are affected by cognitive bias and heuristics (Bazerman, Curhan, & Moore, 2000). Fixed-pie perception (Bazerman, Magliozzi, & Neale, 1985; Thompson & Hastie, 1990; Thompson & DeHarpport, 1994), over-reliance on readily available information (Neale, 1984), and reactive devaluation of the opponent's concessions (Cuhan, Neale, & Ross, 1998; Ross & Stillinger, 1991) are examples. In this dissertation, I suggest that regulatory relevance experience, caused by the interaction between the opponent's concession strategy and the target negotiator's regulatory orientation, can generate a cognitive bias in evaluating the opponent's concession offers, inducing different behavioral and emotional reactions to the concession offers.

Fourth, this dissertation investigates the antecedents of subjective outcomes of negotiation. Since Thompson's (1990) suggestion that negotiation produces both economic and subjective outcomes, many negotiation scholars have investigated the characteristics and consequences of subjective outcomes from negotiation (Curhan, Elfenbein, & Xu, 2006; Elfenbein, Curhan, Eisenkraft, Shirako, & Baccaro, 2008; Curhan, Elfenbein, Hillary, & Kilduff, 2009). Although the subjective outcome is as important as, or even more important than, the economic outcome for real-world negotiators in many

cases, what causes subjective experiences to be more or less positive is not well-known (Curhan et al., 2006). This dissertation suggests that a regulatory relevance experience, caused by the interaction between the content of the opponent's concessions and the target negotiator's regulatory focus, is an important determinant of the subjective outcomes from a negotiation.

Finally, this dissertation suggests the novel perspective of investigating negotiators with different self-construals. Previous research has established that different emphases on autonomy and relationship can shape different negotiation behaviors (Gelfand, Major, Raver, Nishii, & O'Brien, 2006; Howard, Gardner, & Thompson, 2007). In this dissertation, I suggest another route through which self-construal can affect negotiation behaviors: the correlation between self-construal and regulatory focus. Given that self-construal has a strong association with regulatory focus, I expect that different self-construals will induce different behavioral and emotional reactions from a negotiator, similar to those created by regulatory focus.

In the next chapter (Chapter 2), I review the relevant literatures for concession and regulatory focus. In Chapter 3, I present hypotheses based on the theories. The first two hypotheses, H1 and H2, are about the effects of the regulatory relevant match (between a concession strategy and the target negotiator's regulatory focus) on the target negotiator's concession-making. H3 and H4 concern the effects of the regulatory relevant match on the target negotiator's subjective outcomes. The rest the hypotheses, H5 through H8, are developed based on the fact that one's self-construal has a strong association with one's regulatory focus and, therefore, they predict that self-construal will interact with the content of the opponent's concessions in the same way that regulatory

focus does. Chapter 4 describes the methods and results in the two experimental studies. Finally, Chapter 5 discusses the findings, implications, limits, and future directions.

## CHAPTER II

### LITERATURE REVIEW

In the first section of this chapter, I review the literature in concession-making and the motivations behind concession-making. In the second section, I review the literature about the factors that affect concession-making. Studies in four broad topics are reviewed in this second section: cognitive factors, social psychological factors, situational factors, and opponent's influence. In the third section, I review the literature on the two core theories used in this dissertation, regulatory focus theory and regulatory relevance theory. Additionally, I briefly review the literature on regulatory fit theory to clarify any potential confusion between the theories of regulatory relevance and regulatory fit. In the last section, I discuss the value and importance of this dissertation.

#### Concession and Reciprocity in Negotiation

Concession is “a change of offer in the supposed direction of the other party's interests that reduces the level of benefit sought” (Pruitt, 1981, p. 19). During the negotiation process, negotiators typically concede from their opening offers until they reach an agreement. Concession is one of the key elements of a negotiation, and it affects both the process and the outcome of a negotiation (Esser & Komorita, 1975; Komorita & Brenner, 1968; Yukl, 1974). In most negotiation settings, concession is an imperative tactical move to generate an agreement between two parties, and multiple occurrences of



concession are expected during the process of negotiation (Pruitt, 1981). Concessions are different in terms of both rate (the speed at which demand level declines over time) (Pruitt, 1981) and timing (whether they are suggested in the early or late stage of the negotiation) (Kwon & Weingart, 2004).

There are several motivations for making a concession. People make concessions in order to speed up the negotiation process and to come to an agreed outcome faster (Esser & Komorita, 1975; Hamner, 1974; Osgood, 1959). This is particularly true when negotiators feel time pressure (Moore, 2004). Second, negotiators make concessions as a way to improve their relationship with the other party. When people value a long-term cooperative relationship with the other party, they tend to sacrifice bigger gains during the negotiation (Kolb & Coolidge, 1991). The most important motivation to making concessions in a negotiation, though, is to induce reciprocal concessions from the other party.

The norm of reciprocity, referring to the social rule that one should repay others for what he or she has received from the other party, is one of the most universal and powerful tools one can use to influence others' behavior (Adams, 1965; Gouldner, 1960). The norm of reciprocity in society concerns two interrelated ideas. First, people should help those who have helped them. Second, people should not harm those who have helped them (Gouldner, 1960). This norm helps us build trust and establish fair relationships with others (Kelln & Ellard, 1999).

Many social scientists believe that the motivation behind reciprocity comes not only from the feeling of gratification, but also from the egoistic reason to make a stable relationship for future interactions (Gouldner, 1960). This egoistic reason may be the

product of an individuals' cognitive calculation, as well as the outcome of a social mechanism that has evolved to maintain a stable social system (Trivers, 1971). An important characteristic of the reciprocity norm is that reciprocity is significantly influenced by the subjective *value* of the benefit received (Gouldner, 1960; Cialdini & Goldstein, 2004). In other words, people do not just reciprocate any benefits that they receive from others. People reciprocate when they think the benefit they have received from another is significant and noteworthy.

The reciprocity norm is deeply embedded in individuals' minds and strongly influences people's behaviors, even in commercial situations where a self-centered, profit-pursing rationale is foremost. For example, customers reciprocate with more tips for a service worker's extra help and generosity (e.g., Rind & Strohmetz, 1999; Strohmetz, Rind, Fisher, & Lynn, 2002; Cialdini & Goldstein, 2004). The reciprocity norm is also prevalent in interpersonal bargaining and conflict resolution situations. Reciprocity obligation has been found to affect a negotiator's behaviors and emotions (Parks & Komorita, 1998; Weingart, Thompson, Bazerman, & Carroll, 1990). Negotiators tend to feel an obligation to make a responding concession when the opponent makes a concession (Komorita & Brenner, 1968). Indeed, social influence researchers maintain that the reciprocity norm can be used as a powerful tool in inducing the other party's concession in various social conflict situations, including negotiation settings (Cialdini et al., 1975; Cialdini & Goldstein, 2004).

Taken together, in negotiation, concession is a crucial part of generating an agreement between two parties. Although there are many reasons for making concessions, a prevalent reason for concession-making is to induce reciprocal concessions from the

other party. The reciprocity norm is strongly embedded in negotiators' minds.

Negotiators tend to feel an obligation to pay back when the opponent makes a concession, and this feeling of obligation encourages negotiators to make a responding concession to the opponent. In fact,

As mentioned, people's feelings of reciprocal obligation can be used as an effective tool to generate responding concessions from the other party. That is, negotiators can *tactically* make concessions to encourage the other party to make responding concessions. How, then, can we, in real-life negotiations, make concessions tactically to induce the other party's responding concessions? To answer this question, we should first tackle a more fundamental question: what factors affect a negotiator's concession-making? In the following section, I thoroughly review the literature in negotiation behavior and concession-making.

### Factors Affecting Concession-making

For decades, economists, political scientists, and social psychologists have investigated important determinants of negotiation behaviors (e.g., Osgood, 1962; Nash, 1951, Strauss, 1978; Siegel & Fouraker, 1960; Pruitt, 1981). As a result, negotiation researchers now have a substantial amount of knowledge on the topic. In this section, I review the negotiation studies that have dealt with or have implications on concession-making behaviors. Here, I categorize the determinants of concession-making into four categories: cognitive factors, social psychological factors, situational factors, and

opponent's influences. Table 1 briefly summarizes the empirical studies included in this section.

### Cognitive Factors

Negotiation behavior, such as concession-making, is a product of a complex cognitive process. Negotiators make their negotiation moves based on their own ideas and goals for the final agreement (Kelley, Beckman, & Fischer, 1967; Smith, Pruitt, & Carnevale, 1982), interpretations about the other party's intention (Pruitt, 1981), and judgments about the negotiation object (Osgood & Tanenbaum, 1955). Not only do cognitive calculations and goals affect concession behaviors, but also automatic cognitive tendencies (Bazerman et al., 1985; Bottom & Studt, 1993). Based on this fact, I will review the literatures on two broad categories of cognitive factors affecting concession behaviors: 1) cognition during the negotiation process and 2) cognitive heuristics and biases.

#### Cognition in the Process of Negotiation

Negotiators usually have specific ideas and goals during the negotiation process. For example, they have a goal for the final agreement and for the maximum loss they can afford. These goals significantly impact the negotiators' concession-making behaviors. A "reservation point" refers to the lowest level of benefits that the negotiators are willing to accept (Pruitt, 1981) and it can be seen as the maximum loss that negotiator can afford in the negotiation outcome. When negotiators have a high reservation point, they tend to show tough negotiation behaviors, including a high initial demand and small concessions (Smith et al., 1982, Yukl, 1974; Kelley et al., 1967). This is logically convincing because

Table 1. Summary of Previous Works on Factors Affecting Negotiator's Concession-making

<b>Factors affecting concession-making</b>	<b>Independent Variable</b>	<b>Results</b>	<b>Reference</b>
<b>Cognitive Factors</b>			
Cognition	High reservation point	Smaller concession	Yukl, 1974; Smith, Pruitt, & Carnevale, 1982
	High aspiration	Smaller concession	Hamner & Harnett, 1975; Holmes, Throop, & Strickland, 1971
	Avoding position loss	Smaller concession	Pruitt, 1981
	Highly (lowly) valuing negotiation object	Bigger (smaller) concession	Ross & Stillinger, 1991
	Opponents preceived to be cooperative	Smaller concession	Pruitt, 1981
Heuristics & Biases	Fixed-pie assumption	Smaller concession	Bazerman, Maglizzozi & Neale, 1985; Thompson & Hastie, 1990; Thompson & DeHarpport, 1994
	Reactive devaluation	Smaller concession	Ross & Stillinger, 1991;
	Gain (loss) frame	Bigger (smaller) concession	Neale & Bazerman, 1985; Bottom & Studt, 1993

Table 1. Continued

<b>Factors affecting concession-making</b>	<b>Independent Variable</b>	<b>Results</b>	<b>Reference</b>
<b>Social Psychological Factors</b>			
Emotion	Positive emotion	Bigger concession	Carnevale & Isen, 1986
	Negative emotion	Smaller concession	Forgas, 1998; Allred, Mallozzi, Matsui, & Raia, 1997
Self-Construal	Negative emotion targeted to object (opponent)	Bigger (smaller) concession	Steinel, Van Kleef, & Harinck (2006)
	Interdependent (Independent) self-construal	Bigger (smaller) concession	Cross & Madson, 1997; Greenhalgh & Gilkey, 1993
Motivation	Prosocial (selfish) motive	Bigger (smaller) concession	De Dreu & Van Langer, 1995; Druckman, 1994; De Dreu, Weingart, & Kwon, 2000

Table 1. Continued

<b>Factors affecting concession-making</b>	<b>Independent Variable</b>	<b>Results</b>	<b>Reference</b>
<b>Situational Factors</b>			
Constituent	Existence of constituent	Smaller concession	Wall, 1975; Gruder & Rosen, 1971; Benton & Druckman, 1973
	Constituent emphasizing cooperation	Bigger concession	Benton & Druckmand, 1974; Tjosvold, 1977
	Constituent wateches	Smaller concession	Benton, 1975; Carnevale, Pruitt & Britton, 1979; Druckman, Solomon, & Zechmeister, 1972
	Constituent does not watch	Bigger concession	Kilimoski & Ash, 1974; Benton, 1975
	Less powerful than constituent	Smaller concession	Hermann & Kogan, 1968
	low trust by constituent	Smaller concession	Frey & Adams, 1972; Wall, 1975
<b>Opponent's Influence</b>			
Opponent's Influence	Door-in-the-face tactic	Bigger concession	Cialdini, Vincent, Lewis, Catalan, Wheeler, & Darby, 1975; O'keefe & Hale, 1998
	Emotional expression	Bigger concession	Van Kleef, De Dreu, & Manstead, 2004; Van Kleef, De Dreu, & Manstead, 2006
	Delaying of concession	Bigger concession	Kwon & Weingart, 2004
	High Demand and gradual concessions	Bigger concession	Komorita & Esser, 1975; Osgood, 1959

people cannot make large concessions when they cannot afford much loss.

The effect of one's reservation point on concession-making is most apparent in the early stages of the negotiation. Negotiators commonly make unrealistically high demands and small concessions in the early stages of negotiation, primarily because they want to protect their reservation point (Gulliver, 1979). If negotiators realize an opponent's reservation point, they would be reluctant to accept an offer that is better than the opponent's reservation point because they know that the other party has more room to concede. To avoid this loss situation, negotiators tend to mask their reservation point with high demands and small concessions. Another reason for high demands and small concessions is preventing underestimation of a reservation point from opponents. If the opponent underestimates the reservation point, he or she may become committed to an unacceptable demand, leading to an impasse between the two parties. A high initial demand and small concessions allow the negotiators have a realistic estimation of each other's reservation points, generating a high success in reaching an agreement (Gulliver, 1979).

The impact of aspiration, the level of benefit that individuals are aiming to achieve from a negotiation, is similar to that of reservation point. When negotiators have a high aspiration level, they show tough negotiation behaviors, such as high early demands and small concessions (Hamner & Harnett, 1975; Holmes, Throop, & Strickland, 1971). Dyads with negotiators who have high aspirations take a long time to reach an agreement because of their tough negotiation behaviors (Kahan, 1968).

During the negotiation, people do not want to lose their desirable alternatives, as well. Abandonment of desirable alternatives is called "position loss" (Pruitt, 1981).



Anxiety about one's position loss affects a negotiator's concession-making because a concession is difficult to withdraw once it is made. When concessions are made, two types of potential position losses occur. First, the negotiator might just abandon the offer that an opponent would eventually accept. Second, the negotiator might have used up a strategic option, which could be exchanged with an opponent's concession afterward. Because of these concerns, negotiators tend to hold up conceding (Pruitt, 1981).

The subjective evaluation of the other party's concession offers has a significant impact on a negotiator's concession-making. During the negotiation, people tend to judge the value of concession offers made by the other party (Ross, 1995). When people feel that the opponent's concession is valuable, they feel a strong obligation to reciprocate, leading to large reciprocal concessions. However, when people perceive that the opponent's concession is not valuable, they are less likely to feel an obligation to repay, leading to small responding concessions (Ross & Stillinger, 1991).

During the negotiation, individuals judge from not only the negotiation object and the other party's concession offers, but also from the concession maker's intention and situation (Pruitt, 1981). For example, when an opponent shows soft negotiation behaviors, such as a low first offer and large concessions, negotiators tend to perceive that the opponent is trying to be cooperative and will concede more, so negotiators tend to hold up conceding in order to exploit the opponent's intention and situation (Pruitt, 1981).

Taken together, negotiators have many goals and ideas during the negotiation process, and those goals and ideas significantly affect the negotiators' concession behaviors. Reservation point, aspiration, and the desire to prevent a position loss negatively affect a negotiator's concession-making. Judgments about the opponent's

concession offers and situations also have a significant relationship with negotiators' concession-making behaviors. When negotiators perceive that the value of the opponent's concession offers are low, they tend to make small concessions. When negotiators think that the opponent wants to be cooperative, they are likely to hold up making concessions in order to exploit the opponent's intention.

### Cognitive Heuristics and Biases

Interpersonal bargaining researchers have found that not only cognitive goals such as aspiration and reservation point, but also cognitive heuristics and biases heavily influence a negotiator's decision-making (Kahneman & Tversky, 1979, 1981; Northcraft & Neale, 1987; Bazerman & Neale, 1982). The cognitive heuristics and biases often produce misperceptions, which, in turn, affect negotiators' concession-making. One example is a fixed-pie assumption, which is negotiators' perception that the other party's interest is directly opposed to their own (Bazerman et al., 1985; Thompson & Hastie, 1990; Thompson & DeHarpport, 1994). Negotiators generally assume that "your win is my loss." However, in many cases, this is a false perception, particularly so in a multi-issue negotiation. In most multi-issue negotiations, individuals do not share exactly same interests on negotiation issues, and, thus, it is possible to generate a joint gain (Pruitt & Lewis, 1975; Sherman, Judd, & Park, 1989). The effect of the fixed-pie assumption on concession-making becomes apparent in the early stages of negotiation. Due to a lack of communication and information sharing, many negotiators tend to hold a fixed-pie assumption in the early stages of the negotiation, leading to small concessions from the negotiators. However, as the negotiation progresses, negotiators start to realize the possibility of joint gain and become more conceding (Thompson & Hastie, 1990).

The fixed-pie assumption is developed by prior negotiation experiences as well. The experience of failing to generate a joint gain in a previous negotiation shapes a fixed-pie assumption, which tends to persist and affect negotiation behaviors in proceeding negotiations. It was found that when negotiators failed to achieve a joint outcome in the first negotiation, they held the fixed-pie assumption and did not concede much in the proceeding negotiation, even when the task was changed to allow a joint outcome for both parties (Thompson, 1990).

People have a tendency to appreciate what they do for others and to depreciate what others do for them (Greenwald, 1980; Taylor & Brown, 1988). One of the cognitive biases caused by this tendency is called “reactive devaluation,” the tendency to automatically depreciate the value of concession offers made by the other party (Ross & Stillinger, 1991). In a negotiation setting, negotiators perceive that the opponent will go after the maximization of his or her own profit, and, therefore, the concessions that the opponent makes will not significantly harm his or her profit (Ross, 1995). In other words, when the opponent makes a concession, target negotiators tend to reactively perceive that the opponent did not give up anything significant. This biased perception certainly hinders the negotiators’ reciprocal concession-making (Ross & Stillinger, 1991).

Kahneman and Tversky’s (1979, 1981) prospect theory has provided important insights about the effects of cognitive heuristics and biases on negotiators’ decisions and evaluations. The theory suggests that people treat the prospect of gains and losses differently. That is, people are risk-averse when they think of the prospect of gains, whereas people are risk-seeking when they think of the prospect of losses. Based on this idea, researchers have examined the effect of gain- and loss-frame of negotiation issues

on negotiator's behaviors. When negotiation issues were framed as gains, individuals became risk-averse and showed soft negotiation behaviors, characterized by low demands and large concessions, and they were more likely to reach an agreement. However, when negotiation issues were framed as losses, people became risk-seeking and performed tough negotiation behaviors, characterized by high demands and small concessions which generated a high impasse rate (Neale & Bazerman, 1985; Bazerman et al., 1985; Bottom & Studt, 1993).

In summary, cognitive heuristics and biases affect negotiators' concession-making. When negotiators think that the opponent's interests are directly opposed to their own, they tend to hold up making concessions. People generally depreciate what others do to them. This tendency causes negotiators to devalue opponents' concession offers and leads to small responding concessions from the negotiators. People tend to see the same object differently when it is framed differently. This inclination causes different concession-making behaviors as well. When a negotiation object is framed as gain-related, negotiators are more likely to make concessions, compared to when the object is framed as loss-related.

In 80s and early 90s, the cognitive heuristics and biases had momentum as a research topic in the interpersonal bargaining literature. However, because of the concern that the cognitive approach ignores many important factors for the real-world negotiation behaviors, negotiation scholars started to refocus on the effects of the relevant social psychological factors (Bazerman et al., 2000). In next section, I will review three important social psychological factors that influence a negotiator's concession-making behaviors.

## Social psychological factors

The impact of social psychological factors on negotiation behaviors has been investigated by researchers for decades. Although the value of some factors, such as individual differences in demographic characteristics, have suffered from inconsistent findings (Bazerman et al., 2000), other factors have provided strong and consistent results and still attract much attention from negotiation scholars (De Dreu & Carnevale, 2003). In this section, I review the concession literature on three important social psychological factors: emotion, self-construal, and motivation.

### Emotion

Emotion is essential to understanding negotiators' behaviors because it affects "how individuals think about, behave within, and respond to bargaining situations" (Barry, 1999, p.94). Emotions are different from mood in that they are discrete, more intense, and less lasting (Frijda, 1993). "Affect" is an umbrella term encompassing both moods and emotions (Barry, Fulmer, & Van Kleef, 2004).

Emotion is a critical antecedent of concession-making. Positive emotions tend to generate soft negotiation behaviors, such as low initial requests and large concessions. For example, negotiators who had a positive mood after reading humorous cartoons or receiving a small gift used fewer contentious tactics and showed more concessionary behaviors than the negotiators who had a neutral mood (Carnevale & Isen, 1986). On the other hand, negative emotions, such as anger, tend to induce contentious negotiation behaviors like small concessions (Forgas, 1998; Allred, Mallozzi, Matsui, & Raia, 1997).

Emotion from the opponent is also an influential factor for negotiators' concession-making. For example, expressing anger, rather than happiness, can induce

more concessions from a target negotiator (Van Kleef, De Dreu, & Manstead, 2004). However, expressing anger does not always generate conceding behaviors from the target. Sometimes it generates an angry response from the target and an escalation of conflict (Friedman, Anderson, Brett, Olekalns, & Lisco, 2004). De Dreu and colleagues (2007) suggest that the power of the target, in part, accounts for these different results. Expressing anger can generate a concession from a target negotiator when he or she is powerless. Additionally, Steinel, Van Kleef, and Harinck's (2006) found that anger induces concession-making from the target when directed toward the target's offer, but not when it is directed toward the target as a person. Therefore, negotiators, who want to generate conceding behaviors from the target, should be cautious about the aim of their emotional expression.

### Self-construal

“Self-construal” refers the degree to which social relationships are included in the concept of self (Markus & Kitayama, 1991). Individuals with an independent self-construal think of themselves as independent of relationships and as autonomous or separated from others. Individuals with an interdependent self-construal think of themselves as interdependent with the members of their ingroup and as defined by membership or roles of their ingroup (Shweder & Bourne, 1984; Triandis, 1989; Markus & Kitayama, 1991). People with an independent self-construal value autonomy and positive distinctiveness, whereas people with an interdependent self-construal pursue group harmony and social obligation (Markus & Kitayama, 1991; Triandis, 1989).

Compared to people with an independent self-construal, people with an interdependent self-construal are more likely to be concerned with other's needs,

opinions, and wishes. For them, helping other's success is often a goal even if doing so is at the expense of one's own needs (Cross, Bacon, & Morris, 2000). This other-centered tendency generates soft negotiation behaviors, such as a low initial demand or large concessions, from interdependent negotiators (Cross & Madson, 1997). Greenhalgh & Gilkey (1993) also found that relationship-oriented (interdependent) negotiators were willing to make concessions to the opponent for the sake of the future relationship. This is consistent with the finding that interdependent individuals sacrifice their own benefits to help others with whom they have a strong connection (Gabriel & Gardner, 1999).

### Motivation

*Social Motive.* The economics-based negotiation study approach has assumed that people pursue their self-interest when they negotiate with another party. Many scholars in psychology and related fields, though, have questioned this assumption because, in reality, people are not completely self-centered in social interactions. People care about others and mutual interests in social interactions, which changes their decisions and behaviors in a negotiation setting. Some concession researchers have investigated this impact of social motive on concession-making.

“Social motive” refers an individual's preference for a specific outcome-distribution between oneself and an opponent (McClintock, 1977). There are four different types of social motives: individualistic (exclusively concerned about one's own outcomes), altruistic (exclusively concerned about an opponent's outcomes), cooperative (concerned about both parties' outcomes), and competitive (concerned about doing better than an opponent) (McCrimmon & Messick, 1976). However, negotiation research has increasingly employed a broader version of the social motive category, which includes

selfish and prosocial motivations (e.g., De Dreu & Van Lange, 1995; Weingart, Bennet, & Brett, 1993; De Dreu, Weingart, & Kwon, 2000). Selfish motivation includes both individualistic and competitive motivations, while prosocial motivation includes both cooperative and altruistic motivations. Selfish negotiators tend to see negotiations as a competition and focus on winning the game, whereas prosocial negotiators tend to see negotiations as a collaborative game and care about maximizing mutual gains. These differences in perspectives cause different concession behaviors. Prosocial individuals show more cooperative negotiation behaviors, including less positional commitment, more information exchange, and larger concessions (De Dreu & Van Langer, 1995).

Pruitt and Rubin (1986) proposed a dual-concern theory, which simultaneously concerns both other-concern and self-concern. Other-concern is related to prosocial motive. A weak other-concern is linked to a selfish social motive while a strong other-concern is associated with prosocial motive. Self-concern is related to resistance to concession (Kelley et al., 1967; Druckman, 1994). The dual-concern theory predicts that negotiators with a strong other-concern and a low self-concern would make unilateral concession-making. The theory also predicts that negotiators with a high other-concern but with a high self-concern would make small concessions, since they would not want to sacrifice their own gains at the expense of the other party's. De Dreu et al.'s (2000) meta-analysis supported the validity of these predictions.

*Need for Cognitive Closure.* Negotiation researchers have found that there is an epistemic motivation that affects negotiators' concession behavior: the need for cognitive closure. Need for cognitive closure is defined as "a desire for an answer on a given topic, any answer, ... compared to confusion and ambiguity" (Kruglanski, 1990, p.337). Individuals



with a high need for cognitive closure have a considerable cognitive impatience, leaping to judgments on the basis of inconclusive evidence. Because of these tendencies, compared to counterparts who have a low need for cognitive closure, they are more influenced by cognitive heuristics, readily available information, and stereotypes when they make concessions. For example, people with a high need for cognitive closure made larger concessions when they heard that previous negotiators commonly made large concessions (Kossowska & Hiel, 2003). In another example, high need for cognitive closure negotiators made smaller concessions than low need for cognitive closure counterparts when they heard that the other party's major was business, rather than religion. That is, high need for cognitive closure negotiators were more affected by the stereotype of the opponent's major, believing that negotiators majoring in business would be more competitive than those majoring in religion (Kruglanski, Pierro, Mannetti, & De Grada, 2006).

In this section, I reviewed four relevant social psychological factors that affect negotiators' concession-making. The first factor is emotion. Generally, positive emotions induce concessions, while negative emotions hinder concessions. Emotional expression can be used as a tool to encourage the target negotiator's concession-making. When negotiators present negative emotions, such as anger and disappointment, their target negotiators tend to compromise, although this is more likely to happen when the target has less power. The second factor is self-construal. An individual with an interdependent self-construal tends to focus on others' needs and wishes, a tendency that generally leads to concession-making behaviors. Negotiators' concern about themselves and others (social motive) jointly affects their concession-making behaviors. Negotiators with a high

other-concern and a low self-concern are inclined to make unilateral concessions. However, negotiators with a high other-concern and a high self-concern make small concessions. Finally, when negotiators have a high need for cognitive closure, they are susceptible to social norms and the information that is readily available, and their tendency to make concessions is significantly influenced by stereotypes about the opponent and information about how previous negotiators fared.

### Situational Factors

Situational factors heavily influence individuals' judgments and motivations in a negotiation setting (Bazerman et al., 2000; Thompson, Wang, & Gunia, 2010).

Situational factors here refer "the structural features of the negotiation setting and the non-interaction-based influence of other actors" (Li, Tost, & Wade-Benzoni, 2007, p. 222). Here, I delineate five situational factors: relationship, power, email communication, time pressure, and the presence of a constituent.

It is well-known that social factors, such as the relationship between negotiators, make decision-makers irrational (Bazerman, Gibbons, Thompson, & Valley, 1998). That is, individuals tend to settle on a deal below their maximum economic outcome when interacting with a person with whom they have a close relationship. In a close-relationship negotiation setting, individuals are apt to place value on non-economic factors, such as trust, fairness, and ease of transaction (Bazerman et al., 2000). Because of this tendency, negotiators tend to show soft negotiation behaviors, such as a modest first offer and large concessions (Thompson & DeHarport, 1998; Schoeninger & Wood, 1969). To attain non-monetary gains like friendship, ease of transaction, and long-term

relationship, negotiators make concessions, rather than painstakingly seeking for the maximum economic profit. A close-relationship negotiation setting generates more concession-making, as well as more information-sharing (Fry, Firestone, & Williams, 1983), fewer coercive behaviors (Greenhalgh & Chapman, 1996), and faster agreements (Schoeninger & Wood, 1969).

Another important situational factor for negotiator concession-making is power. Power reflects one's ability to make the other settle for an outcome of less than his or her maximum utility (Greenhalgh, Neslin, & Gilkey, 1985). In negotiation research, power is usually manipulated by the imbalance of negotiators' best alternative to the agreement (BATNA) (e.g., Neale & Northcraft, 1991; Wolfe & McGinn, 2005). When negotiators deal with a less powerful opponent, they are less likely to attend to the interests and needs of the opponent and are more likely to hold up conceding (Keltner & Robinson, 1997). On the other hand, negotiators with comparable power are motivated to understand each other and tend to show accommodating and concessionary behaviors (Weingart et al., 1990; Mannix & Neale, 1993).

One's communication methods have long been thought to be a critical factor for negotiation behavior (Bazerman et al., 2000). Recently, an interest in the effect of e-mail communication on negotiation has emerged because of the dramatic increase in email interactions. Studies have found that media richness, the amount of information that can be conveyed through a communication medium (Daft & Lengel, 1986), has a significant impact on individuals' information processing and subsequent behaviors in a conflict setting. E-mail is low on media richness because it cannot carry the visual and verbal cues that contain much relational information. Because of this nature, e-mail has the

tendency to cause misunderstanding and to escalate interpersonal conflicts (Friedman & Currall, 2003), producing extreme and contentious behaviors in a conflict setting (Kiesler & Sproull, 1992). Furthermore, negotiators who communicate by e-mail have difficulty building rapport, causing a decreased trust in the opponent and contentious negotiation behaviors, such as large demands and small concessions (Thompson & Nadler, 2002).

In negotiation, time pressure usually occurs due to a negotiation deadline and induces negotiators to lower their aspiration level and make rapid concessions (Yukl, 1974; Smith et al., 1982). Using this effect of time pressure, negotiators with a low time pressure can induce large and rapid concessions from an opponent, who is under a high time pressure, by threatening delays of the negotiation process (Li et al., 2007). However, this strategy is not desirable when time cost is high for both a party with a high time pressure and a party with a low time pressure. Since an impasse is costly for both parties, a negotiator with low time pressure also make rapid concessions before the time-pressured other party's deadline in order to prevent additional time costs caused by an impasse (Moore, 2004).

Some social situations increase people's concern about face, "a claimed sense of favorable social self-worth that a person wants others to have of her or him" (Ting-Toomey & Kurogi, 1998, p. 187), and this amplified face-concern affects negotiators' concession-making behaviors. The effect of face-concern on concession-making becomes clear when there is a constituent, someone whom the negotiators represent (Wall, 1975; Gruder & Rosen, 1971). When constituents are eager to win, they will become upset if negotiators look weak. In this case, negotiators show tough negotiation behaviors, such as high demands and small concessions. However, if negotiators believe that their

constituents emphasize cooperation and agreement, they show patterns of low demands and large concessions (Benton & Druckman, 1974; Tjosvold, 1977). When there is no information about a constituent's motivation, negotiators tend to assume that their constituents are anxious to win (Pruitt et al., 1978), a perception that leads to tough negotiation behaviors (Benton & Druckman, 1973).

The impact of a constituent on concession-making becomes even more apparent when constituents observe the negotiation. When constituents watch the negotiation, negotiators are inclined to show off their toughness, leading to high demands and low concession-making (Benton, 1975; Carnevale et al., 1979; Druckman, Solomon, & Zechmeister, 1972). However, when only negotiators are left in the site, they tend to become softer and are more likely to reach an agreement (Benton, 1975; Kilimoski & Ash, 1974).

The relationship between a negotiator and his or her constituents also has a significant impact on the negotiator's concession-making. When negotiators feel that the relationship with their constituents is insecure, they are inclined to please the constituents, and so use tougher negotiation behaviors. For example, when negotiators have a low status in their organizations (Hermann & Kogan, 1968 1972) or when negotiators feel that they are distrusted by their constituents (Frey & Adams, 1972; Wall 1975), they tend to ask high demands and make small concessions.

In summary, various situational factors affect negotiator's concession-making behaviors. When negotiators have a close relationship with the opponent, they value non-economic outcomes of the negotiation, and thus make large compromises. When the other party is less powerful, negotiators make small concessions, but negotiators concede

more when the other party is as powerful as or more powerful than themselves.

Discussing the communication method, a communication means with a low media-richness, like e-mail, tends to cause tough negotiation behaviors because of its limitation in conveying various social cues. Additionally, when negotiators feel a time pressure, they compromise quickly. When a negotiator represents others, he or she tends to hold up making concessions, so as not to lose face in front of his or her constituent. The tendency is amplified when the negotiator does not have a close personal relationship with the constituent or when the constituent observes the negotiation scene.

The review of the relevant literature reveals that numerous factors affect negotiators' concession-making behaviors. Not only the goals and ideas during the negotiation process, but also the general cognitive limitations and tendencies affect negotiators' concession behaviors. Various social psychological factors also have significant impacts. Positive emotions, interdependent self-construal, and strong social motive generally induce soft and cooperative negotiation behaviors, such as concession-making. Epistemic motives either amplify or reduce the impact of information on negotiators' judgment, leading to different concession-making behaviors. Situational factors can affect concession making behaviors by triggering an individual's concern about face and relationship maintenance. Finally, the richness of the type of communication affects concession-making behaviors.

The knowledge of these factors is certainly beneficial for negotiators who want to maximize their profits from the negotiation. For example, negotiators can prevent the other party from becoming a tough negotiator by framing the negotiation issues as gain-related, rather than loss-related. They can also use strategies, such as avoiding email

communication and imposing a time pressure, in order to induce concession-making behaviors from the target negotiator. However, more practical suggestions for negotiation strategists can be found in the social influence and negotiation tactics literature. In next section, I delineate several effective tactics that are suggested in the social influence and negotiation tactics literature.

### Opponent's Influence

The impact of an opponent's behavior on a target negotiators' negotiation performance has long been a popular topic in negotiation and social influence research. This line of research has practical implications for negotiators because it suggests certain tactics to purposefully influence target negotiators' behaviors. For negotiators, making the other party concede on negotiation issues without any compromise on their own part would be the ideal situation. However, in most real-world negotiations, unilateral concessions rarely occur. Therefore, a more relevant and practical question is how one makes concessions tactically and effectively to induce substantial responding concessions from the target negotiator. Negotiation and social influence scholars have tried to tackle this question.

The first way of influencing a target negotiator is a tactical presentation of concessions. Cialdini and colleagues (1975) found that when one makes an extreme request first, which is doomed to be rejected by the target, and then diminishes the request (concession), it triggers the obligatory feeling of reciprocity and encourages a responding concession from the target. This tactic is called a "door-in-the-face" technique, and the effectiveness of the strategy has been supported by many empirical studies

(Cialdini et al., 1975; O'keefe & Hale, 1998). However, if the initial request is so extreme that it is completely out of the target's acceptable range, it leads to an immediate rejection, even before the initial request is modified (Burger, Reed, DeCesare, Rauner, & Rozolios, 1999). Therefore, while the door-in-the-face technique is a practical and effective strategy for inducing a responding concession from a target negotiator, one has to be careful not to make the first offer too extreme.

The second way of influencing target negotiator is by presenting certain emotions while making concessions. This tactic was briefly mentioned in the previous section about the interpersonal effect of emotion on concession-making behaviors. Van Kleef, De Dreu, and Manstead (2004) found that target negotiators make larger concessions when an opponent shows anger during the negotiation. However, when an opponent shows happiness, target negotiators make small concessions. In a similar study, Van Kleef, De Dreu, and Manstead (2006) also found that a target negotiator makes larger concessions but rates the opponent negatively when the opponent expresses emotions of supplication (i.e., disappointment or worry), whereas a target negotiator makes smaller concessions but rates the opponent positively when an opponent expresses emotions of appeasement (i.e. guilty or regret for not conceding more). So, if you do not care much about building a long-term relationship with the other party, presenting anger or worry while making concessions would be an effective way to increase your economic outcome.

The delaying of concession is another effective strategy to induce target negotiators' responding concessions. When concessions are made too early, a target negotiator is more likely to devalue the negotiated object, leading to small responding concessions. However, when concessions are delayed, the target negotiator is more likely



to value the negotiation object, potentially leading to larger responding concessions (Kwon & Weingart, 2004). Additionally, when an opponent starts with a high initial demand and makes multiple and gradual concessions, target negotiators are more likely to respond with reciprocal concessions (Komorita & Esser, 1975; Osgood, 1959), and their satisfaction with the counterpart increases (Kwon and Weingart, 2004).

Taken together, negotiators can induce target negotiators' responding concessions through several concession-making tactics. Tactically presenting concession offers by starting with an extreme initial request and then making concessions from there is one. Presenting negative emotions in the course of conceding is another effective way. Expressing anger and disappointment triggers target negotiator's responding concessions. The delaying of concession and making multiple small concessions are also effective ways of generating responding concessions.

A close look at such tactics reveals that all of these tactics are designed to increase the target negotiator's evaluation of the opponent's concession offers. For example, when a negotiator makes a large concession from an extreme initial request, for example, the target negotiator tends to perceive that the opponent is making a big sacrifice for him or her, although it may not be true. This increased subjective value of the opponent's concession offer amplifies the target negotiator's feelings of reciprocal obligation, leading to a large responding concession (Cialdini et al., 1975).

Two other tactics, the presentation of negative emotion and delaying concession, have a similar impact on the target negotiator's perception of the opponent's concession offers. Anger or disappointment in a negotiation setting signals that the negotiator is giving up much profit from the negotiation (Van Kleef et al., 2004). Therefore, when a

negotiator presents a negative emotion while making concessions, the target negotiator tends to think the opponent is making a big concession to the extent that he or she feels anger or disappointment. This perception affects the target negotiator's feelings of reciprocal obligation, generating a large responding concession from him or her. As mentioned, the delayed concession encourages the target negotiator to think that the negotiation object is valuable. When a negotiation object is valuable, even a small concession is perceived to be valuable (Kwon & Weingart, 2004) and thus triggers the feelings of reciprocal obligation and a subsequent reciprocal concession from the target.

An analysis of various negotiation tactics reveals that tactics are effective when they can influence the target negotiator's evaluation of the opponent's concession offers. The problem, however, resides in the fact that not everyone evaluates their opponent's concession offers in the same manner. Various cognitive, social psychological, and situational factors reviewed earlier would also affect the evaluation of the opponent's concession offers (Bazerman et al., 1985; Bazerman & Neal, 1982; Barry & Oliver, 1996; Petty & Cacioppo, 1986; Forgas, 1995; Bazerman et al., 2000).

Among the many potential influencers of target negotiator's evaluation on the opponent's concession offers, a recently emerging, but less-studied factor is a regulatory focus. Regulatory focus is a motivational principle that explains how people approach pleasure and avoid pain in different ways (Higgins, 1997, 1998). A number of studies in various disciplines have found the utility of this concept in understanding the psychological and behavioral differences (Cesario et al., 2008). In this dissertation, I argue that understanding both the target negotiator's regulatory focus and the interaction between the content of the opponent's concession and the target negotiator's regulatory

focus can enhance our understanding of the target negotiator's reciprocal concession-making and subjective experience during the negotiation. In next section, I review the relevant literature in regulatory focus. I also review two goal-pursuing theories that apply the concept of regulatory focus. One of the two theories, regulatory relevance, provides the theoretical basis for this dissertation.

### Regulatory Focus

Regulatory focus theory (Higgins, 1997, 1998) is based on a simple but powerful principle of human behavior, called the hedonic principle: People are driven to approach pleasure and to avoid pain. Sometimes people are motivated by the desire to obtain pleasure and, at other times, by the wish to avoid pain. The theory posits that there are two fundamentally different needs: nurturance and security. Children need both nurturance and security to survive, and caretakers provide both. To obtain nurturance and security children should maintain a relationship with their caretakers by learning how their behaviors influence the caretakers' responses. As the hedonic principle suggests, children learn how to obtain pleasure and how to avoid pain in their relationship with caretakers, but how a child obtains those pleasures or pains from caretakers differs, depending on whether they need nurturance or security.

The nurturance-related needs are best fulfilled by a promotion focus, which concerns accomplishment, hopes, and aspirations. When children achieve positive outcomes or behave in a desirable manner, caretakers usually provide rewards, such as encouragement, a kiss, or a hug, fulfilling children's nurturance needs. However, when children do not behave in a desirable manner (e.g., throwing food or toys), caretakers take

away rewards (e.g., ending a meal or taking away toys), causing pain in the children through the absence of positive outcomes. Pleasure and pain in these situations are experienced through the existence and absence of positive outcomes. In both situations, children learn the importance of attaining accomplishment and fulfilling aspirations to gain pleasure and to avoid pain, a promotion focus. Based on what they learn in childhood, when people are in a promotion focus mode, they concentrate on achieving positive outcomes and attaining their ideals.

The safety-related needs are best fulfilled by a prevention focus, which concerns safety, obligation, and responsibility. When caretakers train children to avoid potential dangers or to behave politely, children experience pain in the existence of a negative outcome (e.g. punishment, yelling, etc.) when they do not fulfill their responsibility (e.g., not listening or making mistakes), whereas experiencing pleasure (e.g., peace) from the absence of a negative outcome. In both situations, children learn the importance of fulfilling responsibility, ensuring safety, and meeting obligations. Based on these experiences in childhood, when people predominantly focus on prevention, they are concerned with safety, protection, and responsibility. It should be noted that people are socialized to have both types of regulatory focus.

Although there are stable individual differences in one's dominant regulatory focus, one's momentary regulatory focus can be also induced by situational factors (e.g., Higgins, 1998; Shah & Higgins, 2001). Many studies have momentarily induced a promotion or prevention focus in individuals by having them describe their experiences or future goals that are related to promotion or prevention (e.g., Leonardelli, Lakin, & Arkin, 2006; Liberman, Idson, Camacho, & Higgins, 1999; Lee, Keller, & Sternthal,

2010). An individual's regulatory focus was also stimulated by framing rewards or penalties for task performance differently. Researchers induced a promotion focus in subjects by framing rewards for a task as a benefit to be gained, and they stimulated a prevention focus in subjects by framing penalties for a task as a loss to be avoided (e.g., Crowe & Higgins, 1997; Forster, Higgins, & Idson, 1998). Studies found that one's dominant regulatory focus has similar consequences, regardless of whether it is chronically or momentarily accessed (Higgins, 1997, 1998).

Studies have found that when people pursue a goal with a particular regulatory focus, they are inclined to utilize different strategies (Crowe & Higgins, 1997; Higgins, 1998). When people focus on promotion, which is concerned with positive outcomes, such as accomplishment and aspirations, their strategic inclination is an *eagerness* that both ensures the presence of positive outcomes and ensures against the absence of positive outcomes. That is, when people have a promotion focus, they become sensitive to gain and nongain. On the other hand, when people focus on prevention, which is concerned with avoiding negative outcomes in their safety, obligations, and responsibilities, they are inclined to use a *vigilance* strategy that both ensures the absence of the negative outcomes and ensures against the existence of the negative outcome. In other words, when people have a prevention focus, they become sensitive to nonloss and loss (Higgins, 1997, 1998). Many studies confirmed that people who are chronically or momentarily promotion/prevention-focused are indeed more likely to use an eager/vigilance strategy (e.g., Crowe & Higgins, 1997; Higgins, 2000; Cesario, Grant & Higgins, 2004).

Based on the theory of regulatory focus, Higgins further suggested two different types of goal pursuit theories: regulatory fit and regulatory relevance. Regulatory fit is a theory that emphasizes the relation between the motivational orientation (regulatory focus) of the actor and the *manner* (strategy) in which that actor pursues the goal. On the other hand, regulatory relevance theory concerns the match between the motivational orientation (regulatory focus) of an actor and the *outcome* of goal achievement. Although the two theories are similar in terms of the effects on individual's cognition, two theories are distinct (Higgins, 2002; Cesario et al., 2008; Avnet & Higgins, 2006). The theoretical framework of my dissertation is based on *regulatory relevance*. In order to clarify the differences between these two seemingly similar but different theories, in the next section, I briefly outline the theories of regulatory fit and regulatory relevance and how these theories have been used in negotiation studies.

### Regulatory Fit

The central idea of regulatory fit theory (Higgins, 2000) is that when one's goal-pursuit strategy fits one's orientation to the goal (regulatory focus), individuals experience a regulatory fit, which increases the subjective value of what they are doing. The theory claims that the value of what individuals are doing comes not only from the outcome (e.g., high benefit and low cost), but also from their subjective feelings of "rightness," which is generated when they pursue a goal with a means that matches with their regulatory focus. In other words, independent of the outcome value, when people pursue a goal in a manner that sustains their regulatory focus (e.g., promotion-focused people pursue a goal with an eager manner and prevention-focused people pursue a goal with a vigilant manner), they feel right about what they are doing. This subjective feeling,

in turn, produces unique subjective experiences, such as increased motivational intensity and increased extremity of evaluation.

When a regulatory fit occurs, people feel right about or have increased confidence in what they are doing and thus push harder to achieve the goal (Higgins, 2005). For example, when participants performed an arm-pressure task while completing a set of anagrams, promotion-focused participants succeeded in more anagrams when they performed the arm-bending exercise (eager means) than the arm-extension exercise (vigilant means), whereas the reverse was true for prevention-focused participants (Forster et al., 1998). Another example showed in an anagram task that promotion-focused participants outperformed for the task that gave additional points for the success (eager means) while prevention-focused participants outperformed for the task that took points away for failure (vigilant means) (Shah, Higgins, & Friedman, 1998).

Another consequence of regulatory fit is the increased extremity of evaluation. When individuals feel right about what they are doing, they not only push harder to achieve the goal, but they also have higher confidence in the results (Higgins, 2000). When the task involves judgment or evaluation, the higher confidence produced by regulatory fit can be transferred to the increased extremity of evaluation (Idson, Liberman, & Higgins, 2004). This phenomenon happens whether or not the evaluation is positive or negative. When regulatory fit happens, a positive evaluation becomes even more positive, and a negative evaluation becomes even more negative. Idson, Liberman, and Higgins (2004) demonstrated that promotion-focused participants felt more positively than prevention-focused participants when they thought about a payment method that gave additional monetary gains (eager means). They also found that prevention-focused

participants felt more negatively than promotion-focused participants when they thought about a payment method that caused additional monetary losses (vigilant means). This is evidence that considering the eagerness/vigilance means caused a regulatory fit experience in promotion-/prevention-focused participants and intensified the extremity of their evaluation.

### Regulatory Relevance

Previous research has established that people are more easily persuaded by information that contains dimensions that are consistent with their interests (e.g., Kelly, 1955; Bargh, 1982; Hong, & Zinkhan, 1995; Maheswaren & Sternthal, 1990). In a similar vein, decision-makers value an object if it contains some aspects that are relevant to the decision-makers' personal concerns (Bettman & Sujan, 1987; Hong & Zinkhan, 1995; Maheswaren & Sternthal, 1990). Regulatory relevance refers to a situation in which decision-makers with a different regulatory focus assign different values to the same outcome, as a function of its relevance to their own regulatory focus (Higgins, 2002; Avnet & Higgins, 2006). Promotion-focused people value gain-increase outcomes more than loss-prevention outcomes while prevention-focused people value loss-prevention outcomes more than gain-increase outcomes.

Safer (1998) conducted one of the first studies that examined the regulatory relevance phenomenon in a consumer choice context. In his study, participants were given information about two cars, and they were asked to describe their impressions about the cars and choose one, without considering the cost of the cars. One car was described to have a neutral rating for safety but a high rating for luxury (e.g., soft leather seats, premium music sound system, etc.). Another car was depicted as having a high



rating for safety (e.g., car protection system, reliable battery backup for cold days, antilock brakes, etc.) but a neutral rating for luxury. In the results of the study, individuals with a strong promotion focus were more likely to choose the car with luxurious features, while those with a strong prevention focus were more likely to choose the car with safety features (Safer, 1998).

In Lee and Aaker's study (2004), participants read an advertisement about grape juice. The advertisement in the gain-increase condition emphasized the health improvement by drinking grape juice, while the advertisement in the loss-prevention condition emphasized the illness protection that grape juice can provide. In the gain-increase and loss-prevention conditions, the messages were framed with either a promotion-means or prevention-means so that subjects could experience either a promotion focus or a prevention focus. In the gain-increase condition, the promotion message said, "Get energized," while prevention message said "Don't miss out on getting energized." In the loss-prevention focus condition, the promotion message said, "Prevent illness," whereas the prevention message said, "Don't miss out on preventing illness." The results showed that the promotion-framed messages were more appealing than prevention-framed messages for the participants in gain-increase advertisement condition. On the other hand, prevention-framed messages were more persuasive than promotion-framed messages for the participants in loss-prevention advertisement condition.

Cesario, Grant, & Higgins (2004) provided additional support. Their study presented messages advocating a new after-school program to participants. In the gain-increase condition, the message emphasized the positive outcome of the program, saying that more students would be successful in their post-academic life choices. In the loss-

prevention condition, the message ensured against negative outcomes, saying that fewer students would fail in their post-academic life choices. Although the actual content of the message was the same, gain-increase-framed messages were more persuasive to promotion-focused recipients, while loss-prevention-framed messages were more persuasive to prevention-focused recipients.

A recent study by Zhao and Pechmann (2007) showed that information conveyed from a motion picture can arouse a similar effect. Their study tested the effectiveness of four different types of antismoking campaign videos among teenagers. Each video showed a group of young people and displayed either a man lighting up a cigarette or a man putting out a cigarette. A gain-framed video showed people giving positive looks to a smoker who put out a cigarette. A non-gain-framed video showed people who stopped talking and smiling when a smoker lit up a cigarette. A loss-framed video showed people giving disapproving looks to a person who had just lit up a cigarette and then the smoker looking nervous. A non-loss-framed video showed people giving a disapproving looks to a person's smoking, but when he put out the cigarette, the people stopped looking disapprovingly, and the smoker looked relieved. The result of this study reveals that promotion-focused teenagers were most persuaded by the gain-framed antismoking campaign video and prevention-focused teenagers were most convinced by the loss-framed antismoking campaign video.

A study by Cesario and Higgins (2008) showed that even nonverbal behaviors or gestures during talks could generate an experience of regulatory relevance. They showed that when a message-teller's nonverbal behaviors matched the message recipient's regulatory focus, a regulatory relevance experience occurred and increased the

persuasiveness of messages. For instance, when the message-teller leaned forward and spoke more quickly, the behaviors matched a recipient's promotion focus and increased the persuasiveness of the message. When the message teller engaged in "pushing" motions to represent slowing down and spoke more slowly, those behaviors matched a recipient's prevention focus and increased the persuasiveness of the message.

Recently there has been a debate about whether regulatory fit and regulatory relevance concern two different phenomena (e.g., Aaker & Lee, 2006; Avnet & Higgins, 2006). One of the main causes of confusion is that the consequences of regulatory fit and regulatory relevance are similar. Regulatory fit scholars have maintained that while regulatory relevance only increases the favoritism about an object, regulatory fit polarizes the evaluation (Avnet & Higgins, 2006). That is, whereas individuals tend to prefer an outcome when it is relevant to their regulatory focus, individuals are likely to increase their preference or dislike about an outcome when they experience regulatory fit. However, Aaker and Lee (2006) suggested that regulatory relevance can also polarize the evaluation. For example, in Aaker and Lee's (2001) study, recipients' attitude became less favorable when the information was incongruent with their regulatory focus.

Another cause of the confusion between regulatory fit and regulatory relevance is the operationalization. The operationalization of both regulatory fit and regulatory relevance involves presenting information that sustains individuals' regulatory focus (e.g., Aaker & Lee, 2001; Idson, Liberman, & Higgins, 2004; Lee & Aaker, 2004; Cesario & Higgins, 2008; Keller, 2006; Lee & Higgins, 2009). For example, Aaker and Lee (2001) generated regulatory relevance by presenting a gain-increase/loss-prevention focused advertisement of a same product, grape juice, to individuals with a promotion/prevention

focus. However, Cesario and colleagues (2004) induced regulatory fit by presenting two different types of information (gain-increase vs. loss-prevention) of a same evaluation object, an after-school program, to individuals' with a promotion/prevention focus. Although both studies involved the match between two different types of information (gain-increase/ loss-prevention) and individuals' regulatory focus, they employed two different theories, regulatory fit and regulatory relevance, to explain the results.

Although there are some scholars who doubt that there truly is a difference between the regulatory fit and regulatory relevance theories, I agree with Avnet and Higgins' (2006) view that the two are indeed different. First, the cause of the effects is different. Regulatory fit occurs when an individual's regulatory focus matches his or her own *manner* of considering or pursuing the same outcome. On the other hand, regulatory relevance happens when an individual's regulatory focus matches the *outcome* of his or her goal. Second, the emotional outcomes of the two phenomena are different. Cesario, Higgins, and Scholer (2008) pointed out that while a regulatory relevant outcome directly fulfills an individual's regulatory need, a regulatory fit experience does not satisfy it. Therefore, a regulatory relevance experience generates positive emotional outcomes, whereas a regulatory fit experience does not. Indeed, many regulatory fit studies have shown that regulatory fit does not produce positive emotional outcomes (e.g., Higgins, Idson, Freitas, Spiegel, & Molden, 2003; Higgins, 2005; Higgins, 2006).

Regulatory focus and goal pursuing theories in negotiation literature

As mentioned, the concept of regulatory focus and its applications, such as regulatory fit and regulatory-relevance theories, have been applied in numerous studies across various disciplines over the past decade (see Cesario et al., 2008). However,

despite the broad theoretical implications of regulatory focus theory and its applications on decision-making and interpersonal conflict research, they have only recently received attention from a handful of negotiation researchers.

### Regulatory Focus and Goal Pursuing Theories in Negotiation Literature

Galinsky et al. (2005) were among the first to show that negotiation behaviors and outcomes can be influenced by a negotiator's promotion or prevention focus. They found that negotiators with a promotion focus outperformed those with a prevention focus in both distributive and integrative negotiations. That is, compared to prevention-focused negotiators, promotion-focused negotiators received more gains in a distributive negotiation, as well as more integrative and Pareto efficient outcomes in a multi-issue integrative negotiation. The authors argued that this difference in performance stems from the fact that promotion-focused negotiators concentrate more on their ideal outcomes than prevention-focused negotiators do.

Appelt, Zou, Arora, & Higgins (2009) were interested in how a fit between a negotiator's regulatory focus and negotiation role (buyer vs. seller) affects one's demands and aspiration level. The authors argued that, in a distributive price negotiation, buyers focus on loss (prevention focus) and sellers focus on gain (promotion focus). Negotiators in focus-role fit conditions (buyer being prevention-focused and seller being promotion-focused), planned higher demands and showed more demanding first offers, compared to negotiators in focus-role misfit conditions. Also, negotiators in focus-role fit conditions showed more impasses, when paired with another negotiator in focus-role fit, because demands were strong and high from both conditions. Focus-role fit influences negotiation behaviors because it stimulates the feeling right experience in each party, causing higher

motivation to keep the aspiration and producing demanding negotiation behaviors (Appelt et al., 2009). Another type of regulatory fit can occur between the negotiator's regulatory focus and his or her negotiation strategy. When promotion-focused negotiators used a strategy to minimize losses (vigilant strategy) and prevention-focused negotiators employed a strategy to maximize gains (eager strategy), they felt right about what they were doing and planned to behave more demandingly in the negotiation (Appelt & Higgins, 2010).

Additionally, one's interpersonal orientation (independent focus or interdependent focus) interacts with regulatory focus to shape negotiation behaviors (Olekalns, Smith, & Tsao, 2010). For instance, when promotion-focused negotiators have an interdependent orientation or prevention-focused negotiators have an independent orientation (called "strategic fit" by Olekalns et al., 2010), they tend to use deal-making behaviors (e.g., offer management, offer exploration) more than when promotion-focused negotiators have an independent orientation or prevention-focused negotiators have an interdependent orientation (Olekalns et al., 2010).

In sum, the interest in the effects of regulatory focus and subsequent fit experiences on negotiation behaviors has emerged only recently. A small number of negotiation scholars have shown that regulatory focus and regulatory fit can indeed influence negotiation behaviors and negotiation outcomes. When negotiators focus on promotion, they tend to have better gains than prevention-focused negotiators in distributive and integrative negotiations. When the negotiator's role or strategy fits his or her regulatory focus, such as when the buyer is prevention-focused and the seller promotion-focused, negotiators tend to behave more demandingly. Finally, when

promotion-/prevention-focused negotiators have an interpersonal/independent orientation, they show more deal-making behaviors than when a promotion-/prevention-focused negotiators have an independent/interpersonal orientation. Although the effects of regulatory focus and regulatory fit on interpersonal bargaining process have recently emerged as an important topic in negotiation research, no study in my knowledge has investigated the potential impact of regulatory relevance on negotiator cognition and behavior.

### The Present Research

The main research question of this dissertation concerns when and why a negotiator's reaction to an opponent's concession offer varies. The review of the relevant negotiation literature reveals that effective concession tactics stimulate the target negotiator's reciprocal obligation feelings by enhancing his or her perception of the value of the opponent's concession offers. In this dissertation, based on the regulatory relevance theory, I argue that there is an interaction between the content of a concession and the motivational principle of the target negotiator, such that when the content of the opponent's concession matches the target negotiator's regulatory focus, the target negotiator will appreciate the value of the concession offer more, and this enhanced evaluation will affect the target negotiator's bargaining behaviors and subjective feelings. For instance, when one concedes to a promotion-focused target negotiator in a way that the offer increases his or her positive outcome, the target negotiator will perceive this

concession as more valuable, and this perception will affect his or her behaviors and feelings. This dissertation is the first study investigating such expected results.

This dissertation has some features that overcome the theoretical and practical limitations of previous negotiation tactics and concession literature. First, this dissertation investigates the effects of both the influence tactic and the target's perspectives on the target's behaviors. Malhotra and Bazerman (2008) recognized that the negotiation influence literature to date has focused on the available tactics for influencers and how these tactics can be applied effectively without considering the target's views, needs, and situations. To enhance the understanding about the effectiveness of negotiation tactics, not only the features of the negotiation tactics, but also the determinants of target's susceptibility to those tactics, should be investigated. This dissertation simultaneously concerns both the influencer's tactics and the target's regulatory focus, a potential determinant of the target's vulnerability to the influencer's tactics.

Second, this dissertation concerns the broader impacts of the negotiation tactics. Previous studies have focused on the effects of the negotiation tactics on economic outcomes (Appelt et al., 2009; Appelt & Higgins). In other words, the main interest of previous studies was whether a negotiation tactic could increase or decrease the economic profits from the negotiation. However, for most real-world negotiators, subjective outcomes, such as feelings of fair treatment and pride, are also important (Thompson, 1990). Furthermore, the subjective feelings have important consequences on negotiators' satisfaction and future behaviors in a negotiation setting (Curhan et al., 2006). This dissertation is one of the few studies that are concurrently concerned with both the



economic and the subjective outcomes that negotiation tactics produce from the target negotiator.

Third, this dissertation looks for a practical application of the findings. As Avnet and Higgins (2006) have recognized, there are many social psychological factors that perform a regulatory function. The impact of those factors on a negotiator's economic and subjective outcomes, then, should be comparable to the impact of the regulatory focus. Based on this idea, I have conducted a second empirical investigation in this dissertation about self-construal, which is known to work as a regulatory orientation in an individual's mind (Lee, Aaker, & Gardner, 2000). This investigation has a significant practical implication in cross-cultural negotiation settings, since self-construal is one of the key psychological factors that distinguishes the cognition and behaviors of negotiators from different cultural backgrounds (Gelfand et al., 2006).

## CHAPTER III

### HYPOTHESES

In this chapter, based on previous findings in concession research and the theories of regulatory focus and regulatory relevance, I present a series of hypotheses. The first set of hypotheses (Hypothesis 1 through 4) predict a regulatory relevance effect generated from the interaction between the concession strategy and the target negotiator's regulatory focus. The rest of the hypotheses (Hypothesis 5 through 8) concern the applicability of the results of the first four hypotheses. Specifically, they investigate whether a concession strategy can produce the similar cognitive and behavioral influences on target negotiators, when they are affected by a self-construal, which is assumed to perform a regulatory function.

#### Match between Concession Strategy and Target Negotiator's Regulatory Focus

As shown in the literature review, there are many different types of concession strategies through which one can influence a target negotiator's concession-making. One can concede either in the early stage or the late stage of the negotiation to influence the target negotiator's perception about the negotiation object and subsequent responding concessions (Kwon & Weingart, 2004). One can tactically present different types of emotion, like supplication or anger, to generate responding concessions from the target negotiator (Van Kleef et al., 2004). One can intentionally make an extreme request first

and then make concessions to rouse the target negotiator's reciprocity nature (Cialdini et al., 1975). In my dissertation, I suggest two different types of concession strategies, *giving-want* and *reducing-dislike*, based on the perceived characteristics of negotiation items.

In multi-issue negotiations, negotiators tend to have different preferences and priorities for each issue, which are determined by the economic value of the issue (Kelley, 1966), the negotiation role (Carmon & Ariely, 2000), cognitive heuristics and biases (Bazerman & Neale, 1982), and motivations (De Dreu & Carnevale, 2003). In this dissertation, I argue that an important determinant of a negotiator's preference for a particular negotiation issue is his or her regulatory focus. Regulatory focus affects the type of goal that individuals pursue (Higgins, 1997, 1998). When people are promotion-focused, they look for achievement and gain. When people are prevention-focused, they search for safety and loss-prevention. Based on this theory, we can expect that negotiators will look for increasing gain-related issues if they are promotion-focused and search for reducing loss-related issues if they are prevention-focused.

The characteristics of particular negotiation issues (i.e., whether the issues are gain-related or loss-related) become very clear in a two-party buyer-seller negotiation. Previous studies suggest that buyers and sellers see the same issues differently; buyers see the issues that can add more values on their purchase as gains, while sellers view those same issues as losses (Carmon & Ariely, 2000; Thaler, 1980). In a negotiation for a new car, for example, luxurious features, such as a navigation system or a premium audio system, would be viewed as gain-related issues for buyers because they add value to the

car. On the other hand, a financing interest rate would be seen as a loss-related issue for a buyer because it imposes a monetary cost for him or her.

Two different types of concession strategies emerge based on this assumption. *Giving-want* is a concessionary move to grant what the target negotiator wants to obtain more of in the negotiation, whereas *reducing-dislike* is an accommodating move to diminish what the target negotiator wants to prevent from having more of in the negotiation. As mentioned, with a given price, car buyers would want to obtain more luxurious features and avoid a high financing interest rate, while sellers would want the opposite. In this situation, if a seller provides more luxurious features than the initial offer, it is a giving-want concession strategy. If a seller offers a lower financing interest rate than the initial offer, it is a reducing-dislike concession strategy.

In my dissertation, I maintain that there can be a regulatory-relevant match between a concession strategy and a target negotiator's regulatory focus. Regulatory-relevance theory argues that when individuals see the outcome that is relevant to their regulatory focus, they undergo a regulatory relevance experience (Higgins, 2002). Giving-want is a concession strategy that aims to increase the target negotiator's gains. Since promotion-focused negotiators would look for more gains and benefits from the negotiation, they would have a regulatory-relevant experience when the other party performs a giving-want concession strategy. Reducing-dislike is a concession strategy that intends to decrease the target negotiator's losses. Because prevention-focused negotiators would seek to reduce their losses as much as possible in the negotiation, they would have a regulatory-relevant experience when the other party carries out a reducing-dislike concession strategy.

As a consequence of having a regulatory relevance experience, one assigns different values to the same evaluation object (Higgins, 2002). When promotion-focused people see a gain-increase outcome, they value it more than a loss-decrease outcome, even when the two outcomes are of the same economic value. On the other hand, when prevention-focused people see a loss-decrease outcome, they appreciate it more than a gain-increase outcome, even if two outcomes are equivalent economically (e.g., Lee & Aaker, 2004; Cesario, Grant, & Higgins, 2004; Zhao & Pechmann, 2007; Higgins, 2002). Given this finding, we can assume that promotion-focused target negotiators would value the concessions from the opponent more when the opponent performs a giving-want rather than a reducing-dislike strategy, even if the economic worth of the concessions from the two different strategies is equivalent. On the other hand, prevention-focused target negotiators would appreciate the concessions from the opponent more when the opponent carries out a reducing-dislike rather than a giving-want strategy, even though the economic worth of the concessions from the two different strategies is comparable. Then, what would be the consequence of a target negotiator's different evaluation on the opponent's concession offers made through two different concession strategies? In this dissertation, I argue that the target negotiator's different evaluation on the opponent's concession offers leads to the different levels of reciprocal concession-making from the target negotiator.

The impetus to reciprocate concessions is based on peoples' feelings of obligation to pay back to others who acted favorably toward them (Gouldner, 1960). The feeling of obligation, though, depends on the subjective evaluation of how significant or important the previous favor from the other party was (Gouldner, 1960; Cialdini et al., 1975). If one

feels that the prior favor was not significant, one would not have a strong inclination to repay the other party, leading to a small reciprocal favor. On the other hand, if one feels that the previous favor from the other party was significant, one would feel a need to pay back with a significant responding favor, leading to a large reciprocal concession.

My first set of hypotheses centers on this idea. Based on the regulatory-relevance theory, one can expect that, in a multiple-issue negotiation, if an opponent systematically concedes on the negotiation issues that are relevant to target negotiator's regulatory focus (e.g., performing a giving-want concession strategy to a promotion-focused target; executing a reducing-dislike concession strategy to a prevention-focused target), the target negotiator is more likely to value the opponent's concession offers. Subjectively-appreciated concession offers will encourage the target negotiator to feel an intense obligation to reciprocate to the opponent, generating large responding concessions from the target negotiator. On the other hand, if an opponent continuously concedes on the issues that are *incongruent* to target negotiator's regulatory focus (performing a giving-want strategy to a prevention-focused target; executing a reducing-dislike strategy to a promotion-focused target), the target negotiator will be less likely to appreciate the value of the concession offers. Subjectively-depreciated concession offers will make the target negotiator feel a less of an obligation to pay back to the concession-maker, generating small responding concessions from the target negotiator.

In the real world, though, most negotiators' regulatory focus is not dichotomous in nature. People have individual differences in the strength of their promotion or prevention focus (Higgins, Friedman, Harlow, Idson, & Ayduk, 2001; Higgins, Shah, & Friedman, 1997). Previous research has found that the strength of a regulatory focus

affects the magnitude of the subjective reactions to regulatory-relevant or regulatory-incongruent objectives (e.g., Higgins et al., 1997; Shah & Higgins, 2001). Given this finding, I expect that target negotiators with a high promotion focus will make bigger responding concessions to the opponent's giving-want concession strategy and smaller responding concessions to the opponent's reducing-dislike concession strategy. In the opposite direction, I expect that target negotiators with a high prevention focus will make bigger responding concessions to the opponent's reducing-dislike concession strategy and smaller responding concessions to the opponent's giving-want concession strategy.

H1a: The use of a giving-want strategy will trigger greater concessions from the other party when the other party is higher on promotion-focus than when the other party is lower on promotion-focus

H1b: The use of a reducing-dislike strategy will trigger smaller concessions from the other party when the other party is higher on promotion-focus than when the other party is lower on promotion-focus

H2a: The use of a reducing-dislike strategy will trigger greater concessions from the other party when the other party is higher on prevention-focus than when the other party is lower on prevention focus

H2b: The use of a giving-want strategy will trigger smaller concessions from the other party when the other party is higher on prevention-focus than when the other party is lower on prevention-focus.

The next set of hypotheses argues that target negotiators' subjective values in negotiation will be more positively influenced by a regulatory-relevant, rather than a regulatory-incongruent, match between the concession strategy and the target negotiators'

regulatory focus. Recently, subjective outcomes have emerged as an important research topic in negotiation research (Curhan et al., 2006; Elfenbein et al., 2008; Curhan et al., 2009). Subjective outcomes from a negotiation are important in several ways. First, subjective values, such as feelings of satisfaction, pride, and good relationship with the other party, may be as important as the economic outcome to many real-world negotiators (Curhan et al., 2009, White et al., 2004). Second, subjective feelings are one of the more important factors for evaluation of a negotiation performance and outcome. Since it is almost impossible for individuals to get complete information about a negotiation situation in the real world, they tend to depend on their own subjective feelings to judge their performance (Curhan et al., 2006; Thompson & Hastie, 1990). This imperfect judgment of a negotiation performance and outcome, in turn, has important repercussions on their future behavior, such as willingness to do business with the same counterpart (Oliver, Balakrishnan, & Barry, 1994). Third, subjective values are important predictors of the economic outcomes of a future negotiation. For example, negotiators who increase the other party's subjective feelings during the negotiation can get benefit in their next negotiations because of their positive reputation (Glick, & Croson, 2001; Goates, Barry, & Friedman, 2003). In another example, positive subjective feelings developed by a great rapport in the first negotiation lead to more information sharing and win-win negotiation results in a second negotiation (Drolet & Morris, 2000).

Based on Thompson's (1990) suggestion that a negotiation produces social, perceptual, and emotional consequences, Curhan and colleagues (2006) proposed four categories of subjective outcomes of a negotiation. The first category concerns the impressions of the other party. The feelings about the other party comprise two



interrelated sub-perceptions: attributions about the other party's traits and inferences about the relationship with the other party. Attributions about the other party's traits include subjective judgments about the other party's personality, expertise, and cooperativeness. Inferences about the relationship with the other party comprise feelings about trust, respect, and liking (Morris, Larrick, & Su, 1999; Thinsley, O'Connor, & Sullivan, 2002). The second category concerns the perceptions of the negotiation situation, specifically the judgments and feelings about the negotiation process, the norms, the context, communication, and fairness (Thibaut & Walker, 1975; Coquitt, Conlon, Wesson, Porter, & Ng, 2001; Brockner & Wiesenfeld, 1996). The third category of subjective experiences from a negotiation involves the perceptions and feelings about the self. Negotiators observe not only the other party's behaviors, but also their own behaviors, as if they are watching outside (Ross, 1977). Based on self-surveillance, they judge their own traits, skills, and performance (Snyder & Higgins, 1997), and this judgment generates their subjective feelings about the self. This feeling covers the issues of self-efficacy, self-enhancement, self-esteem, and face-saving (Bandura, 1977; Taylor & Brown, 1994). The final category covers the subjective feelings about the final negotiation outcome, the agreement itself. In most real-world negotiation cases, negotiators do not know the best possible outcome that they can achieve, so negotiators' personal feelings about the final settlement come from two sources: comparison with their own aspiration level and comparison with the other party's achievement (Loewenstein, Thompson, & Bazerman, 1989; Messick & Sentis, 1985). The final category of a negotiator's subjective value deals with the feelings generated from

subjective assessments on these two sources, his or her own aspiration level and the other party's achievement.

Tactical negotiation moves, such as concessions, have been shown to enhance the target negotiator's subjective outcomes (Thompson, 1990; Thompson, Peterson, & Kray, 1995). For example, the opponent's concession moves can stimulate the illusion of control in the target negotiator (Morris, Sim, & Giroto, 1998), as well as a positive mood, which lead to an optimistic expectation about the outcome of the negotiation (Kramer, Newton, Pommerenke, 1993; Cialdini & Ascani, 1976). Research has also shown that the opponent's cooperative messages and behaviors can enhance the target negotiator's evaluations about the self (Snyder & Higgins, 1997; Ross, 1977; Kim, Diekmann, and Tenbrunsel, 2003), as well as the negotiation process and the opponent (Cialdini & Ascani, 1976; Benton et al., 1972; Esser & Komorita, 1975; Kwon and Weingart, 2004).

Therefore, a concession should produce positive subjective feelings from target negotiators, regardless of whether the concessions are relevant or incongruent to their regulatory focus. However, what I suggest in my dissertation is that a target negotiator's subjective feelings will be *more* positive when an opponent's concession strategy is relevant to the target negotiators' regulatory focus than when it is not. A previous study has found that a regulatory-relevant (vs. regulatory-incongruent) match between a decision maker's regulatory focus and an outcome produces more intensified subjective feelings (Idson, Liberman, & Higgins, 2000). For example, when receiving the same success feedback about a high achievement in an anagram test, promotion-focused subjects experienced more positive feelings than prevention-focused ones. However, when receiving the same failure feedback about a low achievement in the anagram test,

prevention-focused subjects experienced more negative feelings than promotion-focused ones (Idson, Liberman, & Higgins, 2000). This study clearly shows that when the outcome is relevant to peoples' regulatory focuses, their subjective feelings about the outcome become more intensified. As mentioned, an opponent's concession should generate positive subjective feelings from a target negotiator, regardless of whether or not the concession involves giving-want or reducing-dislike. However, previous regulatory relevance studies suggest that if an opponent concedes on the issues that are relevant, rather than incongruent, to the target negotiators' regulatory focus, their subjective feelings would become even more positive.

Additionally, individuals differ in the strength of their chronic regulatory focus, and individuals with a strong regulatory focus are more sensitive in their subjective reactions to a regulatory-relevant object (e.g., Higgins, Shah, & Friedman, 1997; Shah & Higgins, 2001; Idson et al., 2004). Therefore, the difference in subjective reactions to a regulatory-relevant or regulatory-incongruent object will be greater for individuals with a higher, rather than lower, chronic regulatory focus. Based on this idea, I expect that the difference in subjective feelings between regulatory-relevant and regulatory-incongruent concession strategies will be greater for target negotiators with a stronger regulatory focus.

H3: Unlike target negotiators with lower promotion focus, those with higher promotion focus will show more positive subjective feelings about the relationship with the opponent (H3a), negotiation process (H3b), expected negotiation outcome (H3c), and self (H3d) when an opponent uses a giving-want rather than a reducing-dislike strategy.

H4: Unlike target negotiators with a lower prevention focus, those with higher prevention focus will show more positive subjective feelings about the relationship with the opponent (H4a), negotiation process (H4b), expected negotiation outcome (H4c), and self (H4d) when an opponent uses a reducing-dislike rather than a giving-want strategy.

#### Match between Concession Strategy and Target Negotiator's Self-construal

Study 1 is designed to investigate the effect of a regulatory-relevant concession strategy on a target negotiator's reciprocal concessions. However, the greater challenge is to put the results of Study 1 into practice, since negotiators cannot simply measure the other party's regulatory focus in a negotiation setting. To overcome this weakness in practicality, I designed and completed another study. Study 2 of this dissertation is based on Lee, Aaker, and Gardner's (2000) finding that people who are high on independent self-construal tend to have a strong promotion focus, while people who are high on interdependent self-construal are likely to have a strong prevention focus. Given this finding, negotiators may be able to induce reciprocal concessions from a target negotiator, as in Study 1, if they conduct a concession strategy that is relevant to the target negotiator's self-construal, that is, by conducting a giving-want strategy on an independent target or by conducting a reducing-dislike strategy on an interdependent target. Study 2 tests this idea. It should be noted that an individual's self-construal is more easily discerned than an individual's regulatory focus. Westerners tend to be high on independent self-construal, and Asians are likely to be high on interdependent self-

construal (Markus & Kitayama, 1991; Kitayama, Markus, Matsumoto, & Norasakkunkit, 1997). Therefore, the results of Study 2 will provide an important practical insight for negotiators who deal with culturally different counterparts.

Self-construal refers the degree to which social relationships are included in the concept of the self (Markus & Kitayama, 1991). An independent self-construal is related to the preference for autonomy and independence, whereas an interdependent self-construal is linked to the inclination for group goal and harmony over one's own goal or independence (Shweder & Bourne, 1984; Triandis, 1989; Markus & Kitayama, 1991). Cultural psychologists have posited that independent and interdependent self-construals reflect two different psychological goals. The primary goal of an independent self-construal is to distinguish oneself from others in a positive manner, while maintaining harmony with others in a social setting is the main goal of those with an interdependent self-construal (Markus & Kitayama, 1991; Heine, Lehman, Markus, & Kitayama, 1999). The independent goal of being positively distinct through achievement and accomplishment is consistent with attainment of positive outcomes, which is the promotion focus. That is, when people attempt to positively differentiate themselves from others, they focus on the positive features of the self and potential gains and advancement in everyday life. Research has shown that successes affect the self-esteem of people who are high on independent self-construal more than failures do (Kitayama et al., 1997). Success feedback is more motivating than failure feedback for people who are high on independent self-construal (Heine et al., 2001), and they accept the credibility of positive feedback more than that of negative feedback (Frey & Stahlberg, 1986). On the other hand, the interdependent goal of being harmonious in social settings implies the

fulfillment of various social roles and obligations and emphasizes avoiding mistakes that can hamper social harmony, which is the prevention focus. Research has shown that individuals who are high on interdependent self-construal do, indeed, pursue more avoidance goals (Elliot, Chirkov, Kim, & Sheldon, 2001), and failure affects their self-esteem more than success does (Kitayama et al., 1997). In addition, compared to independent counterparts, interdependent people tend to be more attentive to negative feedback because they perceive it as a learning opportunity to improve their behaviors and to enhance their interpersonal relations (Heine & Lehman, 1999).

Based on these findings, Lee, Aaker, and Gardner (2000) examined whether one's self-construal has a strong association with one's regulatory focus<sup>1</sup>. When people were chronically or momentarily accessed to an independent self-construal, they perceived an event framed with a promotion focus (playing tennis to win the championship) as more important than an event framed with a prevention focus (playing tennis not to lose championship), while the reverse was true for people who were chronically or momentarily accessed to an interdependent self-construal. These results supported their hypothesis that independent people tend to have a strong promotion focus and interdependent people are likely to have a strong prevention focus. Aaker and Lee (2001) provided additional support when they showed that individuals with an independent self-construal were more persuaded by promotion-framed information, while people with an interdependent self-construal were more persuaded by prevention-framed information. In a similar vein, Chen, Ng, and Rao (2005) found that consumers with an independent self-construal were more willing to pay for expedited delivery of a product when the delivery

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<sup>1</sup> The authors only showed the correlation between two constructs in the study, but they suggested that self-construal may be a potentially significant antecedent of regulatory focus.

service was advertised with a promotion-framed message (enjoy the product early), while consumers with an interdependent self-construal were more willing to pay for expedited delivery when the delivery service was advertised with a prevention-framed message (avoid delay in receiving the product).

Given that self-construal is closely associated with regulatory focus, I expect that self-construal interacts with concession strategy in the same way that regulatory focus does. More specifically, I expect that when a giving-want, rather than a reducing-dislike, strategy is directed to a target negotiator who has an independent self-construal, he or she will make larger responding concessions and feel more positive subjective feelings. I also expect that when a reducing-dislike, rather than a giving-want, strategy is directed to a target negotiator with an interdependent self-construal, he or she will make larger reciprocal concessions and experience more positive subjective feelings.

Additionally, social psychology literature has established that the strength of self-construal affects the magnitude of subjective reactions to the relevant social cues (e.g., Markus & Kitayama, 1991; Trafimow & Finlay, 1996; Singelis, 1994; Cross, Morris, & Gore, 2002; Nezlek, Kafetsios, & Smith, 2008; Singelis & Sharkey, 1995; Ybarra & Trafimow, 1998). Therefore, as theorized in the previous hypotheses, compared to target negotiators with a low self-construal, target negotiators with a high self-construal will make bigger responding concessions to the opponent's regulatory-relevant concession strategy and smaller responding concessions to the opponent's regulatory-incongruent concession strategy. Also, I expect that the difference in subjective feelings between regulatory-relevant and regulatory-incongruent concession strategies be greater for target negotiators with a high self-construal.

- H5a: The use of a giving-want strategy will trigger greater concessions from the other party when the other party is higher on independent self-construal than when the other party is lower on independent self-construal
- H5b: The use of a reducing-dislike strategy will trigger smaller concessions from the other party when the other party is higher on independent self-construal than when the other party is lower on independent self-construal
- H6a: The use of a reducing-dislike strategy will trigger greater concessions from the other party when the other party is higher on interdependent self-construal than when the other party is lower on interdependent self-construal
- H6b: The use of a giving-want strategy will trigger smaller concessions from the other party when the other party is higher on interdependent self-construal than when the other party is lower on interdependent self-construal
- H7: Unlike target negotiators who are lower on independent self-construal, those who are higher on independent self-construal will show more positive subjective feelings about the relationship with the opponent (H7a), negotiation process (H7b), expected negotiation outcome (H7c), and self (H7d) when an opponent uses a giving-want, rather than a reducing-dislike, concession strategy
- H8: Unlike target negotiators who are lower on interdependent self-construal, those who are higher on interdependent self-construal will show more positive subjective feelings about the relationship with the opponent (H8a), negotiation process (H8b), expected negotiation outcome (H8c), and self (H8d) when an opponent uses a reducing-dislike, rather than a giving-want, concession strategy



## CHAPTER IV

### METHOD

#### Study 1

The purpose of Study 1 is to investigate whether the regulatory-relevant (vs. regulatory-incongruent) match between a concession strategy and the target negotiator's regulatory focus influences the target negotiator's concession levels and subjective feelings. More specifically, I test whether the regulatory-relevant (vs. regulatory-incongruent) match between a concession strategy and the target negotiator's regulatory focus generates larger responding concessions and more positive subjective feelings about the relationship with the opponent, the negotiation process, the expected outcome, and the self.

#### Design and Participants

A total of 75 participants (39 for the giving-want condition and 36 for the reducing-dislike condition) completed a negotiation task via eLab for a chance to win a monetary reward through a lottery. eLab is a virtual laboratory with a large pool of adult subjects. The participants had the average age of 47.1 years, and the average education level was in between associate degree and college. The overall gender composition was 65% female. Participants were randomly assigned to each concession strategy condition. The experimental design included the opponent's concession strategy (giving-want or reducing-dislike) and the subjects' chronic regulatory focus as the independent variables.

The dependent variables were the subjects' demand level and subjective feelings about the relationship with the opponent, the negotiation process, the expected negotiation outcome, and the self.

## Procedure

Participants were invited to the experiment through email. The email described the experiment as a car sales negotiation simulation with a matched opponent over the internet. However, the negotiation partner was actually simulated by a computer, without any involvement of another participant. Participants volunteered for the experiment for a chance to win \$100, determined by a lottery. Individuals' momentary regulatory focus can be aroused by the instruction of experiment (e.g, Idson, Liberman, & Higgins, 2004; Shah, Higgins, Friedman, 1998). For example, if participants are instructed to obtain some reward for their negotiation performance, participants tend to become gain-focused (or promotion-focused). In order to prevent this potential bias in regulatory focus, I did not provide any incentive to participants for their negotiation performance.

When participants logged onto the eLab system, they answered a set of demographic questions regarding their gender, age, and education level. Then, they were asked to answer Higgins et al.'s (2001) Regulatory Focus Questionnaire (RFQ). The RFQ measures individual differences in chronic regulatory focus, based on personal histories of success or failure of achieving goals in a promotion-focused or prevention-focused manner (see Appendix I). For the participants, the RFQ was described as a tool to gather information about eLab participants' life histories and general tendencies. Participants

were told that the data would be used for the design of a future study. The actual instruction was as follows:

*Before the negotiation, we want to collect data about elab participants' life history and tendency for our future study. The following questions ask you about specific events in your life. Please indicate your answer to each question by choosing the appropriate number.*

After the RFQ, participants were presented with the negotiation task instructions.

### Negotiation Task

For the negotiation task, I used a modified version of Nadler, Thompson, and Morris's (2004) *New Car*, a multiple-issue negotiation task with the potential to generate an integrative outcome between two parties. In the original version, participants negotiate over a new car for their CEO. However, in my version, participants negotiated over a new car for themselves. The purpose of this change was to prevent a potential motivational bias. For example, if people negotiate a car for their company's CEO with the company's money, a prevention regulatory focus would be less likely to occur. Participants were informed that they would take the role of car buyer and that their opponent over the internet (computer) would take the role of car dealer. The instructions stated that the price had already been agreed upon between the seller and the buyer but that the details of the car should be negotiated. There were five issues to negotiate: electronic options, audio system, financing interest rate, delivery wait time, and color (see Appendix II).

Electronic options and audio systems are gain-related issues from the buyer's point of view because higher levels of those issues increase the buyers' profit. Financing interest rate and delivery wait time are loss-related issues from the buyer's standpoint since higher levels of those issues decrease the buyer's profit. Also, paying interest on a loan is a natural loss situation, as is waiting for delivery. Color is an irrelevant issue. The

point system in the table makes these characteristics of the issues clear (see Appendix II). In the table, the buyer's profit from the negotiation is represented by numerical points. The table shows that participants can receive more points (benefits) from the negotiation by settling with a higher level of electronic options and audio system and with a lower level of financing interest rate and delivery wait. Color has a negligible impact on the levels of points. The instructions said that the point system reflected buyer's needs and the actual values in the car market. The instructions also said that participants' decisions should be based on the values presented in the table, not on their individual preferences. For example, although a participant might personally prefer a one-level gain in audio system more than a one-level loss-reduction in financing interest rate, he or she should treat a one-level loss-reduction in financing interest rate as more valuable than a one-level gain in audio system because the point system is set up in that way. To facilitate participants' understanding about the characteristics of the issues and point system, the following four points were explicitly presented below the point chart:

*Higher levels of electronic options and audio system are favorable for you (so you want to increase the levels of the two issues as much as possible in the negotiation).*

*Higher levels of financing interest rate and delivery wait are negative for you (so you want to reduce the levels of the two issues as much as possible in the negotiation).*

*The color of the car does not really matter to you.*

*The point chart indicates that electronic options and financing interest rates are of same importance and audio system and delivery wait are of same importance.*

To verify whether participants really understood the instruction and point chart, I included four questions after the instructions. The questions asked what the aims for each negotiation issue should be in order to maximize the participants' gains. For each

negotiation issue (electronic options, audio system, financing interest rate, and delivery wait time) participants picked one of the three choices: “get as high level as possible,” “does not matter,” and “get as low level as possible.” The twelve participants who answered incorrectly for these questions were excluded from the analyses.

On the side of the screen that presented the negotiation instructions and the questions, there was a flash animation that showed this text: “Searching for available negotiation opponent.” The animation also showed a number of negotiators who were available to compete through the internet. The number of negotiators was random and kept changing in order to make the impression that the system was connected to several available participants and was ready to match the negotiation opponent soon. After reading the instructions and answering the questions, participants were presented a sign on the screen that a negotiation opponent had been found and was ready to compete.

The negotiation started with the first offer made by the seller (computer). The seller’s first offer and the participant’s counter offer options were shown on the screen (see Appendix III). Participants could decide their counter offers by checking their choices on each issue. The screen also showed the offer history from both the seller and the participant. The offer history record was designed to help participants to track the seller’s offers in each round.

Over the negotiation rounds, the seller in a giving-want strategy condition (computer) proposed the following levels (electronic options – audio system – financing – delivery – color): 1-1-5-5-1 (Round 1), 2-2-5-5-1 (Round 2), 2-3-5-5-1 (Round 3), 3-3-5-5-1 (Round 4) (see Appendix II). This sequence represents a giving-want strategy, since the opponent continually gives up what the participant in the buyer role wants,

electronic options and the audio system, over the negotiation rounds. The seller, the computer, in a reducing-dislike strategy condition suggested the following levels of proposal: 1-1-5-5-1 (Round 1), 1-1-4-4-1 (Round 2), 1-1-4-3-1 (Round 3), 1-1-3-3-1 (Round 4). This sequence represents a reducing-dislike strategy, since the opponent is constantly reducing what the participant dislikes, financing interest rate and delivery wait time.

Although concessions generally induce responding concessions from a target negotiator, target negotiators are more likely to respond with a non-reciprocal manner when the opponent is seen as cooperative and weak (Pruitt, 1981; Carnevale & Pruitt, 1992). To discourage this potential exploitative motivation from participants, I designed the concession sequences to reflect the offer patterns of tough negotiators. First, the initial request from the seller is very high. The initial offer in both concession conditions comprises the worst possible combination of options for the participants, the most basic electronic options and audio system, highest interest rate, and longest delivery wait time. Second, the concessions made in each round are small. In each round, the seller concedes one-level difference on only one or two issues. These two behaviors, a high initial request and small subsequent concessions, are typical features of tough negotiators (Carnevale & Pruitt, 1992; Pruitt, 1981), and the combination of the two behaviors is effective in inducing target negotiator's reciprocal concessions (Carnevale & Pruitt, 1992; Pruitt, 1981).

I kept track of subjects' demands for four rounds of negotiation because my pilot study showed that participants' demand levels tended to become constant after four rounds. Prior studies that used a similar method also ended the experiment after a certain

number of rounds (e.g., De Dreu & Van Lange, 1995; Van Kleef, De Dreu, & Manstead, 2004, 2006). Two participants reached an agreement before the fourth round,<sup>2</sup> and I excluded those participants to allow for repeated-measures analyses, following the procedure used in previous studies (e.g., Tripp & Sondak, 1992; Van Kleef, De Dreu, & Manstead, 2006). After the fourth round, participants were notified that they would be asked some questions and that the negotiation would be resumed after the questions were answered. After participants completed a subjective feelings questionnaire, the system informed participants that the opponent was preparing for the counter offer. After a short pause, which implied that the opponent was taking time to decide the offer, the computer showed the following text: “The seller accepted your offer. Congratulations!” and the negotiation was ended.

### Measures

I used Higgins et al.’s (2001) Regulatory Focus Questionnaire (RFQ) (Appendix I) to measure participants’ chronic regulatory focus. The original scale has 6 items measuring promotion focus and 5 items measuring prevention focus. Scale reliability for promotion ( $\alpha = .54$ ) was low, while that for prevention focus ( $\alpha = 0.72$ ) was acceptable. To see whether the scale items correctly loaded on the two latent variables, promotion focus and prevention focus, I conducted an exploratory factor analysis. The results revealed that three items were cross-loaded on the promotion scale. After deleting the three items, the reliability of chronic promotion focus measure with the following three items became acceptable ( $\alpha = .64$ ): “Compared to most people, are you typically unable to get what you want out of life?” “When it comes to achieving things that are important

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<sup>2</sup> When participants’ offer was equal to or more generous than the offer made by the computer, the computer accepted the offer, and the negotiation task ended.

to me, I find that I don't perform as well as I ideally would like to do", and "I feel like I have made progress toward being successful in my life." All five items (e.g., "Growing up, would you ever "cross the line" by doing things that your parents would not tolerate?"; "Growing up, did you ever act in ways that your parents thought were objectionable?") were used to measure subjects' chronic prevention focus ( $\alpha = .76$ ). Table 2 shows the item loadings on two factors (promotion focus and prevention focus). The RFQ was measured on a 9-point Likert scale (1= never or seldom; 9 = very often).

Participants' demand level was transformed into an index showing the negotiator's total level of demand for each negotiation round. The number of points demanded in a round was summed across the five negotiation issues. For example, if a negotiator demanded the "power lock and window" electronic options, the "CD player and CD changer" audio system, a 4% financing interest rate, four weeks delivery wait, and a blue color, the total level of demand for the negotiation would be  $1000 + 600 + 0 + 0 + 100 = 1700$  (see Appendix II).

To measure participants' subjective feelings after negotiation, I used Curhan et al.'s (2006) Subjective Value Inventory (SVI) (see Appendix IV). The SVI measures four types of subjective outcomes in negotiation: feelings about the relationship with the other party (e.g., did the negotiation build a good foundation for a future business relationship with your counterpart?) ( $\alpha = .95$ ), the self (e.g., did you "lose face" (i.e., damage your sense of pride) in the negotiation process?) ( $\alpha = .60$ ), the expected negotiation outcome ( $\alpha = .81$ ), and the negotiation process ( $\alpha = .90$ ). Three items for each dimension were measured on a 9-point Likert scale.



Table 2. Item Loadings on Promotion and Prevention Focus

Item	Factor Loadings	
	Promotion	Prevention
2. Growing up, would you ever “cross the line” by doing things that your parents would not tolerate? (Prevention-reverse)	0.32	<b>-0.76</b>
3. Do you often do well at different things that you try? (Promotion)	<b>0.69</b>	0.15
4. Did you get on your parent’s nerves often when you were growing up? (Prevention-reverse)	0.02	<b>-0.82</b>
5. Growing up, did you ever act in ways that your parents thought were objectionable? (Prevention-reverse)	0.1	<b>-0.89</b>
6. Not being careful enough has gotten me into trouble at times. (Prevention-reverse)	-0.43	<b>-0.67</b>
8. How often have you accomplished things that got you “psyched” to work even harder? (Promotion)	<b>0.72</b>	0.11
9. How often did you obey rules and regulations that were established by your parents? (Prevention)	0.08	<b>-0.62</b>
11. I have found very few hobbies or activities in my life that capture my interest or motivate me to put effort into them. (Promotion-reverse)	<b>-0.6</b>	0.2

*Note. Numbers in boldface indicate dominant factor loadings*

## Results

Means, standard deviations, and correlations for the variables are shown in Table 3. Because gender, age, and education<sup>3</sup> have been found to affect the behaviors and minds of negotiators, I controlled them in all analysis models testing hypotheses (e.g., Rubin & Brown, 1975; Pruitt, Carnevale, Forcey, & Slyck, 1986; Kray & Thompson, 2005; Alexander, Schul, & McCorkle, 1994). Additionally, I analyzed the effect of target negotiators' promotion and prevention focus separately because chronic promotion and prevention focus are conceptually (Higgins, 1997; 1998) and statistically (Higgins et al., 2001) orthogonal.

### Demands

H1a and H1b expect that the patterns of demands from high promotion-focused subjects and those from low promotion-focused subjects will be different in two different concession strategy conditions. More specifically, H1a predicts that highly (vs. lowly) promotion-focused subjects will show greater concessions in the giving-want strategy condition, while H1b predicts that highly (vs. low) promotion-focused subjects will show smaller concessions in the reducing-dislike strategy condition. To test whether demand patterns from subjects with different levels of promotion focus differ in the two different concession strategy conditions, I conducted a mixed-model repeated-measure ANCOVA

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<sup>3</sup> Education was treated as a continuous variable (1 = completed less than 9 grade; 2 = completed degrees 9-12, no diploma; 3 = completed high school; 4 = completed some college; 5 = Associate's degree; 6 = Bachelor's degree; 7 = Graduate or professional degree).

Table 3: Descriptive Statistics and Intercorrelations in Study 1

Variables	Mean	S.D.	1	2	3	4	5	6	7	8
1. Gender (0=Male; Female = 1)	.65	.48								
2. Age	47.1	13.87	-.25*							
3. Education	5.35	1.27	.03	.18						
4. Promotion Focus	6.13	1.46	.03	.18	.04					
5. Prevention Focus	5.47	1.17	-.1	.06	-.11	.1				
6. Subjective Feelings about Relationship with opponent	3.85	2.02	.04	-.04	-.24*	.17	-.05			
7. Subjective Feelings about Negotiation Process	4.31	1.95	.01	-.03	-.29*	.16	.02	.82**		
8. Subjective Feelings about Expected Outcome	5.26	1.8	.11	.04	-.08	.21*	-.02	.55**	.51**	
9. Subjective Feelings about Self	6.85	1.21	.28*	-.14	-.12	.04	-.16	.27*	.23*	.47**

Note. \*\*p < 0.01. \*p < 0.05.

using concession strategy as a between-subject variable and subjects' chronic promotion focus strength as a covariate on the subjects' demands from Round 1 to 4<sup>4</sup>.

Unsurprisingly, there was a significant main effect of negotiation Round,  $F(3, 222) = 83.85$ ,  $p < .01$  (partial  $\eta^2 = .531$ ), indicating that subjects' demands declined from Round 1 ( $M = 5572.53$ ,  $SD = 1687.91$ ) to Round 4 ( $M = 3160$ ,  $SD = 2082.89$ ). Also, there was a significant main effect of concession strategy,  $F(1, 73) = 6.71$ ,  $p < .05$  (partial  $\eta^2 = .084$ ), revealing that target negotiators in the reducing-dislike condition ( $M = 4775.14$ ,  $SD = 1673.77$ ) generally showed higher levels of demands than those in the giving-want condition ( $M = 3749.87$ ,  $SD = 2407.2$ ), indicating that study participants reduced their offers more in the face of a giving-want strategy than a reducing-dislike strategy. More importantly, there was a marginally significant three-way interaction between Round, subjects' promotion focus strength, and concession strategy,  $F(6, 204) = 1.87$ ,  $p < .10$  (partial  $\eta^2 = .05$ ), indicating that the pattern of interaction between Round and subjects' promotion focus strength was moderately different between giving-want and reducing-dislike strategy condition. To examine H1a and H1b, I conducted two repeated-measure ANCOVAs, one for each concession strategy condition, predicting demand level as a function of subjects' chronic promotion focus strength. Looking at the giving-want condition, the interaction between Round (concession) and subjects' promotion focus strength was significant,  $F(3, 111) = 2.73$ ,  $p < .05$  (partial  $\eta^2 = .07$ ). In order to show the relationship between concessions and strength of promotion focus identified by this interaction effect, I graphed the predicted results for each round of the negotiation for one standard deviation above

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<sup>4</sup> Patterns of concessions can be better observed by tracking several negotiation rounds. For this reason, I conducted an ANCOVA on demands from Round 1 to 4 rather than on demands only in Round 4. Previous concession studies have done similarly (e.g., De Dreu & Van Lange, 1995; Van Kleef, De Dreu, & Manstead, 2004, 2006).

the mean promotion focus (high promotion focus) and for one standard deviation below the mean promotion focus (low promotion focus). These results are shown in Figure 1. Those with higher promotion focus showed larger concessions, or lower demands, over the four rounds of negotiation than those with lower promotion focus. In other words, negotiators with higher chronic promotion focus responded with larger reciprocal concessions than those with lower chronic promotion focus when an opponent systematically conceded on the issues that were gain-related. Therefore, H1a was supported.

To test H1b, I ran the same repeated-measure ANCOVA predicting subjects' demands in the reducing-dislike strategy condition. However, this did not produce a significant interaction between Round and the subjects' promotion focus strength. Therefore, while those higher in promotion focus reacted with more concessions to a giving-want strategy, they did not respond with fewer concessions to a reducing-dislike strategy. Thus, there is support for the idea that those higher in promotion focus respond differently to giving-want and reducing-dislike tactics by the other party, but the responses expected in H1b were not supported.

H2a and H2b predicted that the patterns of demands from high prevention focus subjects and those from low prevention focus subjects would be different in the two different concession strategy conditions. More specifically, H2a predicted that high (vs. low) prevention focus subjects would show lower demands (greater concessions) in the reducing-dislike strategy condition, while H2b predicted that high (vs. low) prevention focus subjects would show higher demands (smaller concessions) in the giving-want strategy condition. To test whether demand patterns from subjects with different levels of prevention focus varied in the two different concession strategy conditions, I conducted a mixed-model repeated-measure ANCOVA

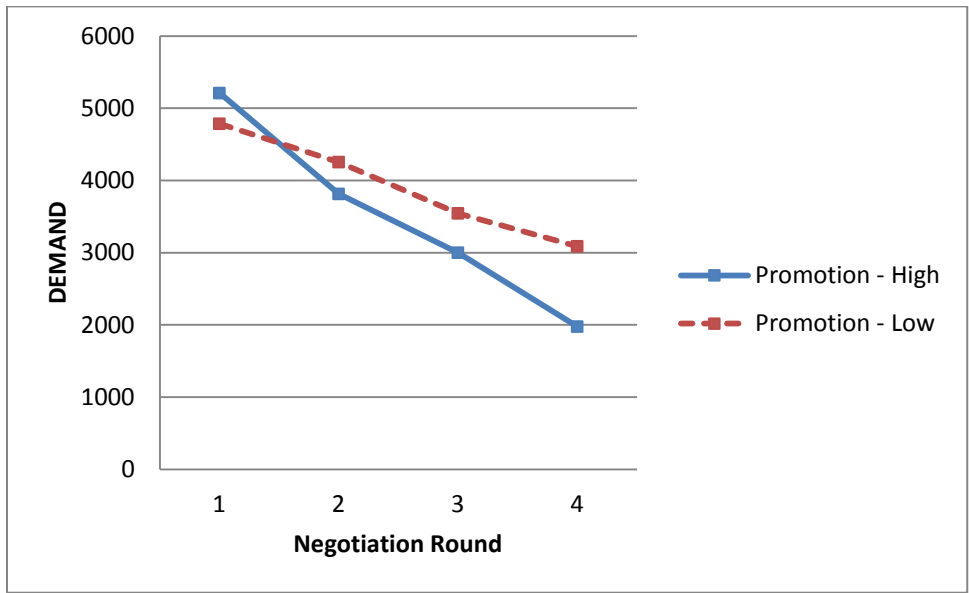


Figure 1: Demand Level as a Function of the Subjects' Chronic Promotion Focus and Negotiation Round in Giving-want Strategy Condition of Study 1

using concession strategy as a between-subject variable and subjects' chronic prevention focus strength as a covariate on the subjects' demands from Round 1 to 4.

The main effects of Round and concession strategy were reported in the previous model. More importantly, the three-way interaction between Round, subjects' prevention focus strength, and concession strategy was significant,  $F(6, 204) = 2.60, p < .05$  (partial  $\eta^2 = .07$ ), indicating that the pattern of interaction between Round and subjects' prevention focus strength was different between giving-want and reducing-dislike strategy conditions. The two-way interaction between Round and subjects' prevention focus strength was significant in both the reducing-dislike condition,  $F(3, 93) = 2.84, p < .05$  (partial  $\eta^2 = .08$ ) and the giving-want strategy condition,  $F(3, 102) = 2.85, p < .05$  (partial  $\eta^2 = .08$ ). Figure 2a and Figure 2b demonstrate that the interaction patterns fit the hypotheses. Negotiators with a high prevention focus made greater reciprocal concessions than those with a low prevention focus when an opponent systematically conceded on loss-related issues (Figure 2a) while the reverse was true when an opponent continuously conceded on gain-related issues (Figure 2b). Therefore, both H2a and H2b were supported.

### Subjective feelings

H3 predicted a significant interaction between concession strategy and target negotiators' promotion focus strength on four types of subjective feelings (the relationship with opponent, the self, the negotiated outcome, and the negotiation process) during the negotiation. A series of ANCOVAs were conducted, using concession strategy as a between-subject variable and subjects' chronic promotion focus strength as a covariate. The interaction between subjects' promotion focus strength and concession

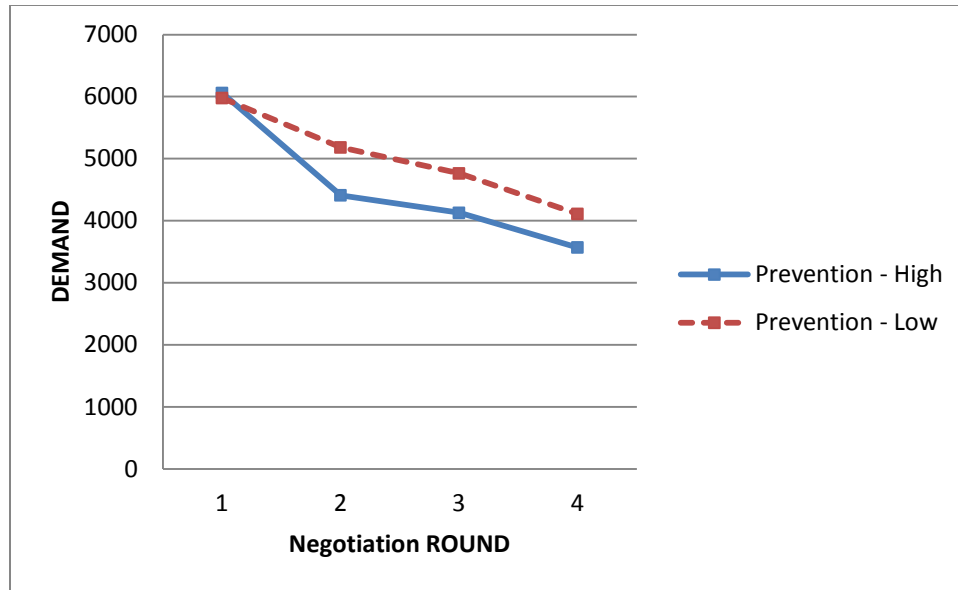


Figure 2a: Demand Level as a Function of the Subjects' Chronic Prevention Focus and Negotiation Round in Reducing-dislike Strategy Condition of Study 1

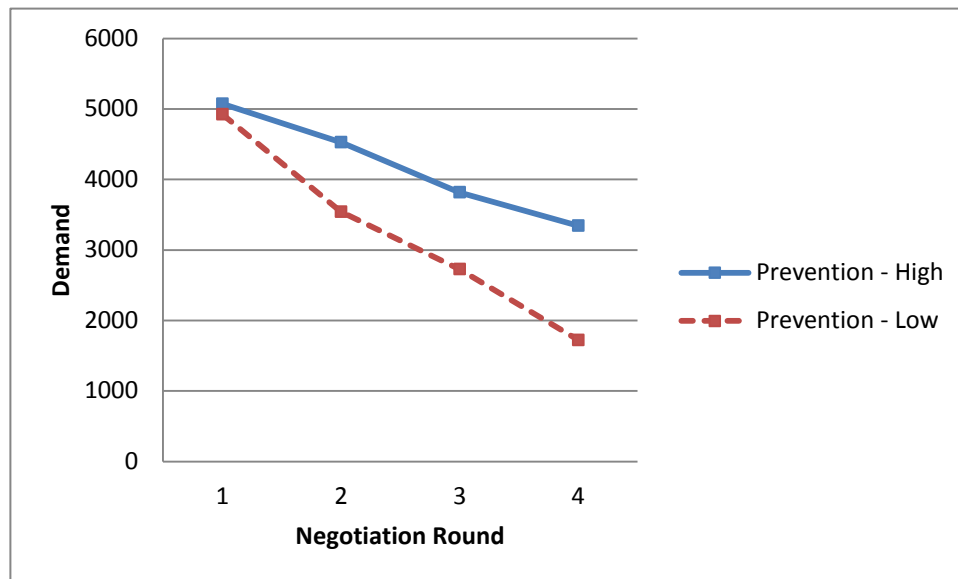


Figure 2b: Demand Level as a Function of the Subjects' Chronic Prevention Focus and Negotiation Round in Giving-want Strategy Condition of Study 1



strategy were significant on subjective feelings about relationship with the opponent,  $F(2, 72) = 3.96, p < .05$ , (partial  $\eta^2 = .10$ ) and the negotiation process,  $F(2, 72) = 5.52, p < .01$  (partial  $\eta^2 = .13$ ), but not on the subjective feelings about the expected outcome and the self. Figure 3a and 3b show that the patterns of interactions match H3a and H3b. Compared to subjects with a low promotion focus, those with a high promotion focus showed a more positive subjective feelings when an opponent used a giving-want rather than a reducing-dislike strategy. Additional t-tests confirmed the results. Target negotiators with a high promotion focus experienced significantly higher subjective feelings about relationship with opponent when an opponent used a giving-want concession strategy ( $M = 4.86, SD = 2.08$ ), rather than a reducing-dislike concession strategy ( $M = 3.38, SD = 2.15$ ),  $t(35) = 2.12, p < 0.05$ . However, target negotiators with a low promotion focus did not experience a significant difference in the subjective feelings about relationship with opponent in two different conditions (giving-want:  $M = 3.80, SD = 1.79$ ; reducing-dislike:  $M = 3.42, SD = 1.91$ ),  $t(36) = 0.637, p = N.S.$  Also, target negotiators with a high promotion focus showed significantly higher subjective feelings about the negotiation process when an opponent used a giving-want strategy ( $M = 5.47, SD = 1.97$ ), rather than reducing-dislike strategy ( $M = 3.65, SD = 1.89$ ),  $t(35) = 2.86, p < 0.01$ , while those with a low promotion focus did not show significant different in two different conditions (giving-want:  $M = 4.42, SD = 1.70$ ; reducing-dislike:  $M = 3.63, SD = 1.88$ ),  $t(36) = 1.19, p = N.S.$  Therefore, H3 was partially supported.

A series of ANCOVAs using concession strategy as a between-subject variable and subjects' chronic prevention focus strength as a covariate were also conducted to

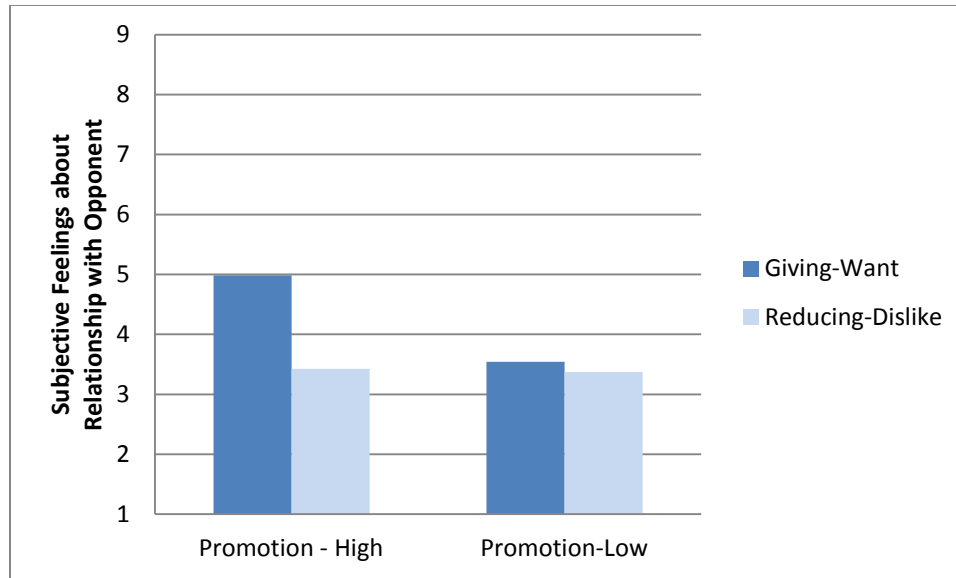


Figure 3a: Subjective Feelings about the Relationship with the Opponent as a Function of the Opponent's Concession Strategy and Chronic Promotion Focus in Study 1

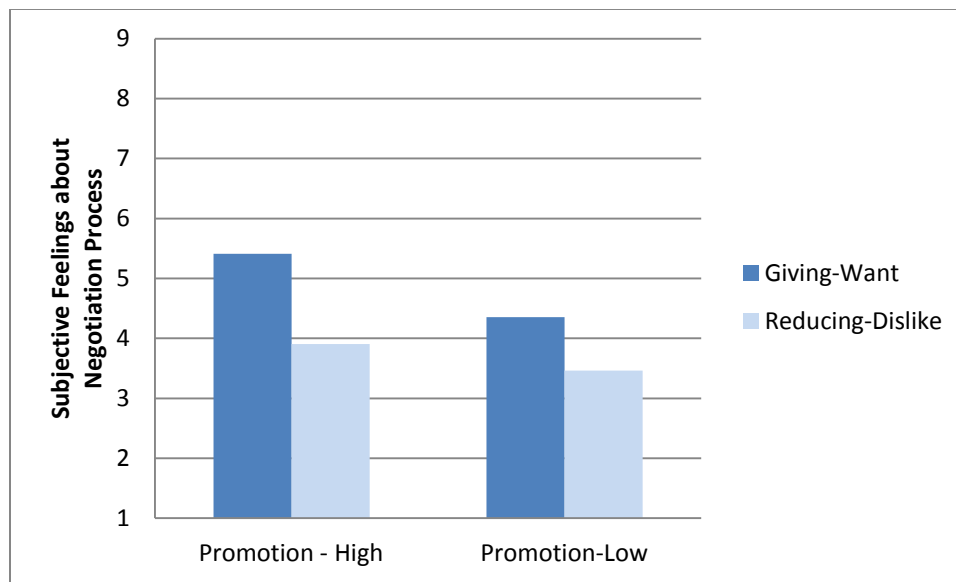


Figure 3b: Subjective Feelings about Negotiation Process as a Function of the Opponent's Concession Strategy and Chronic Promotion Focus in Study 1

examine H4. Although the interactions were marginally significant for the subjective feelings about the relationship with the opponent  $F(2, 72) = 2.43, p < .1$  (partial  $\eta^2 = .06$ ) and significant for the subjective feelings about the negotiation process  $F(2, 72) = 3.90, p < .05$  (partial  $\eta^2 = .10$ ), the patterns of interaction differed from my expectations.

Compared to subjects with a higher prevention focus, those with a lower prevention focus showed a greater difference in subjective feelings between the two concession strategy conditions (see Figure 4a and 4b). Therefore, H4 was not supported. However, it should be noted that level of chronic regulatory focus was still relevant to how subjects responded to the opponent's concession strategy.

## Discussion

The results of Study 1 largely supported the hypotheses about the regulatory-relevant match between concession strategy and target negotiators' regulatory focus on target negotiators' demands. As expected, demand patterns from the high regulatory focus target negotiators and those from the low regulatory focus target negotiators were different in the two different concession strategy conditions. When the concession strategy sustained target negotiators' regulatory focus, negotiators with the higher regulatory focus made larger reciprocal concessions than those with the lower regulatory focus. The expected regulatory-incongruent match effect on concessions was apparent only when prevention-focused target negotiators experienced the giving-want concession strategy. Strongly (vs. weakly) prevention-focused target negotiators made smaller responding concessions when the opponent used a giving-want strategy. The hypotheses about the negotiator's subjective feelings were supported only for some cases.

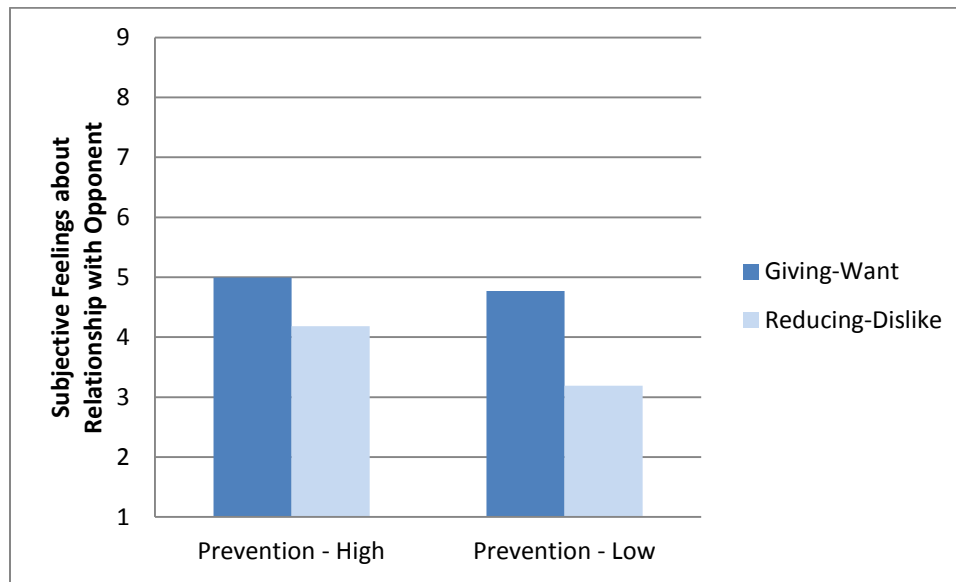


Figure 4a: Subjective Feelings about the Relationship with the Opponent as a Function of the Opponent's Concession Strategy and Chronic Prevention Focus in Study 1

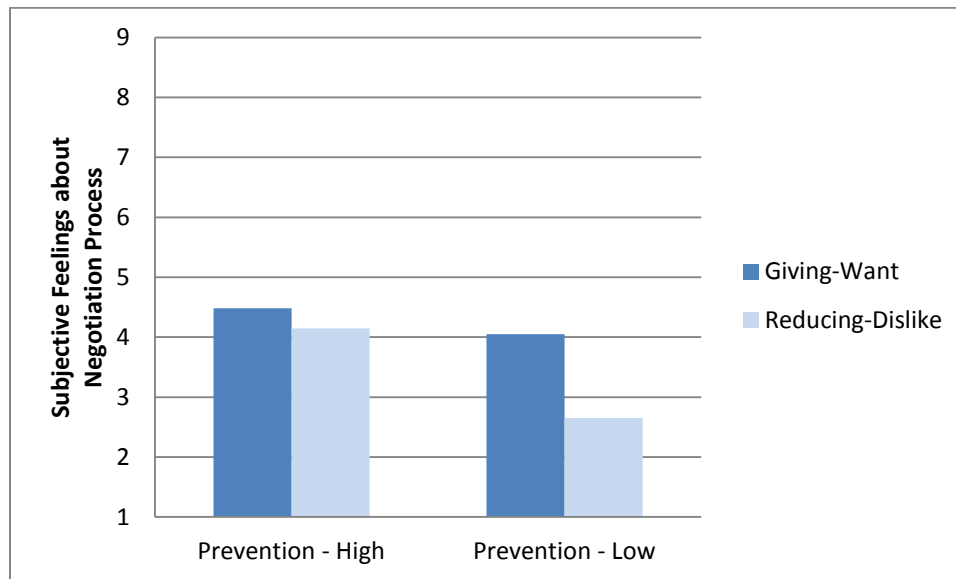


Figure 4b: Subjective Feelings about Negotiation Process as a Function of the Opponent's Concession Strategy and Chronic Prevention Focus in Study 1

Supporting my hypotheses, unlike subjects with a lower promotion focus, subjects with a higher promotion focus showed more positive subjective feelings in giving-want strategy condition rather than reducing-dislike strategy condition. However, in the case of prevention focus, subjects with a lower rather than higher prevention focus showed a bigger difference in subjective feelings in the two different concession strategy conditions.

## Study 2

The purpose of Study 2 is to test Hypotheses from 5 through 8. More specifically, I investigate whether the regulatory-relevant or regulatory-incongruent match between the concession strategy and the target negotiator's self-construal affects the target negotiator's concession levels and subjective feelings. People with an independent self-construal tend to focus on promotion, while people with interdependent self-construal are inclined to focus on prevention (Lee et al., 2000). Therefore, the results of the Study 2 are expected to be similar to those of Study 1.

### Design and Participants

The design and the procedure of the experiment in Study 2 were same as those in Study 1, except that I measured the subjects' self-construal using Singelis' (1994) twenty-item scale (see Appendix V) before the subjects engaged in the negotiation task. Ten items measured independent-self construal, and another ten items measured interdependent-self construal. The coefficient alpha for independent self-construal scale

was 0.65 and that for interdependent self-construal was 0.80. A total of 111 subjects (52 for the giving-want condition and 59 for the reducing-dislike condition) completed the negotiation task through eLab. As in Study 1, participants were randomly assigned to each concession strategy condition. Nineteen participants who answered incorrectly for the questions verifying instruction understanding and three participants who reached an agreement before the fourth negotiation round were excluded in the analyses. Gender, age, and education were controlled in all analysis models testing hypotheses.

## Results

### Demands

Means, standard deviations, and correlations for the variables are shown in Table 4. H5a predicted that subjects with a high (vs. low) independent self-construal would show lower demands, evidenced by greater concessions, in the giving-want strategy condition, while H5b predicted that subjects with a high (vs. low) independent self-construal would show higher demands, evidenced by smaller concessions, in the reducing-dislike strategy condition. To test whether demand patterns from subjects with different levels of independent self-construal varied in the two different concession strategy conditions, I conducted a mixed-model repeated-measure ANCOVA using concession strategy as a between-subject variable and subjects' independent self-construal strength as a covariate to analyze the subjects' demands (Round 1 to 4). There was an expected main effect of Round,  $F(3, 330) = 136.04, p < .001$  (partial  $\eta^2 = .55$ ), indicating that subjects' demands declined from Round 1 ( $M = 5293.15, SD = 1753.28$ ) to Round 4 ( $M = 3096.22, SD = 2214.34$ ). There was not a significant main effect of

Table 4: Descriptive Statistics and Intercorrelations in Study 2

Variables	Mean	S.D.	1	2	3	4	5	6	7	8
1. Gender (0=Male; Female = 1)	1.59	.49								
2. Age	39.6	12.23	-.02							
3. Education	5.83	1.28	-.24*	.29**						
4. Independent Self-Construal	6.48	.97	.08	-.15	-.01					
5. Interdependent Self-Construal	6.21	1.11	-.17	.10	.15	.06				
6. Subjective Feelings about Relationship with opponent	4.47	2.07	-.21*	.13	.25**	-.21*	-.03			
7. Subjective Feelings about Negotiation Process	4.41	1.93	-.19*	.13	.21*	.18	-.08	.79**		
8. Subjective Feelings about Expected Outcome	5.42	1.60	.07	.13	.10	.07	-.19*	.47**	.47**	
9. Subjective Feelings about Self	6.21	1.23	.25*	-.06	-.01	.21*	-.11	.09	.08	.29**

Note. \*\*p < 0.01. \*p < 0.05.

concession strategy,  $F(1, 109) = 2.61, p = n.s.$ , implying that subjects' demands were not significantly different in the two different concession strategy conditions. The three-way interaction between Round, subjects' independent self-construal strength and concession strategy was significant,  $F(6, 315) = 2.41, p < .05$  (partial  $\eta^2 = .05$ ), suggesting that the pattern of interaction between Round and subjects' independent self-construal strength was different between the two concession strategy conditions.

To further investigate the patterns of interaction in the two different concession strategy conditions, I ran two mixed-model repeated measure ANCOVAs, one for each concession strategy condition, using subjects' independent self-construal strength as a covariate. Different from H5a, the interaction between Round and the subjects' independent self-construal strength was not significant in the giving-want strategy condition,  $F(3, 138) = .54, p = n.s.$  However, the interaction was significant in reducing-dislike condition, with the expected pattern,  $F(3, 162) = 2.87, p < .05$  (partial  $\eta^2 = .05$ ). The subjects with a high independent self-construal were consistently more demanding than those with a low independent self-construal when facing an opponent using a reducing-dislike concession strategy (see Figure 5). In other words, when target negotiators with a high independent self-construal experienced an opponent's regulatory-incongruent concession strategy (reducing-dislike strategy), they made smaller responding concessions. Therefore, H5b was supported.

To examine H6a and H6b, I conducted a mixed-model repeated measure ANCOVA using concession strategy as a between-subject variable and subjects' interdependent self-construal strength as a covariate. There was a marginally significant three-way interaction between Round, subjects' interdependent self-construal strength,



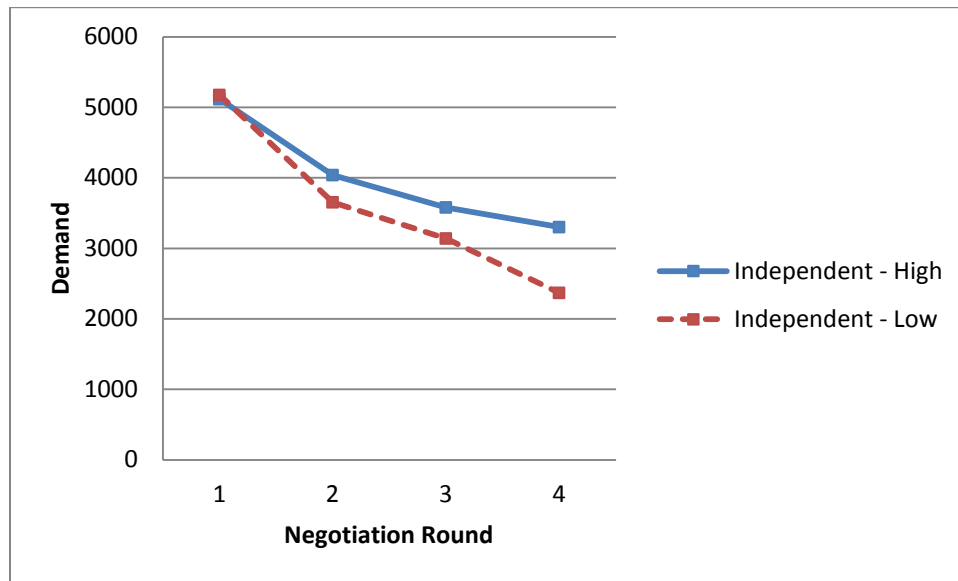


Figure 5: Demand Level as a Function of the Subjects' Independent Self-construal and Negotiation Round in Reducing-dislike Strategy Condition of Study 2

and concession strategy,  $F(6, 315) = 3.08, p < .01$  (partial  $\eta^2 = .06$ ), indicating that Round and subjects' interdependent self-construal strength interacted differently in the two different concession strategy conditions. Two repeated-measure ANCOVAs using subjects' interdependent self-construal strength as a covariate were conducted, one for each concession strategy condition. Different from H6a, the interaction between Round and subjects' interdependent self-construal strength was not significant in the reducing-dislike strategy condition,  $F(3, 162) = 1.79, p = \text{n.s.}$  However, the interaction between Round and interdependent self-construal strength was marginally significant,  $F(3, 141) = 2.35, p < .10$  (partial  $\eta^2 = .05$ ) in the giving-want strategy condition. The pattern of the interaction matched H6b. Negotiators with a high interdependent self-construal were consistently more demanding than those with a low interdependent self-construal when facing a giving-want concession strategy by the opponent (see Figure 6). Thus, when target negotiators with a high interdependent self-construal experienced an opponent's regulatory-incongruent concession strategy, they made smaller responding concessions. H6b was marginally supported.

### Subjective feelings

To test H7, I conducted a series of ANCOVAs. The interaction between concession strategy and subjects' independent self-construal strength was significant on subjective feelings about the negotiation process,  $F(2, 108) = 5.85, p < .01$  (partial  $\eta^2 = .98$ ). Also, the interaction was marginally significant when predicting subjective feelings about the expected negotiation outcome  $F(2, 108) = 2.93, p = .06$  (partial  $\eta^2 = .05$ ). Figure 7a and 7b indicate that the patterns of the interactions matched the hypotheses. Compared to subjects who were low on independent self-construal, those who were high on

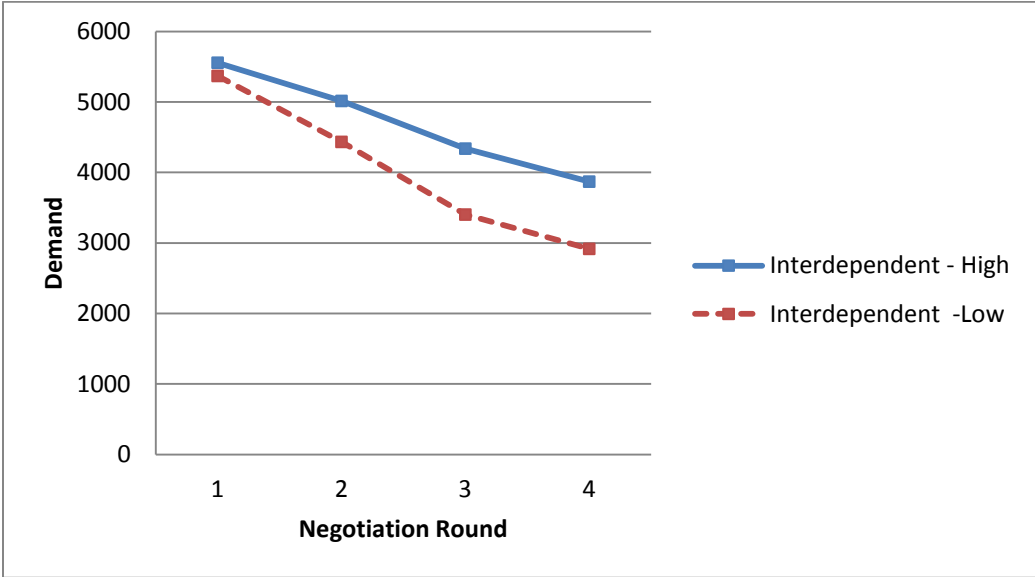


Figure 6: Demand Level as a Function of the Subjects' Interdependent Self-construal and Negotiation Round in Giving-want Strategy Condition of Study 2

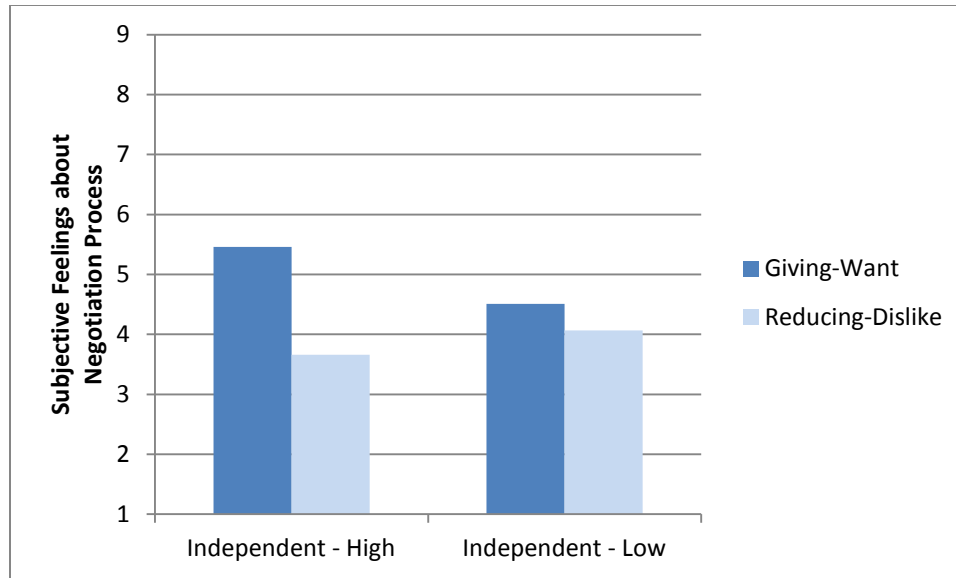


Figure 7a: Subjective Feelings about Negotiation Process as a Function of the Opponent's Concession Strategy and Subjects' Independent Self-construal in Study 2

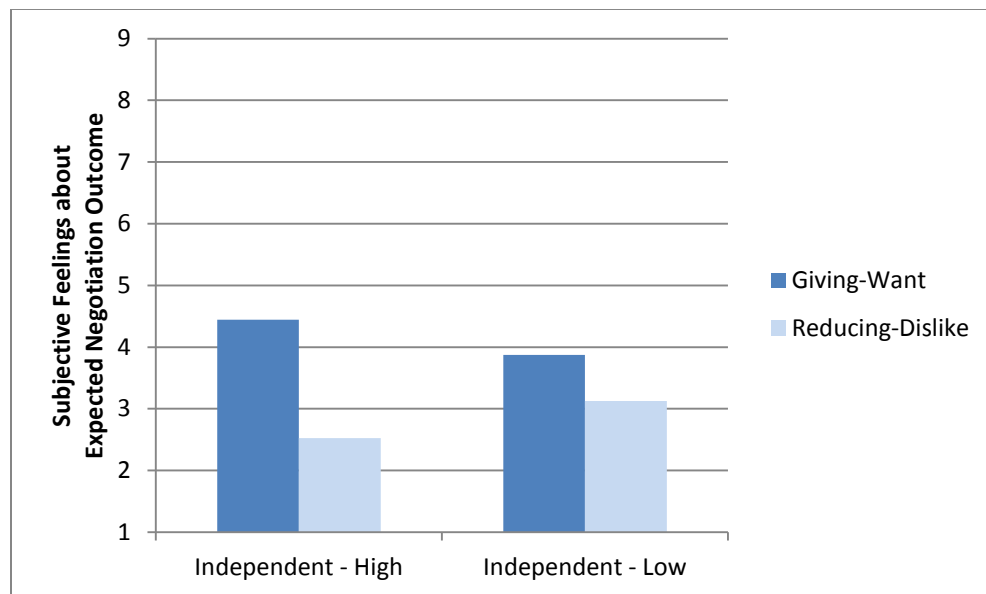


Figure 7b: Subjective Feelings about expected negotiation outcome as a function of the opponent's concession strategy and subjects' independent self-construal in Study 2

independent self-construal experienced more positive subjective feelings when an opponent used a giving-want strategy rather than a reducing-dislike strategy. Additional t-tests confirmed the results. Target negotiators who were higher on independent self-construal experienced significantly higher subjective feelings about the negotiation process when an opponent used a giving-want concession strategy ( $M = 5.38$ ,  $SD = 2.13$ ), rather than a reducing-dislike concession strategy ( $M = 3.84$ ,  $SD = 1.81$ ),  $t(53) = 2.48$ ,  $p < 0.05$ . However, target negotiators with a low promotion focus did not experience a significant difference in the subjective feelings about the relationship with the opponent in the two different conditions (giving-want:  $M = 4.5$ ,  $SD = 1.50$ ; reducing-dislike:  $M = 4.01$ ,  $SD = 1.47$ ),  $t(54) = 0.55$ ,  $p = N.S.$  Also, target negotiators who were higher on independent self-construal showed significantly higher subjective feelings about the expected negotiation outcome when an opponent used a giving-want strategy ( $M = 4.50$ ,  $SD = 1.63$ ), rather than reducing-dislike strategy ( $M = 2.60$ ,  $SD = 1.83$ ),  $t(53) = 2.61$ ,  $p < 0.05$ . Those with a low promotion focus did not show a significant difference in the two different conditions (giving-want:  $M = 3.82$ ,  $SD = 1.23$ ; reducing-dislike:  $M = 3.20$ ,  $SD = 1.47$ ),  $t(54) = 0.60$ ,  $p = N.S.$  Therefore, H7 was partially supported.

Another series of ANCOVAs were conducted to examine H8. The interaction between concession strategy and subjects' interdependent self-construal strength was only significant on subjective feelings about the relationship with opponent,  $F(2, 108) = 4.28$ ,  $p < 0.05$  (partial  $\eta^2 = .07$ ), and the negotiation process,  $F(2, 108) = 7.31$ ,  $p < .001$  (partial  $\eta^2 = .12$ ). However, as Figure 8a and 8b show, the patterns of the interactions did not match the hypotheses. The difference in subjective feelings between the two concession conditions was bigger for subjects who were low, rather than high, on

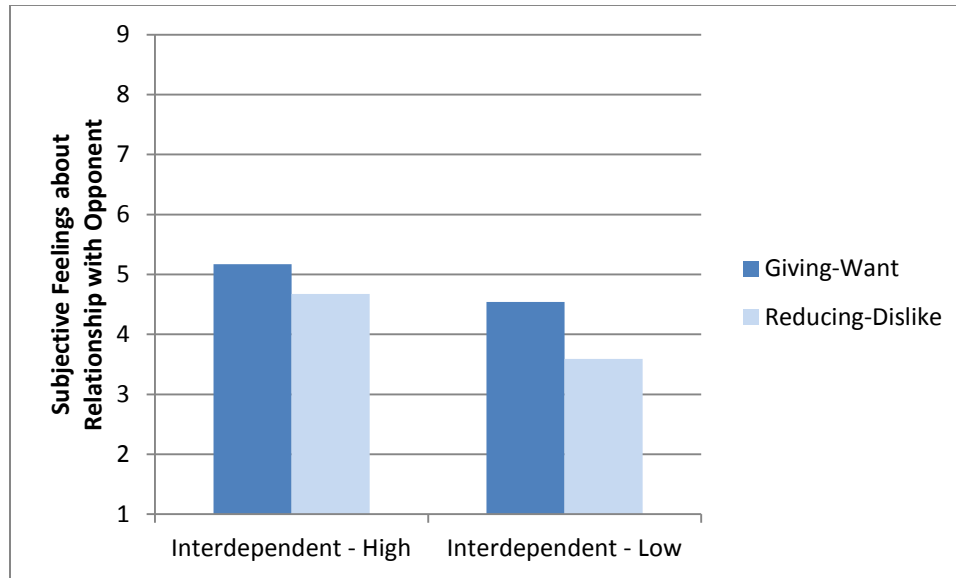


Figure 8a: Subjective Feelings about Relationship with the Opponent as a Function of the Opponent's Concession Strategy and Subjects' Interdependent Self-construal in Study 2

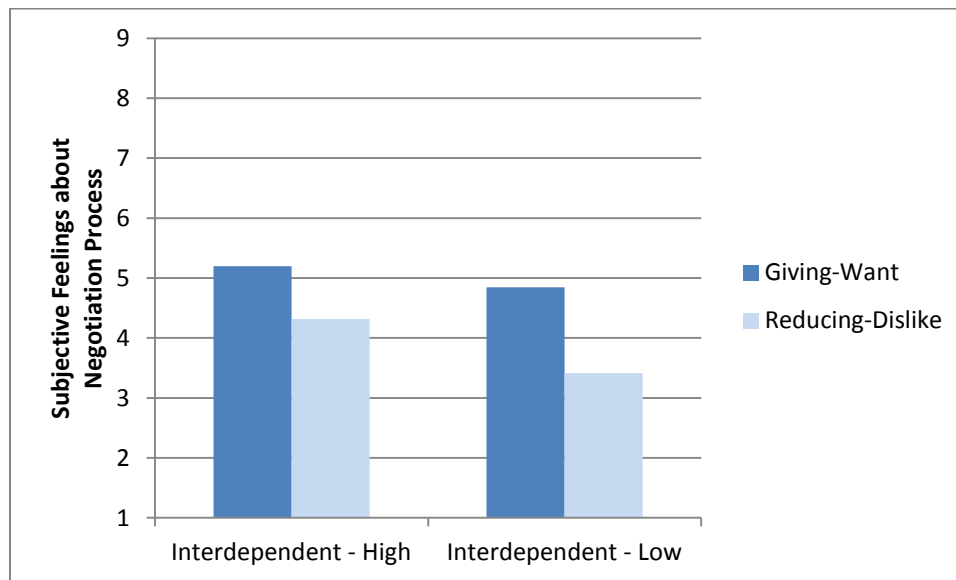


Figure 8b: Subjective Feelings about Negotiation Process as a Function of the Opponent's Concession Strategy and Subjects' Interdependent Self-construal in Study 2

interdependent self-construal. Therefore, H8 was not supported. However, it should be noted that level of self-construal was still relevant to how subjects responded to the opponent's concession strategy.

## Discussion

Based on Lee et al.'s (2000) findings that a promotion/prevention-focus has a significant relationship with an independent/interdependent self-construal, I hypothesized that independent/interdependent self-construal would interact with concession strategy in the same way that promotion/prevention focus does. The results of Study 2 were partially supportive of the hypotheses. When an opponent used a giving-want strategy, target negotiators with a lower interdependent self-construal showed lower demands than those with a higher interdependent self-construal. Also, when an opponent used a reducing-dislike strategy, target negotiators with a lower independent self-construal were less demanding than those with a higher independent self-construal. Therefore, when dealing with negotiators who have a high independent self-construal, one would not want to use a reducing-dislike strategy, if a giving-want strategy is an option. Also, it may not be a good idea to use a giving-want strategy, when the other party has high interdependent self-construal, if one could use a reducing-dislike strategy instead.

The significant impact of the regulatory-relevant and -incongruent match between concession strategy and subjects' self-construal was apparent on some subjective feeling dimensions. Compared to target negotiators with a lower independent self-construal, those with a high independent self-construal appeared to be more sensitive to the difference between regulatory-relevant and regulatory-incongruent strategies. That is,

target negotiators with a high independent self-construal showed a larger difference in their subjective feelings between regulatory-relevant and regulatory-incongruent concession strategy conditions. However, when I analyzed the data with the individuals' interdependent self-construal, the results were the opposite. Target negotiators who were high on interdependent self-construal showed a smaller sensitivity in subjective feelings to the difference between the two concession strategies than the target negotiators who were low on interdependent self-construal.



## CHAPTER V

### DISCUSSION

#### General Discussion

The results of the two experiments largely supported my hypotheses. The data from Study 1 demonstrated that negotiators' behavioral and subjective reactions to an opponent's concession offers were dependent upon whether the opponent's concession strategy sustained their regulatory focus. When a concession strategy sustained target negotiators' regulatory focus, those with a higher regulatory focus tended to make larger reciprocal concessions. On the other hand, when a concession strategy did not sustain target negotiators' regulatory focus, target negotiators who were higher on regulatory focus made smaller reciprocal concessions than those who were lower on regulatory focus. The regulatory-relevant match between concession strategy and target negotiators' regulatory focus also affected target negotiators' subjective feelings during the negotiation. Unlike target negotiators with a low promotion focus, those with a high promotion focus experienced more positive subjective feelings when the opponent used a regulatory-relevant concession strategy (giving-want) rather than a regulatory-incongruent (reducing-dislike) concession strategy.

In Study 2, I expected that those with a high independent self-construal would react to their opponent's concession strategies in the same manner as participants from Study 1 with a high promotion focus did. I also expected that participants with a high

interdependent self-construal would respond to opponent's concession strategies as those from Study 1 with a high prevention focus did. The results of Study 2 partially supported these predictions. The results demonstrated that, when target negotiators experience an opponent's concession strategy that did not sustain their self-construal, they made small responding concessions. This phenomenon was more apparent for those with a high independent or high interdependent self-construal. These patterns of concessions were similar to the patterns shown by target negotiators with high promotion-focus or high prevention-focus when they experienced an opponent's concession strategy that did not sustain their own regulatory focus. The results of Study 2 also revealed that, unlike participants with a low independent self-construal, those with a high independent self-construal experienced more positive subjective feelings when the opponent used a regulatory-relevant concession strategy (giving-want) rather than a regulatory-incongruent (reducing-dislike) concession strategy. This result was similar to that of the high promotion-focused participants in Study 1. Taken together, target negotiators' self-construal did interact with concession strategy in the similar way that target negotiators' regulatory focus did.

Although the results of both Studies mostly supported the hypotheses, there were some unexpected results. In Study 1, target negotiators with a low prevention focus experienced a bigger difference in subjective feelings between the regulatory-relevant and regulatory-incongruent concession strategies, compared to target negotiators with a high prevention focus. This result was opposite to the prediction made in H4 (unlike target negotiators with a lower prevention focus, those with a higher prevention focus will show more positive subjective feelings when an opponent used a reducing-dislike

rather than a giving-want strategy). However, the result still shows that the strength of one's prevention focus was influential on the subjective reactions to a reducing-dislike concession strategy. That is, target negotiators with a strong prevention focus reacted more positively to an opponent's reducing-dislike strategy than those with a weak prevention focus did. Similar patterns were found in Study 2. Target negotiators who were lower on interdependent self-construal experienced a larger difference in subjective feelings between regulatory-relevant and regulatory-incongruent concession strategies. This result was opposite to the prediction made in H8 (unlike target negotiators who are lower on interdependent self-construal, those who are higher on interdependent self-construal will show more positive subjective feelings when an opponent uses a reducing-dislike rather than a giving-want strategy). However, this result, again, demonstrates that the strength of an interdependent self-construal is related to one's subjective reactions to a reducing-dislike strategy. That is, compared to target negotiators who were lower on interdependent self-construal, those who were higher on interdependent self-construal experienced more positive subjective feelings when an opponent used a reducing-dislike strategy.

In both prevention focus and interdependent self-construal cases, participants generally experienced a higher level of positive subjective feelings when an opponent used a giving-want rather than a reducing-dislike strategy, even when it did not match the target's regulatory focus (see Figure 4a, 4b, 8a, and 8b). The distribution of participants' naturally-occurring level of regulatory focus (Study 1) and self-construal (Study 2) might have caused this result. As mentioned, promotion focus and prevention focus are statistically and theoretically orthogonal (Higgins, 1998, 2001). Therefore, people can

have a strong promotion and prevention focus at the same time. If both high and low prevention-focused participants simultaneously held a high level of promotion focus, they would also have a higher level of positive reaction to the giving-want strategy than might otherwise have been predicted. A close look at the distribution of participants' promotion and prevention focus support this idea. In Study 1, participants' overall promotion focus (mean = 6.46, SD = 1.46) was significantly higher than their prevention focus (5.47, SD = 1.17),  $t(74) = 5.565$ ,  $p < 0.01$ . Moreover, the distribution of promotion focus was more negatively skewed (skewedness = - 0.65) than that of prevention focus (skewedness = - 0.56), implying that the density of the distribution in the high value (e.g. higher than average) was higher for promotion focus than prevention focus. Indeed, 92 percent of the total number of participants had a promotion focus higher than the mid-point (5 in 9 point Likert scale), while 73 percent had a prevention focus higher than the mid-point. Therefore, the overall strength of promotion focus was higher than the overall strength of prevention focus for the participants in Study 1. As a result, being higher on promotion focus may have given the predicted effect of promotion focus to express itself more clearly than being higher on prevention focus. Also, a group of participants whose promotion focus is higher than the median (6.5) had a promotion focus (mean= 7.31, SD = 0.64) that was higher than their prevention focus (mean = 5.42, SD = 1.33) while a group of participants whose prevention focus was higher than the median (5.66) had a prevention focus (mean = 6.22, SD=.61) that was not higher than their promotion focus (mean = 6.59, SD=1.12). This pattern also provided a chance for the effects of promotion focus to be seen more clearly than the effects of prevention focus. All of these factors may have caused participants to generally have more positive reactions to the giving-

want strategy than the reducing-dislike strategy, as seen in Figure 4a and 4b, thus supporting the hypotheses only for promotion focus but not for prevention focus.

Similar patterns were found in Study 2. Many cultural psychologists have shown that independent and interdependent self-construals (or individualism and collectivism) do not fall on a single dimension (e.g., Triandis, 1995; Singles, 1994; Oyserman et al., 2002). Participants in Study 2 were significantly higher on independent self-construal (mean = 6.48, SD = 0.97) than interdependent self-construal (mean = 6.21, SD = 1.11),  $t(110) = 2.02, p < 0.05$ . Additionally, the distribution of independent self-construal was more negatively skewed (skewedness = - 0.21) than that of interdependent self-construal (skewedness = - 0.06), implying that the density of the distribution in the high value (e.g. higher than average) was higher for independent self-construal than interdependent self-construal. Additionally, 93 percent of the total participants in Study 2 had an independent self-construal higher than the mid-point, while 86 percent had an interdependent self-construal higher than the mid-point. Therefore, Study 2 participants' overall strength of independent self-construal was higher than the overall strength of interdependent self-construal.

Participants whose interdependent self-construal was higher than the median (6.2) had a mean interdependent self-construal (mean = 6.88, SD = 0.64), which was slightly higher than the mean independent self-construal (mean = 6.52, SD = 0.91). However, participants whose independent self-construal was higher than the median (6.5) had a mean independent self-construal (mean = 7.2, SD = 0.54) that was clearly higher than the mean of an interdependent self-construal (mean = 6.21, SD = 1.07). These patterns may have helped the effects of an independent self-construal appear more clearly than the

effects of an interdependent self-construal. That is, this different distribution of interdependent and independent self-construal may have caused the participants' more positive reactions to giving-want rather than reducing-dislike strategy, as seen in Figure 8a and 8b.

In summary, different from my expectations, participants with a high prevention focus and a low prevention focus in Study 1, as well as those with a high interdependent self-construal and a low interdependent self-construal in Study 2, reacted positively to a giving-want rather than a reducing-dislike strategy. These results seem to be caused by a generally high level of the promotion focus for participants in Study 1 and of the independent self-construal for participants in Study 2. In Study 1, because participants had a high level of promotion focus overall, their reactions to the giving-want strategy was generally very positive, although the reactions to the reducing-dislike strategy were very sensitive to the strength of their prevention focus. Study 2 also demonstrated similar results. Because participants maintained a high level of independent self-construal overall, they generally showed a positive reaction to the giving-want strategy. However, their reactions to the reducing-dislike strategy were very sensitive to the level of their interdependent self-construal.

It is well-known that, compared to Asians, Westerners generally have a higher level of promotion focus than prevention focus (e.g., Lee et al., 2000; Aaker & Lee, 2001) and a higher level of independent self-construal than interdependent self-construal (e.g., Markus & Kitayama, 1991; Kitayama et al., 1997). A generally high level of promotion focus and independent self-construal for participants in Study 1 and 2 may have occurred

because the participants were all Americans<sup>5</sup>. Future research should see whether the expected effects of giving-want and reducing-dislike strategy on subjective feelings can be found when target negotiators are Asians.

Some of the results of this dissertation are contradictory to the findings and suggestions from previous studies and would be worth investigating in future research. Previous studies have theorized and shown that individuals focus more on decreasing losses rather than increasing gains in a decision-making situation (e.g., Kahneman & Tversky, 1979; Maheswaran et al., 1990). However, the results of this dissertation demonstrate that this general tendency is moderated by individuals' orientation for promotion or prevention. Based on previous theorization, it is reasonable to expect that target negotiators are more satisfied and more responsive when an opponent reduces losses for them, rather than provides gains. However, this expectation was supported only when target negotiators had a high prevention focus. Target negotiators with a high promotion focus, on the other hand, were more satisfied and responsive when the opponent provided gains for them, rather than reduced losses.

Previous studies theorized and found that the gain-frame of issues makes negotiators concede. For example, Neale and Bazerman (1985) found that when the same labor negotiation issue was framed as a gain-related issue, rather than a loss-related issue, participants in the negotiation simulation became more conceding and generated more win-win outcomes. The results of this dissertation reveal that this effect of gain-frame is also moderated by a target negotiator's regulatory focus. Similar to the results of the previous studies, negotiators with a strong promotion focus became conceding and

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<sup>5</sup> Although the elab participant pool contains many non-Americans, the participants in Study 1 and 2 of this dissertation were all Americans.

responsive when the other party's offers were explicitly gain-related, rather than loss-related. On the other hand, negotiators with a high prevention focus became tough and irresponsible when they dealt with the same gain-related offers from the other party.

### Contribution

This dissertation expands the existing concession literature in several ways. First, this dissertation is one of the few concession studies that shows that the effect of concession in a negotiation depends on the actual content of the concession. The content of the concession concerns *on which* issue rather than *how much* a negotiator grants a concession to an opponent in a multi-issue negotiation setting. Most previous concession tactics studies have not considered that conceding on different issues could generate different results. Regulatory relevance theory suggests that negotiators with a particular regulatory focus subconsciously weigh concession offers differently, contingent on whether the offers increase their gains or decrease their losses. The results of this dissertation provide evidence that the effects of the concession significantly differed, according to whether the content of concession was relevant to or incongruent to the regulatory focus of the target negotiator.

Second, the current study demonstrates how regulatory focus influences the negotiation outcome. Previous negotiation studies have argued that promotion-focused negotiators tend to focus on a desired outcome leads them to make higher initial offers, generating the differences in the negotiation outcome between promotion- and prevention-focused negotiators (Galinsky et al., 2005). Some researchers have suggested



that the subjective experience caused by the fit between a negotiator's regulatory focus and his or her negotiation role could affect his or her negotiation behaviors, as well as negotiation outcome (Appelt et al., 2009; Appelt & Higgins, 2010). In this dissertation, I additionally showed that the interaction between the target negotiator's regulatory focus and the opponent's concession strategy is another important factor that affects the negotiation outcome.

Third, this dissertation proposes an important precursor of subjective outcomes in a negotiation: regulatory relevance experience. Despite the recent emergence of subjective outcomes as an important research topic, the exact antecedents and processes are still in question (Curhan et al., 2006). The results of this dissertation show that a regulatory relevance experience, which is caused by the interaction between a negotiator's own regulatory focus and an opponent's concession tactics, is an important determinant of the negotiator's subjective outcomes from a negotiation.

Finally, this dissertation suggests a novel theoretical framework to understanding different negotiation behaviors of individuals who have different self-construals. Self-construal has been considered to be one of the key factors in generating different negotiation behaviors (Gelfand et al., 2006; Triandis, 1989). To date, negotiation literature has suggested effective negotiation strategies for dealing with independent or interdependent counterparts, capitalizing on their different emphases on autonomy or relationship (Adair, Okumura, & Brett, 2001; Brett & Okumura, 1998; Gelfand & Realo, 1999; Gelfand & Christakopoulou, 1999). For example, appreciating or attacking the relationship with the counterpart has been shown to be an effective influence strategy for dealing with an interdependent counterpart (e.g., Tse, Francis, & Walls, 1994; Ting-

Toomey, 1988; Friedman, Olekalns, & Oh, 2011). However, this dissertation shows that concession tactics can also influence an independent individual's emphasis on achievement and positive uniqueness or an interdependent individual's focus on social obligation. Because self-construal is one of the most important factors in understanding cultural differences in behaviors and cognitive processes (Gelfand, Erez, & Aycan, 2007), findings from this dissertation suggest a new way to see and investigate the cross-cultural difference in negotiator behaviors and thoughts.

The results of this dissertation suggest a simple and powerful practical implication for negotiators. The results clearly show the benefits of a regulatory-relevant match between concession strategy and a target negotiator's regulatory focus. Not only may one achieve a better negotiation outcome, but one may also satisfy an opponent more by using a concession strategy that matches the opponent's regulatory focus. More specifically, when the other party is strongly promotion-focused, one may be able to induce a more favorable negotiation outcome by conceding on gain-related items. One could also improve the relationship with the opponent and his or her satisfaction by consistently conceding on gain-related issues. On the other hand, one may be able to achieve better negotiation outcomes by conceding on loss-related issues when the counterpart is strongly prevention-focused.

The regulatory-relevant match can be also an effective tool for dealing with people with different self-construals. For example, one could influence target negotiators with a high interdependent-self construal by consistently conceding on loss-related issues. This concession strategy may enhance the negotiation outcome, as well as improve the interpersonal relationship with the interdependent target negotiator. On the other hand, by

systematically conceding on gain-related issues, one may be able to improve the negotiation outcome and satisfy a target negotiator who has a high independent self-construal.

In addition, the findings of this dissertation provide a practical implication for the defense against an opponent's concession tactics. The results of this dissertation show that, if you are chronically promotion-focused, you are susceptible to an opponent's giving-want strategy. However, as mentioned, individuals' momentarily dominant regulatory focus can be changed by the influence of situational factors (e.g., Higgins, 1998; Shah & Higgins, 2001, Leonardelli, Lakin, & Arkin, 2006; Liberman, Idson, Camacho, & Higgins, 1999; Lee, Keller, & Sternthal, 2010). Therefore, if you change your regulatory focus to a prevention focus momentarily, by, for example, thinking of your promotion or prevention goals from the negotiation or by focusing on gains or losses from the negotiation you can actually defend yourself from the opponent's giving-want strategy. Likewise, one's self-construal can be also momentarily changed by reminding oneself of one's goals (Gardner, Gabriel, & Lee, 1999). If people believe that their self-construal makes them vulnerable to the other party's concession strategy, changing their self-construal momentarily before the negotiation can help them to defend against the opponent's self-construal-targeting influence tactics. Self-construal can be changed by, for example, thinking of one's obligation as a family member, which would trigger an interdependent self-construal, or by thinking of one's aspiration as an individual, independent of family members, which would trigger an independent self-construal.

## Limitations

A limitation of this dissertation is that there was no face-to-face interaction in the negotiation. Although the computer-mediated negotiation controlled many environmental noises, it was unable to reflect various social interactions in a real-world negotiation setting. A future face-to-face negotiation study would increase the generalizability of the findings of this dissertation. Another limitation of this dissertation is that the target negotiators' evaluations of the opponent's concessions were not measured. The theory of this dissertation is based on the assumption that a regulatory-relevant match between the concession strategy and the target negotiator's regulatory focus will affect the target negotiator's evaluation of the opponent's concession offers, which, in turn, will lead to different levels of responding concessions. A future study should confirm this hypothesized mechanism. Nonetheless, although previous studies provided convincing evidence that a regulatory-relevant match would enhance decision makers' evaluations on the object (e.g., Lee & Aaker, 2004; Cesario, Grant, & Higgins, 2004), this is one of the first studies to show a similar effect for negotiators. A relatively low coefficient alpha for promotion focus ( $\alpha = .64$ ) in Study 1 and independent self-construal ( $\alpha = .65$ ) in Study 2 also limit the results of the current dissertation. Finally, the current study looks only at chronic regulatory focus. The generalizability of findings of this dissertation would be enhanced by a future study ensuring that a momentarily-activated regulatory focus interacts with the concession strategy in the similar way that the chronic regulatory focus does.

## Future Research

With respect to future applications of regulatory focus in negotiation research, there are a number of avenues. Aaker and Lee (2006) pointed out that many psychological and situational factors perform a regulatory function. As shown in the current study, independent and interdependent self-construals operate as a regulatory principle for negotiators (Lee et al., 2000). Fun and enjoyment vs. safety and security (Aaker & Lee, 2001) and change vs. stability (Liberman et al., 1999) are also related to promotion and prevention focuses. These conditions can momentarily stimulate a particular regulatory focus for individuals (Roese, Hur, & Pennington, 1999; Aaker & Lee, 2006). Based on these findings, future research could examine how such situational factors interact with a concession strategy to influence target negotiator's behaviors and thoughts.

Another potential direction for future study would be to investigate the differences between the effects of regulatory fit and those of regulatory-relevance in negotiation. While regulatory relevance occurs when negotiators see the regulatory-relevant negotiation outcomes, regulatory fit occurs when negotiators' regulatory focus fits their own negotiation tactics. For example, when a negotiator with promotion focus *eagerly* pursues their gains by aggressively persuading the other party and actively suggesting many creative options, he or she would experience a regulatory fit, and this experience would have various behavioral and cognitive consequences. A future study could compare the effects of regulatory fit and regulatory relevance in negotiation and examine which effect overshadows the other.

A future study could also explore which tactics, other than the giving-want and reducing-dislike concession strategies, could be used to influence the target negotiators with a certain regulatory focus. Cesario and Higgins (2008) have found that some nonverbal cues can influence the persuasiveness of a message to a recipient with a certain regulatory focus. Based on this finding, future research could investigate whether a negotiator's non-verbal behaviors interact with a target negotiator's regulatory focus to generate significant behavioral and emotional outcomes from the target.

Finally, it would be worthwhile to investigate the relationship between a concession strategy and the integrativeness of the negotiation results. Negotiators can achieve integrative outcomes by exchanging concessions on the issues that a counterpart values (e.g., logrolling) (Moran & Ritov, 2002). The results of current study suggest that negotiators who practice a regulatory-relevant concession strategy can produce greater concessions and more integrative negotiation outcomes from a counterpart than a negotiator who practices a regulatory-incongruent concession strategy. Future research is needed to examine this idea.

Regulatory focus is a powerful motivational and behavioral principle for negotiators because it affects negotiators' aspirations and opening offer levels (Galinsky et al., 2005; Appelt et al., 2009; Appelt & Higgins, 2010). In this dissertation, I found that regulatory focus affects negotiators' interpretations of and behavioral reactions toward an opponent's concession offers. For negotiation practitioners, the knowledge about their own regulatory focus and their opponent's regulatory focus would provide a great advantage. For negotiation researchers, investigating the effects of the interaction

between a negotiator's regulatory focus and various situational factors is a promising avenue for future research.

## APPENDIX I: REGULATORY FOCUS QUESTIONNAIRE

	Never or seldom			Sometimes			Very Often		
	1	2	3	4	5	6	7	8	9
1. Compared to most people, are you typically unable to get what you want out of life? (Prom-Reverse)	1	2	3	4	5	6	7	8	9
2. Growing up, would you ever “cross the line” by doing things that your parents would not tolerate? (Prev-Reverse)	1	2	3	4	5	6	7	8	9
3. Do you often do well at different things that you try? (Prom)	1	2	3	4	5	6	7	8	9
4. Did you get on your parent’s nerves often when you were growing up? (Prev-Reverse)	1	2	3	4	5	6	7	8	9
5. Growing up, did you ever act in ways that your parents thought were objectionable? (Prev-Reverse)	1	2	3	4	5	6	7	8	9
6. Not being careful enough has gotten me into trouble at times. (Prev-Reverse)	1	2	3	4	5	6	7	8	9
	Never true			Sometimes true			Very Often true		
7. When it comes to achieving things that are important to me, I find that I don’t perform as well as I ideally would like to do. (Prom-Reverse)	1	2	3	4	5	6	7	8	9
	Never or seldom			A few times			Many times		
8. How often have you accomplished things that got you “psyched” to work even harder? (Prom)	1	2	3	4	5	6	7	8	9
	Never or seldom			Sometimes			Always		
9. How often did you obey rules and regulations that were established by your parents? (Prev)	1	2	3	4	5	6	7	8	9
	Certainly false						Certainly true		
10. I feel like I have made progress toward being successful in my life. (Prom)	1	2	3	4	5	6	7	8	9
11. I have found very few hobbies or activities in my life that capture my interest or motivate me to put effort into them. (Prom -Reverse)	1	2	3	4	5	6	7	8	9



APPENDIX II: NEGOTIATION POINT CHART

<b>Level</b>	<b>Electronic Options</b>	<b>Point</b>	<b>Audio System</b>	<b>Point</b>	<b>Financing Interest Rate</b>	<b>Point</b>	<b>Delivery Wait</b>	<b>Point</b>	<b>Color</b>	<b>Point</b>
<b>1</b>	Power Lock	0	CD Player	0	4%	0	4 weeks	0	Blue	100
<b>2</b>	Power Lock & Window	1000	CD Player & Changer	600	4.5%	-1000	5 weeks	-600	Burgundy	120
<b>3</b>	Power Lock, Window & Steering	2000	CD Player, Changer, & MP3	1200	5%	-2000	6 weeks	-1200	Grey	140
<b>4</b>	Power Lock, Window, Steering & Seat	3000	CD Player, Changer, MP3, & Satellite Radio	1800	5.5%	-3000	7 weeks	-1800	Silver	160
<b>5</b>	All & Navigation System	4000	All & Premium Sound System	2400	6%	-4000	8 weeks	-2400	Black	180

## APPENDIX III: NEGOTIATION SCREEN

### Round 1

Electronic Options	Points	Your Last Offer	Seller's Current Offer
<input type="radio"/> Power Lock	0		●
<input type="radio"/> Power Lock & Window	1000		
<input type="radio"/> Power Lock, Window & Steering	2000		
<input type="radio"/> Power Lock, Window, Steering & Seat	3000		
<input type="radio"/> All & Navigation System	4000		

Audio System	Points	Your Last Offer	Seller's Current Offer
<input type="radio"/> CD Player	0		●
<input type="radio"/> CD Player & Changer	600		
<input type="radio"/> CD Player, Changer, & MP3	1200		
<input type="radio"/> CD Player, Changer, MP3, & Satellite Radio	1800		
<input type="radio"/> All & Premium Sound System	2400		

Financing Interest Rate	Points	Your Last Offer	Seller's Current Offer
<input type="radio"/> 4%	0		
<input type="radio"/> 4.5%	-1000		
<input type="radio"/> 5%	-2000		
<input type="radio"/> 5.5%	-3000		
<input type="radio"/> 6%	-4000		●

Delivery Wait Time	Points	Your Last Offer	Seller's Current Offer
<input type="radio"/> 4 Weeks	0		
<input type="radio"/> 5 Weeks	-600		
<input type="radio"/> 6 Weeks	-1200		
<input type="radio"/> 7 Weeks	-1800		
<input type="radio"/> 8 Weeks	-2400		●

Color	Points	Your Last Offer	Seller's Current Offer
<input type="radio"/> Blue	100		●
<input type="radio"/> Burgundy	120		
<input type="radio"/> Grey	140		
<input type="radio"/> Silver	160		
<input type="radio"/> Black	180		

Value of Your Current Offer: 0

OFFER HISTORY						
<input type="button" value="Seller's Offers"/> <input type="button" value="Your Offers"/>						
Round	Electronic Options	Audio System	Financing Interest Rate	Delivery Wait Time	Color	Total
1	Power Lock	CD Player	6%	8 Weeks	Blue	-6300

## APPENDIX IV: SUBJECTIVE VALUE INVENTORY (SVI)

### **Feelings About the Relationship**

How satisfied are you with your business relationship with your counterpart(s) as a result of this negotiation?

Did the negotiation make you trust your counterpart(s)?

Did the negotiation build a good foundation for a future business relationship with your counterpart(s)?

### **Feelings About the Self**

Did you “lose face” (i.e., damage your sense of pride) in the negotiation process?

Did this negotiation process make you feel more or less competent as a negotiator?

Did you behave according to your own principles and values?

### **Feelings About the Expected Outcome**

Did you feel that you will get a satisfied negotiation outcome?

Did you feel that you will be satisfied with the balance between your own outcome and your opponent's outcome?

Did you feel like you will lose in this negotiation?

### **Feelings About the Negotiation Process**

Do you feel your counterpart(s) was considering your concerns?

Would you characterize the negotiation process as fair?

Did your counterpart consider your wishes, opinions, or needs?

## APPENDIX V: SELF-CONSTRUAL SCALE

	Not at all			Moderately			Perfectly		
1. I have respect for the authority figures with whom I interact (Interdependent)	1	2	3	4	5	6	7	8	9
2. It is important for me to maintain harmony within my group (Interdependent)	1	2	3	4	5	6	7	8	9
3. I am comfortable with being singled out for praise or rewards (Independent)	1	2	3	4	5	6	7	8	9
4. Being able to take care of myself is a primary concern for me (Independent)	1	2	3	4	5	6	7	8	9
5. I act the same way no matter who I am with (Independent)	1	2	3	4	5	6	7	8	9
6. I often have the feeling that my relationships with others are more important than my own accomplishments (Interdependent)	1	2	3	4	5	6	7	8	9
7. It is important to me to respect decisions made by the group (Interdependent)	1	2	3	4	5	6	7	8	9
8. I enjoy being unique and different from others in many respects (Independent)	1	2	3	4	5	6	7	8	9
9. My personal identity independent of others, is very important to me (Independent)	1	2	3	4	5	6	7	8	9
10. Even when I strongly disagree with group members, I avoid an argument (Interdependent)	1	2	3	4	5	6	7	8	9

APPENDIX V: SELF-CONSTRUAL SCALE (Continued)

	Not at all			Moderately			Perfectly		
11. I'd rather say "No" directly, than risk being misunderstood (Independent)	1	2	3	4	5	6	7	8	9
12. Having a lively imagination is important to me (Independent)	1	2	3	4	5	6	7	8	9
13. My happiness depends on the happiness of those around me (Interdependent)	1	2	3	4	5	6	7	8	9
14. I respect people who are modest about themselves (Interdependent)	1	2	3	4	5	6	7	8	9
15. I will sacrifice my self-interest for the benefit of the group I am in (Interdependent)	1	2	3	4	5	6	7	8	9
16. I feel comfortable using someone's first name soon after I meet them, even when they are much older than I am (Independent)	1	2	3	4	5	6	7	8	9
17. I prefer to be direct and forthright when dealing with people I've just met (Independent)	1	2	3	4	5	6	7	8	9
18. I will stay in a group if they need me, even when I'm not happy with the group (Interdependent)	1	2	3	4	5	6	7	8	9
19. If my brother or sister fails, I feel responsible (Interdependent)	1	2	3	4	5	6	7	8	9
20. I value being in good health above everything (Independent)	1	2	3	4	5	6	7	8	9

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