



Does power matter?

Negotiator status as a moderator of the relationship between negotiator emotion and behavior

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Abstract

Purpose – This paper aims to enrich the literature on negotiation by theorizing and empirically validating that power is an important moderator of the relationship between negotiator emotion and behavior.

Design/methodology/approach – Data were collected from 322 students of an MBA program and executive education programs. The students participated in a two-stage, mixed-motive negotiation simulation during which they reported pre-negotiation emotion, as well as their negotiation behavior.

Findings – The empirical analyzes showed that the relationship between negotiator emotion and behavior was stronger for high-power negotiators than for their low-power counterparts. Interestingly, high- and low-power negotiators' emotions were more predictive of their dominating and yielding behavior, respectively. Perhaps, because of their dependence, low-power negotiators were more sensitive and responsive to the emotions of their high-power counterparts than vice versa. The results also showed that low-power negotiators' gratitude substantially reduces their distributive outcome.

Originality/value – The analysis revealed that the strength and the nature of the relationship between emotions and negotiator behavior depend on the power of the negotiator. The paper highlights the need for further theoretical specification with regard to boundary conditions for understanding the role of emotional states in the negotiation context.

Keywords Negotiating, Individual psychology, Behaviour

Paper type Research paper

Negotiation is defined as “a discussion between two or more parties with the apparent aim of resolving a divergence of interest” (Pruitt and Carnevale, 1993), and is considered as one of the most common and constructive ways of dealing with conflict. It is also defined as the joint decision-making process by which interdependent individuals with divergent interests agree on how to allocate scarce resources (Thompson, 2000). Thus, negotiation constitutes a social, interpersonal process, making power and emotions integral components of this social interaction. Power plays an important role in negotiation because it is expected to influence the way resources are allocated in a settlement (Drory and Ritov, 1997; Kim, 1997; Jackson and

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King, 1983; Pinkley *et al.*, 1994). Similarly, the emotional experiences of negotiators tend to influence them in choosing a particular course of action (e.g. competitive or collaborative) and, ultimately, shape the tone and outcome of the negotiation (Bell and Song, 2005; Butt and Choi, 2006; Butt *et al.*, 2005).

Studies have demonstrated that high-power negotiators obtain a significantly larger portion of the outcome as compared to their low-power counterparts (Pinkley *et al.*, 1994; Rahim, 1983). Although some negotiations can be conducted between parties with equal power, conflict situations that call for a negotiation often involve two parties of unequal power (employee versus employer, leader versus member, seller versus buyer). A critical mechanism through which power shapes the negotiation process may involve negotiator emotion because how negotiators feel and make their counterparts feel is significantly dependent on their relative power or status in a given situation. Although emotions have been found to be a significant determinant of the negotiation process, the same emotion may assume different roles in accordance with the negotiator's power (Anderson and Berdahl, 2002). For example, after controlling for their trait cooperativeness, it was determined that powerful individuals' positive affect was the best predictor of negotiators' trust in each other and of whether or not negotiators reached integrative outcomes (Anderson and Thompson, 2004).

The literature has observed the emerging interest in the interplay between power and emotions in shaping interpersonal processes, including negotiation (Friedman *et al.*, 2004; Van Kleef *et al.*, 2004a; Sinaceur and Tiedens, 2006; Van Kleef *et al.*, 2006; Van Kleef and Côté, 2007). However, previous findings have certain limitations. For example, most studies focusing upon the interactive effects of power and emotions in negotiations are restricted to particular types of emotions, such as anger and happiness (Van Kleef *et al.*, 2006; Van Kleef *et al.*, 2004a) or only anger (Friedman *et al.*, 2004, Van Kleef and Côté, 2007). Furthermore, previous investigations in this area have focused on the impact of power and emotions on a generalized and broad set of behavioral effects, such as approach versus inhibition, competing versus conceding (Van Kleef and Côté, 2007; Van Kleef *et al.*, 2006), or simply positive or negative behavior (Friedman *et al.*, 2004).

In this study, we expand upon the previous findings and examine how negotiator power influences the relationship between four types of negotiator emotion (pride, gratitude, anger, and guilt) and four types of negotiation behavior (dominating, compromising, integrating, and yielding)[1]. The inclusion of various types of emotions will reveal that the effects of emotions in negotiation are more than the simple effects based on their valence. Therefore, through this study, we aim to broaden the empirical scope of the literature by including a more comprehensive array of emotions and negotiation behavior. In addition, we examine the power-emotion interplay in the context of a real interaction paradigm involving two naïve participants (i.e. no confederates and no instructions to show particular emotions).

In this study, we extend the independent streams of research regarding the effects of negotiator power and emotion on negotiation behavior by theorizing the way power and emotion together shape the negotiation process and outcome. Specifically, we propose that negotiator emotions may have stronger implications for understanding the behavior of high-power negotiators, who tend to act more actively on their emotion than their low-power counterparts (Van Kleef and Côté, 2007). In addition, we expect that emotions constitute better predictors of different negotiation behaviors for high- and low-power negotiators. Finally, we propose that low-power negotiators are more

vulnerable to their high-power counterparts and thus more sensitive and reactive to their counterparts' emotions. These theoretical expectations will be empirically validated using data collected from 322 negotiators comprising 161 negotiation dyads participating in a multi-issue negotiation simulation. The results reveal intriguing dynamics involving power and emotion in shaping negotiation behavior and outcome in the context of negotiation between unequal-status parties.

Negotiator power, emotions, and negotiation behavior

The role of power in negotiation

According to Emerson (1962), A's power with respect to B is based on B's dependence on A. Dependence comprises two dimensions:

- (1) value attributed to the outcome by B; and
- (2) lack of availability of alternative sources for this outcome for B.

Status refers to the judgment of rank made about a person within a given social context, while a person is said to have power if he/she can influence the behavior of others in accordance with his/her own intentions. Although power and status have been considered as two distinguishable constructs by researchers (Kemper, 1984), they are often strongly correlated. In the present study based on a negotiation simulation, negotiators take either one of two roles—a manager or an employee—wherein the former role bestows high status and power to the negotiator.

High-power individuals tend to engage in more proactive behaviors (Keltner *et al.*, 2003), actively seek rewards (Anderson and Berdahl, 2002), and try to control outcomes (Thibaut and Kelley, 1959). This may be because power instigates the feeling of pride or superiority, making high-power individuals believe that they deserve more and should therefore work to obtain better outcomes. Thus, powerful individuals are usually self-serving, but they may help others if they are made responsible (Keltner and Robinson, 1997). For example, a department head of a company may use his power to acquire self-gain, but if made answerable and responsible for the performance of his subordinates, he may use his powers for the benefit of the whole department by supporting team members.

Negotiators seek power mainly because power gives them some advantage or leverage over their counterparts in securing a greater share of the outcomes. People tend to adopt different negotiation strategies depending upon the relative power they have. For example, executives reported that they use the yielding approach with their bosses, dominating with their subordinates, and compromising and integrating with their peers (Drory and Ritov, 1997; Rahim, 1983). Similarly, Yukl and Tracey (1992) found that different persuasion styles were used by participants holding different power positions: rational persuasion was used with the boss, pressure was used with subordinates, and ingratiation and exchange were used with peers.

In an unequal power relationship, high-power parties lack the motivation to understand their low-power counterparts, and low-power parties hesitate to communicate their interests to the high-power parties (Fiske, 1993; Keltner and Robinson, 1997). High-power negotiators are more likely to engage in threats and to ask fewer diagnostic questions (De Dreu and Van Kleef, 2004b; De Dreu *et al.*, 1998). Graham *et al.* (1994) found that buyers achieved higher individual profits than sellers because the participants considered buyers to be in a more powerful position than

sellers in the given context of a competitive market situation. Consequently, unequal power dyads are less likely to exhibit integrative behaviors and reach integrative agreements relative to equal power pairs who understand and accommodate each others' interests better (Rubin *et al.*, 1994).

The role of emotion in negotiation

Research has shown that affect influences negotiation process and outcomes (Allred *et al.*, 1997; Butt and Choi, 2006). Affect represents a broad category of affective processes, including emotional experiences, moods, and trait or dispositional affects (Fiske and Taylor, 1991). Early empirical research on affect concentrated on the influence of positive moods, showing that positive moods result in concession-making, cooperation, and problem-solving behaviors (Baron, 1990; Hollingshead and Carnevale, 1990). The research on emotion has become prominent more recently. Studies found that emotions (compared to moods) have stronger influences on negotiation processes, perhaps because emotions are more intense and specifically directed at a target as compared to moods (Allred *et al.*, 1997). This line of research has repeatedly demonstrated that negotiators experiencing a positive emotion are more cooperative, whereas those with a negative emotion tend to be more competitive (Forgas, 1995; Pillutla and Murnighan, 1996).

Recently, Butt *et al.* (2005) highlighted that the studies of emotions in negotiation have largely relied on the dichotomous description of emotions as either positive or negative based on valence, ignoring other key dimensions such as action tendency based on the cognitive attribution of the situation. Addressing this narrow focus on the valence of emotion, Butt and Choi (2006) employed two dimensions, valence (positive or negative) and agency (due to oneself or due to the counterpart), which resulted in four types of emotions: self-caused positive emotions (pride), other-caused positive emotions (gratitude), self-caused negative emotions (shame), and other-caused negative emotions (anger) (Lazarus, 1991; Weiner, 1986).

Drawing on Butt *et al.* (2005), we further focus on the action tendency of emotions and categorize them as either conciliatory (gratitude and shame) or confrontational (pride and anger). This approach to emotion is particularly useful for explaining negotiator behavior and the role of power in the context of negotiation because it highlights the role of emotions in shaping a person's action tendencies toward his/her counterpart (Lerner and Keltner, 2000). For example, pride emotion, which is induced when negotiators take credit for their own success, is expected to enhance the feelings of self-confidence, the sense of superiority, and the belief that they are able to control their counterpart's behavior and outcome. These psychological states may strengthen their sense of entitlement and are apt to trigger a confrontational action tendency rather than a more submissive and yielding approach. A negotiator with a feeling of pride is also expected to adopt a confrontational approach in order to protect his/her enhanced ego even at the expense of the other party. Similarly, anger, which is elicited when negotiators blame the other party for their negative outcomes, propels them to repress their counterpart (Friedman *et al.*, 2004). Thus, anger is expected to have a confrontational action tendency leading to a dominating behavior. Therefore, while pride is a positive emotion and anger is a negative one, both are categorized as confrontational emotions and are prone to increase dominating or competitive behavior.

On the other hand, although gratitude and shame have opposite valence (positive and negative, respectively), they put negotiators in similar action tendencies or

behavioral readiness. Gratitude leads to a conciliatory action tendency because the negotiator believes that his/her good performance is due to the counterpart and thus feels the need to reciprocate the altruistic acts of the other (Lazarus, 1991). Similarly, shame is also expected to produce a conciliatory action tendency, because the negotiator perceives him/herself to be responsible for the low performance and thereby adopts a more passive and compromising approach toward the counterpart. Therefore, we suggest that gratitude and shame are conciliatory emotions, which tend to result in compromising and yielding behaviors.

Interplay of power and emotion in a negotiation situation

Studies of emotions in negotiation have reported inconsistent or sometimes contradictory findings. For example, anger has been found to have a negative effect on the counterpart by invoking a similar hostile response from the opponent (Allred *et al.*, 1997), or it may lead to a yielding response from the counterpart because anger conveys information or threat to the counterpart about what is expected (Van Kleef *et al.*, 2004a; Sinaceur and Tiedens, 2006). We believe that these contradictory findings may be due to the influence of contextual variables that shape the way emotions affect negotiation behavior. Negotiator power may play a role of a moderator of the link between emotion and negotiation behavior. For example, it is likely that if the negotiator who observed the counterpart's anger is in a high-power position, he/she would reciprocate the counterpart's anger with a threat or other hostile reactions to subdue the weak opponent (Van Kleef and Côté, 2007). In contrast, encountering the same situation, a low-power negotiator may opt to use a more passive, conciliatory strategy to soothe the counterpart's anger.

With reference to the influence of emotions in an unequal power relationship, Keltner *et al.* (2008) found that less powerful individuals were more vulnerable to the emotions of their high-power counterparts than vice versa. Anderson and Berdahl (2002) showed that when high-power negotiators had a positive affect, they invoked similar positive states in others, eventually leading to greater pro-social orientation, increased communication, and more creative and integrative thinking, which result in integrative outcomes. These empirical findings clearly indicate that power and emotion may have a meaningful interplay in shaping negotiator attitudes and behavior, rather than functioning in an independent manner. When we consider the joint effects of power and emotion, an intriguing question is whether the effects of various types of emotions on negotiator behavior change depending on the power of the focal negotiator.

Effects of self-emotions on the behavior of high- and low-power negotiators

Research shows that the effect of emotions in shaping negotiators' behavior is more evident in the case of high-power negotiators than for low-power negotiators. For example, Hecht and LaFrance (1998) found a strong association between positive emotions (happiness) and their corresponding behavior (smiling) among participants randomly assigned as high-power position holders compared to their counterparts assigned as low-power parties. Allred *et al.* (1997) also reported that emotional regards (anger and compassion) played a more important role in understanding the viewpoints of the employer (high status) than those of the employee (low status). Galinsky *et al.* (2003) indicate that those with power feel less constrained by their social environment

and are more likely to act on their desires, suggesting that they may also be more likely to express emotion when they feel it. Moreover, high-power individuals tend to believe that they have greater control over the situation, which allows them to express their emotions more freely than their low-power counterparts. Thus, we hypothesize the following relationship:

- H1.* Negotiator power moderates the relationship between negotiator emotion and behavior in such a way that the relationship between negotiator emotion and behavior will be stronger for high-power negotiators than for low-power negotiators.

Differential effects of self-emotion on confrontational versus conciliatory behavior of high- and low-power negotiators

We also expect that emotional experiences predict the different negotiation behavior of high- and low-power negotiators. Specifically, self-emotion of high-power negotiators is more predictive of confrontational behaviors such as dominating or competitive behavior because power tends to be related to strong “action tendencies”. The powerful, dominating party may pursue whatever behavioral options that serve their own comfort and advance their own concerns even if they are confrontational in nature (Keltner *et al.*, 2003). Tiedens *et al.* (2000) found that high-power individuals are driven more by confrontational emotions (e.g. anger) than by conciliatory emotions (e.g. shame or sadness). Van Kleef and Côté (2007) echoed the pattern that powerful parties retaliate to anger more readily than reconcile with such confrontational emotions. These patterns suggest that high-power negotiators’ dominating behavior is more strongly associated with their felt emotion than are other behaviors because these negotiators are willing and prone to act on the emotions that promote dominating behavior.

In contrast, low-power negotiators would feel more comfortable in acting on their emotions in a conciliatory manner (yielding). Low-power negotiators tend to restrain their true attitudes and feelings particularly when they are negative toward their high-power counterparts (Keltner *et al.*, 2008). Expressing or acting on emotions in a confrontational manner might be against social norms or expectations for low-status members because compliance and obedience are regarded as an appropriate mode of behavior for them (Asch, 1951; Milgram, 1963). Therefore, the natural effects of their emotional states on competitive negotiation behavior (dominating) will be repressed, whereas they would feel comfortable in expressing their emotions in a deferential manner (Brown and Levinson, 1987). We thus expect that the association between emotion and dominating behavior is weaker than that between emotion and yielding behavior for low-power individuals and vice versa for high-power negotiators.

- H2a.* A high-power negotiator’s emotion is more strongly related to a dominating behavior than other behaviors.
- H2b.* A low-power negotiator’s emotion is more strongly related to a yielding behavior than other behaviors.

Effects of counterpart emotions on negotiation behavior

In addition to their effects on one’s own behavior, negotiator emotions may also have implications for the counterparts’ behavior. High-power individuals were shown to

change the thoughts, feelings, and actions of low-power individuals, whereas less powerful individuals had little or no effect on their powerful counterparts (Anderson and Berdahl, 2002; Anderson *et al.*, 2003; Pinkley, 1995). Similarly, low-power counterparts were found to unconsciously mimic the non-verbal behaviors of those with power (Cheng and Chartrand, 2003). We expect that low-power negotiators are more likely to be affected by the emotion of their high-power counterparts than vice versa for three reasons: emotional cue sensitivity, social attention, and capacity to reward. First, low-power counterparts are more sensitive to emotional cues from high-power counterparts. For example, a high-power counterpart's anger can communicate a threat of dire consequences to a low-power negotiator, making the latter more vulnerable to the emotions of the high-power negotiator. Consistent with this expectation, research shows that low-power negotiators ask more diagnostic questions than high-power negotiators do (De Dreu and Van Kleef, 2004b).

Second, power leads people to stereotype others and to pay a kind of careless social attention characterized by cognitive laziness and shortcuts (Goodwin *et al.*, 2000; Rodriguez-Bailon *et al.*, 2000). Fiske (1993) also showed that high-power individuals are more likely to pay careless attention to low-power individuals owing to their higher cognitive load (in terms of the greater responsibility and accountability assigned to them) and because there is usually a one-to-many ratio of power holders to subordinates.

Third, the impact of low-power individuals' emotions on their high-power counterparts is limited because their capacity to offer rewards is limited. Van Kleef *et al.* (2008) showed that the difference in emotional reciprocity between high and low-power participants was due to the fact that high-power individuals are less motivated to involve themselves emotionally with their low-power counterparts. Some evidence also suggests that the low-power individuals are primarily concerned about portraying a positive impression in front of their superiors who are in control of their rewards and punishments. Copeland (1994) found that low-power individuals were extremely wary of how the power holders perceived them.

H3. A high-power negotiator's emotions have stronger effects on a low-power counterpart's behavior than vice versa.

Influence of type of emotions on negotiation outcome

When parties of unequal power negotiate, high-power negotiators want to reach agreements that distribute payoffs in their favor based on their excessive power, whereas low-power negotiators try to resist these agreements (Lawler and Yoon, 1993; Mannix, 1993). High-power negotiators, by definition, have greater control over the distribution of outcomes and, hence, can achieve more by using their power. We expect that high-power negotiators gain greater distributive outcomes when they feel confrontational emotions such as anger or pride, which would encourage them to adopt competitive strategies and forcefully impose their personal interest during the negotiation (Butt and Choi, 2006). On the other hand, conciliatory emotions of low-power negotiators, such as gratitude or shame, will further increase their tendency toward behavior inhibition (Keltner *et al.*, 2003) and strengthen their passive compliance and deference to their high-power negotiators' position (Butt and Choi, 2006), eventually decreasing their distributive outcomes.

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- H4a.* The confrontational emotions (pride, anger) of high-power negotiators increase their distributive outcome.
- H4b.* The conciliatory emotions (gratitude, shame) of low-power negotiators decrease their distributive outcome.

Method

Study participants

We collected data at a private university in Pakistan from a sample of 322 participants who were either MBA students ($n = 108$) or attendees of executive education programs ($n = 214$). A total of 17 percent of the sample was female ($n = 56$), with a mean age of 32.8 years ($SD = 8.70$) ranging between 21 and 63. On the average, the participants received 16.1 years ($SD = 1.17$) of education and had 8.8 years of work experience ($SD = 7.87$). A randomized block design was used in which participants were divided into gender-based blocks because the counterpart's gender was found to influence negotiation behavior in various situations (Rubin and Brown, 1975; Thompson, 2000). Participants in each gender-based block were randomly assigned to dyads, and were randomly given one of two roles, human resource (HR) manager or job candidate. In the present negotiation simulation that involved negotiating the terms of an employment contract between the HR manager and the job candidate, the manager is considered to have power over the job candidate because the manager controlled the rewards or allocated the scarce resources that the job candidate desired.

Data collection procedure

A negotiation simulation was developed for this study based on the procedures used by Allred *et al.* (1997). Participants completed two negotiation sessions. In the first session (Task 1), they negotiated the vacation time provided by the company and agreed on one of the five options. The objective in Task 1 was for each person in the dyad to obtain at least 40 points, which could be achieved by agreeing on only one of the five options. Following Task 1, participants received a written feedback about their performance. The feedback was designed to elicit one of the four experimental conditions: success due to self, success due to counterpart, failure due to self, and failure due to counterpart. In all four performance feedback conditions, the importance of the success or the failure and the personal responsibility of the self or the other person were emphasized in order to elicit corresponding emotional reactions among the participants (see Appendix). Performance feedback for Task 1 was randomly assigned to the participants, ensuring that in every 16 dyads the four types of job candidate feedbacks were completely crossed with the four types of HR manager feedbacks. Immediately after receiving the performance feedback for Task 1, participants were asked to complete Questionnaire 1, which asked them to rate their current emotions[2].

Task 2 comprized four issues:

- (1) salary;
- (2) insurance company;
- (3) company transportation; and
- (4) start date of employment.

Each issue had five options. Start date of employment was a congruent issue as the increase in point values was equal and in the same direction for both negotiators. Salary was a purely distributive issue as the point values were equal and in opposite directions for the two negotiators. Insurance company and company transportation together presented the integrative issues. Participants could optimize their points by learning about the interests of the other negotiator and exchanging information on priorities. Participants were given 40 minutes to complete Task 2. After Task 2 was completed, participants filled out Questionnaire 2, which measured negotiation behavior during the task.

Measures

Multi-item scales with acceptable internal consistency coefficients were used to measure the variables. Participants rated all items on five-point Likert-type scales ranging from strongly disagree and strongly agree.

Negotiator emotion (questionnaire 1). To measure the four emotions experienced by the participants, we used 23 items, all of which were taken from prior studies (Roseman *et al.*, 1990; Scherer, 1997). All four emotion scales showed high reliabilities:

- (1) pride (six items; “proud,” “confident,” “self-admiration,” “feel competent,” “pleased,” and “satisfied,” $\alpha = 0.92$);
- (2) anger (six items; “upset,” “frustrated,” “hostile,” “angry,” “furious,” and “outraged,” $\alpha = 0.91$);
- (3) gratitude (six items; “thankful,” “obliged,” “appreciative,” “happy,” “liking,” and “grateful,” $\alpha = 0.94$); and
- (4) shame (five items; “angry with self,” “guilty,” “embarrassed,” “regretful,” and “ashamed,” $\alpha = 0.87$).

The factor structure of these 23 items was examined by an exploratory factor analysis using principal component extraction with Varimax rotation. The factor analysis produced four factors with high factor loadings on the corresponding factors (all greater than 0.61) and low cross-loadings (all less than 0.27), clearly supporting the hypothesized factor structure.

Negotiation behavior (questionnaire 2). The four types of negotiation behaviors were measured using scales adapted from Rahim (1983) and De Dreu and Van Vianen (2001). Dominating behavior was measured by a four-item scale ($\alpha = 0.70$;, e.g. “I put pressure on my counterpart to accept my demands”). The integrating behavior scale consisted of four items ($\alpha = 0.80$;, e.g. “I cooperated with my counterpart to better understand each other’s views and positions”). Compromising behavior was assessed using three items ($\alpha = 0.83$;, e.g. “I tried to find a middle ground for resolving the conflict”). Finally, the yielding behavior scale included three items ($\alpha = 0.72$;, e.g. “I let the other side win at my expense”). The factor analysis generated four factors that confirm the hypothesized factor structure, with high factor loadings on the corresponding factors (all greater than 0.64) and low cross-loadings (all less than 0.36).

Distributive outcome. Negotiations in Task 2 resulted in four employment decisions: salary, transportation, insurance benefits, and starting date. Of these four issues, starting date was a congruent issue and did not have any effect on outcome differentiation between the two negotiators. Therefore, distributive outcomes were

determined by calculating the sum of each negotiator's points for the remaining three issues of the employment contract.

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Results

Table I presents the means, standard deviations, and inter-scale correlations for both job candidates and managers. For the job candidate data, "self" refers to the job candidate and "counterpart" refers to the manager within the same negotiation dyad. In contrast, for managers, "self" refers to the manager and "counterpart" refers to the job candidate within the same dyad.

The present hypotheses were tested by conducting the following analyses. First, as shown in Tables II and III, we performed a series of regression analyses that predicted the four negotiator behaviors and the distributive outcome. These regression analyses were conducted separately for the two groups in order to compare the distinct roles of self and counterpart emotions in predicting negotiator behavior and outcomes for job candidates and managers. Second, we performed hierarchical linear modeling (HLM) analyses (Bryk and Raudenbush, 1992) to statistically test the significance of the differences in effect sizes (regression coefficients) associated with the regression coefficients for job candidates and for managers[3].

The two separate regression equations and the HLM analyses offered similar patterns of results. However, in the case of HLM analyses, the coefficients and significance levels associated with job candidates and managers were not separable because these two role subgroups were analyzed in a single equation, thus making it difficult to compute distinct effects sizes for the two subgroups while controlling for the other effects. For this reason, we used the results from the HLM analyses only for the purpose of identifying significant effect-size differences between high- and low-power negotiators. In reporting our results, therefore, we used the results from two separate regression equations for job candidates and managers. Nevertheless, the statistically significant differences between job candidates and managers as revealed by the HLM analyses are indicated in Tables II and III using italics. We adopted this two-step analysis strategy in order to clearly show how job candidates and managers were influenced by their self-emotions and counterpart emotions, as well as to present the results of statistical comparisons between the two subgroups (The full set of HLM results are available from the authors upon request).

Effects of self-emotions on the behavior of high- and low-power negotiators

H1 states that the association between self-emotion and negotiation behavior will be stronger for high-power negotiators than for low-power negotiators. Table II reports the effects of four self-emotions on four negotiation behaviors for job candidates and managers. We compared the results for the two negotiator roles and concluded that the overall pattern of results supports *H1* for the following reasons. First, with respect to the simple comparison of significant regression coefficients, there were a greater number of significant relations observed for high-power negotiators than for low-power negotiators (five and eight significant coefficients out of sixteen coefficients, respectively). Interestingly, self-gratitude has quite different effects on the behavior of high- versus low-power negotiators. Specifically, self-gratitude increased the yielding of low-power negotiators ($\beta = 0.27$, $p < 0.01$), but increased all four negotiation

Table I.
Means, standard deviations, and inter-scale correlations

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Self-pride	2.46 (2.42)	0.77 (0.81)	-	0.38	-0.44	-0.32	0.06	0.05	0.23	0.06	-0.04	-0.03	0.07	-0.01	0.05
2. Self-gratitude	2.23 (2.44)	0.94 (0.91)	0.28	-	-0.17	-0.24	0.02	0.08	-0.01	0.03	0.07	0.21	0.21	0.09	0.08
3. Self-shame	1.71 (1.69)	0.76 (0.78)	-0.31	-0.09	-	0.38	0.00	0.07	-0.21	-0.04	0.23	-0.10	-0.09	0.03	0.00
4. Self-anger	2.07 (1.79)	1.07 (0.82)	-0.30	-0.41	0.40	-	0.04	0.03	-0.11	0.07	0.36	-0.11	-0.14	0.22	0.03
5. Counterpart pride	2.42 (2.46)	0.81 (0.77)	0.06	0.05	0.23	0.06	-	0.28	-0.31	-0.30	0.08	-0.05	-0.01	0.05	-0.03
6. Counterpart gratitude	2.44 (2.23)	0.91 (0.94)	0.02	0.08	-0.01	0.03	0.38	-	-0.09	-0.41	-0.15	0.05	0.03	-0.10	0.28
7. Counterpart shame	1.69 (1.71)	0.78 (0.76)	0.00	0.07	-0.21	-0.04	-0.44	-0.17	-	0.40	-0.06	0.03	0.01	-0.17	0.10
8. Counterpart anger	1.79 (2.07)	0.82 (1.07)	0.04	0.03	-0.11	0.07	-0.32	-0.24	0.38	-	0.03	-0.01	0.05	0.06	-0.07
9. Dominating behavior	2.49 (2.27)	0.79 (0.74)	0.02	-0.19	0.10	0.27	0.02	0.00	0.00	0.07	-	-0.13	-0.06	0.16	-0.02
10. Integrating behavior	3.89 (3.90)	0.79 (0.78)	0.06	0.08	-0.12	0.04	-0.08	0.13	-0.02	-0.02	-0.30	-	0.43	-0.06	0.03
11. Compromising behavior	3.73 (3.82)	0.84 (0.83)	-0.06	-0.05	-0.09	0.05	-0.15	0.11	0.01	0.11	-0.09	0.55	-	-0.03	0.24
12. Yielding behavior	2.25 (2.30)	0.78 (0.78)	0.02	0.19	0.20	0.13	0.13	0.08	0.05	0.06	0.00	0.05	0.17	-	-0.26
13. Distributive outcome	94.13 (80.30)	13.12 (14.90)	-0.10	-0.25	-0.03	0.08	-0.04	-0.01	0.03	0.01	0.20	0.01	-0.09	-0.24	-

Notes: $r > 0.16, p < 0.05$; $r > 21, p < 0.01$; $r > 27, p < 0.001$. The means and standard deviations for the job candidate data ($n = 161$) are presented outside parentheses; those for the manager data ($n = 161$) are in parentheses. Correlation coefficients for the job candidate data are presented in the lower diagonal; those for the manager data appear in the upper diagonal

Dependent variable	Low-power negotiator (job candidate)			High-power negotiator (HR manager)				
	Dominate	Integrate	Compromise	Yield	Dominate	Integrate	Compromise	Yield
Self-pride	0.13	0.02	-0.08	0.04	0.09	-0.20*	-0.06	0.00
Self-gratitude	-0.12	0.12	-0.01	0.27**	0.15*	0.25**	0.20*	0.15*
Self-shame	0.03	-0.16*	-0.15	0.16*	0.16*	-0.12	-0.05	-0.05
Self-anger	0.24**	0.16	0.09	0.19*	0.37***	-0.06	-0.09	0.27**
R ²	0.09**	0.04	0.02	0.11**	0.19***	0.08*	0.06*	0.07*
Counterpart pride	0.05	-0.18*	-0.23*	0.18*	0.12	-0.07	-0.02	0.04
Counterpart gratitude	0.00	0.18*	0.21*	0.06	-0.18*	0.06	0.07	-0.08
Counterpart shame	-0.01	-0.06	-0.11	0.10	-0.04	0.02	-0.02	-0.22*
Counterpart anger	0.09	-0.01	0.12	0.10	0.01	-0.02	0.08	0.13
R ²	0.01	0.04	0.07*	0.04	0.04	0.01	0.01	0.05

Notes: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$. Entries are standardized regression coefficients. Based on HLM analyses, regression coefficients that are significantly different between job candidates and managers are indicated in italics

Table II.
Regression equations predicting negotiation behavior of job candidates and managers

Table III.
Regression equations
predicting negotiation
outcomes of job
candidates and managers

Dependent variable	Distributive outcome	
	Low-power negotiator (job candidate)	High-power negotiator (HR manager)
Self-pride	-0.05	0.01
Self-gratitude	<i>-0.25</i> **	<i>0.07</i>
Self-shame	-0.05	0.00
Self-anger	-0.02	0.07
Counterpart pride	0.01	-0.09
Counterpart gratitude	<i>0.01</i>	<i>0.29</i> **
Counterpart shame	0.04	0.12
Counterpart anger	-0.01	-0.03
R ²	0.07	0.11 *

Notes: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$. Entries are standardized regression coefficients. Based on HLM analyses, regression coefficients that are significantly different between job candidates and managers are indicated in italics

behaviors, namely, dominating, integrating, compromising, and yielding, of high-power negotiators. This contrasting effects of self-gratitude suggest that:

- low-power negotiators use conciliatory emotion in the expected conciliatory manner (thus, more yielding behavior); and
- high-power negotiators use their emotions in a more flexible manner, generating diverse behavioral reactions to an emotion.

This finding also indicates the significance of gratitude as a core emotion in the negotiation setting, which has been previously ignored in the negotiation literature.

Second, regression coefficients in italics in Table II indicate that the difference between high- and low-power negotiators was statistically significant for the particular path. For example, the link between self-pride and integrating behavior produced different regression coefficients for job candidates and managers ($\beta = 0.02$, ns. and $\beta = -0.20$, $p < 0.05$, respectively), comprising a statistically significant difference according to a follow-up HLM analysis ($p < 0.01$). As shown in Table II, in all four cases of significant differences in the effects of self-emotions for the two subgroups, high-power negotiators always exhibited relatively greater effect sizes as compared to those of low-power negotiators.

Finally, when we compared the R^2 of the equations, the average variance of the four negotiation behaviors explained by the four self-emotions was greater for high-power negotiators than for low-power negotiators (10.0 percent and 6.5 percent, respectively). All in all, these patterns support our expectation that the association between self-emotion and negotiation behavior is stronger for high-power negotiators; thus, high-power negotiators' behaviors are more likely to be influenced by their pre-negotiation emotion.

Effects of self-emotions on the different types of behaviors of high- and low-power negotiators

According to *H2a* and *H2b*, high-power negotiators' emotion is more likely to predict dominating behavior than other negotiation behaviors, whereas low-power negotiators' emotion is apt to explain conciliatory behaviors, such as yielding. In the case of

high-power negotiators (HR managers), dominating behavior exhibited the greatest amount of variance explained by the four self-emotions ($R^2 = 0.19, p < 0.001$). For this group of high-power negotiators, dominating behavior was significantly predicted by three of the four self-emotions: gratitude ($\beta = 0.15, p < 0.05$), shame ($\beta = 0.16, p < 0.05$), and anger ($\beta = 0.37, p < 0.001$). These patterns support *H2a*, which posits that various types of high-power negotiators' self-emotions are more predictive of a confrontational behavior (dominating) than the other negotiation behaviors.

In contrast, in the case of job candidates, of the four behaviors examined, self-emotions together explained the greatest variance of their yielding behavior ($R^2 = 0.11, p < 0.01$), which was significantly predicted by their own gratitude ($\beta = 0.27, p < 0.01$), shame ($\beta = 0.16, p < 0.05$), and anger ($\beta = 0.19, p < 0.05$). Thus, for low-power negotiators, self-emotions were stronger predictors of a conciliatory behavior (yielding) than the other behaviors (*H2b* confirmed).

Effects of counterpart emotions on the behavior of high- and low-power negotiators

H3 proposes that low-power negotiators are more sensitive and responsive to their high-power counterparts, and thus low-power negotiators' behavior will be more strongly associated with their counterparts' emotions. The results shown in the bottom half of Table II provide mixed support for *H3*. First, in the simple comparison of significant regression coefficients, five of the 16 relationships between counterpart emotions and negotiation behaviors were statistically significant for low-power negotiators, whereas only two were significant for high-power negotiators. Second, when R^2 was compared, the variance of negotiation behavior explained by counterpart emotions was slightly greater for low-power negotiators than for high-power negotiators (4 percent and 2.75 percent, respectively). Although the evidence seems relatively weak, these patterns are consistent with *H3*: low-power negotiators appeared to be more sensitive and reactive to their counterparts' emotions.

However, when we compared the three regression coefficient pairs that were significantly different between high- and low-power negotiators (indicated in italics), the effect size was greater for high-power negotiators in two of the three cases:

- (1) the relation between counterpart gratitude and dominating; and
- (2) the relation between counterpart shame and yielding.

This pattern suggests the possibility that in the case of the counterparts' conciliatory emotions (e.g. gratitude, shame), high-power negotiators are more keen in sensing and reacting to them. Overall, the relationships between counterparts' emotions and focal negotiators' behavior are more complicated than we expected.

Effects of emotions on distributive outcome

In *H4a* and *H4b*, we proposed that high-power negotiators' confrontational emotions increase their own distributive outcome, whereas low-power negotiators' conciliatory emotions decrease their distributive outcome. Table III reports that neither confrontational nor conciliatory emotions of high-power negotiators had any significant effects on their distributive outcome. Instead, their outcome increased when their low-power counterparts felt gratitude ($\beta = 0.29, p < 0.01$). Consistent with this pattern, low-power negotiators' outcome reduced significantly when they felt gratitude ($\beta = -0.25, p < 0.01$). Therefore, the present data supported only *H4b*.

Discussion

The primary research question addressed in this study was if negotiators' power status changes the strengths and the nature of the effects of negotiator emotions and counterpart emotions on negotiation process and outcome. Given that numerous negotiations take place in unequal power situations, it is critical to understand how power status adds flavor to the roles played by emotion in negotiation settings. Expanding on prior studies that examined the interplay between power and emotion in order to understand human behavior (Friedman *et al.*, 2004; Van Kleef *et al.*, 2004a, 2006; Van Kleef and Côté, 2007), and where the typical focus was on negotiators' self-emotion, we theorized the differential implications of counterpart emotion for high-versus low-power negotiators. The results based on a negotiation simulation involving 161 pairs of MBA and executive education students supported most of the hypotheses advanced in this paper. Specifically, high-power negotiators' behavior was more strongly predicted by their pre-negotiation emotion than was low-power negotiators' behavior. High- and low-power negotiators' emotions were also most strongly related to their dominating and yielding behavior, respectively. Finally, low-power negotiators were more likely to be affected by their high-power counterparts' emotions than vice versa. Below we highlight some of the intriguing findings of the study and discuss their theoretical and practical implications, as well as the study's limitations.

Our results showed greater associations between self-emotion and behavior among high-power negotiators relative to low-power negotiators. High-power negotiators' aggressive, dominating behavior was most strongly related to their emotional states, whereas low-power negotiators' more submissive, yielding behavior was most strongly affected by their pre-negotiation emotion. These findings clearly indicate that power holders tend to resort to proactive strategies than to passive ones because they feel a greater sense of responsibility for achieving organizational goals (Overberk and Park, 2001), as well as a greater sense of control of the situation, owing perhaps to their legitimate or reward power (French and Raven, 1959). For this reason, high-power negotiators tend to exert their power using power-enhancing or distributive tactics when the opportunity is available. In this context, emotions may be a good excuse to enhance or demonstrate power.

On the other hand, low-power negotiators used yielding tactics more often because they were not in a position to exert dominating influence over their counterparts. A recent study by Van Kleef and Côté (2007) showed that high-power individuals, besides conceding less in general, were found to be particularly stubborn and unyielding when they considered their counterparts' confrontational emotions inappropriate and unacceptable. Assuming that low-power negotiators are aware of their high-power counterparts' intransigent attitude toward an unacceptable display of confrontational emotions, we can expect that low-power negotiators may resort to conciliatory emotions in dealing with high-power counterparts.

Our analysis also indicated that low-power negotiators tend to be more strongly affected by their counterparts' emotions. Apparently, high-power negotiators are insulated from the social influence of their counterparts, whereas low-power negotiators are sensitive and responsive to their counterparts. The relative insulation of high-power negotiators may be caused by their relatively low level of awareness of (or interest in) the actions of low-power individuals (Fiske, 1993; Goodwin *et al.*, 2000). In contrast, low-power individuals generally have few or poor alternatives

and their payoffs are vulnerable to the whim or personal decisions made by those with legitimate power (Friedman *et al.*, 2004; Sinaceur and Tiedens, 2006). For example, Van Kleef *et al.* (2004b) examined the moderating effect of outcome dependency (a proxy of power) in modifying negotiators' reactions to their counterparts' expressions of anger and happiness. They found that anger (instead of happiness) elicited greater yielding and conceding behaviors from the counterparts, but elicited the same result only in negotiators who were dependent on their opponent for their outcomes. Negotiators under a low-outcome dependency (high-power negotiators) were either not receptive of (or unyielding to) their counterparts' emotions. These findings and our results indicate that high- and low-power individuals have different perceptions and motivation toward each other that affect the significance of emotions as social cues for each other.

The present analysis shows that a specific emotion plays different (often opposite) roles depending on the negotiator's power. For example, self-gratitude was a significant predictor of yielding behavior for low-power negotiators, but the same emotion increased the other three negotiation behaviors (dominating, integrating, and compromising) for high-power negotiators. Perhaps because of this contrasting effect, self-gratitude significantly decreased low-power negotiators' distributive outcome, but increased that of high-power negotiators. Moreover, a pre-negotiation feeling of shame increased low-power negotiators' yielding, but increased the dominating behavior of high-power negotiators. Finally, low-power negotiators were more responsive to their counterparts' pride than the other emotions, whereas high-power negotiators were more responsive to their counterparts' conciliatory emotions, such as gratitude and shame. These patterns clearly demonstrate the critical role of power in shaping the functional significance or meaning of each emotion in the context of unequal-power interpersonal exchanges (Friedman *et al.*, 2004; Van Kleef *et al.*, 2006).

In contrast, although pre-negotiation anger was strongly related to a dominating behavior, it also promoted yielding behavior for both high- and low-power negotiators. Anger is a very strong emotion and, apparently, it develops two functionally antagonistic reactions among negotiators regardless of their power. Nevertheless, prior studies have shown that anger typically leads to dominating, but not yielding (Tiedens, 2001), thus presenting a room for theoretical speculation regarding the present counterintuitive finding. In the present negotiation simulation, anger was experimentally manipulated by providing feedback that the focal negotiator performed poorly because of the counterpart's negotiation strategy. This message could generate the impression that, after all, the counterpart was a superior negotiator and he/she was entitled to (or supposed to) win again. This sense-making of the situation could generate a self-handicapping mindset in the negotiators and urge them not to assert their position. Thus, in the present setting, anger could have been confounded with a decreased sense of self-efficacy, which might have kept the negotiator from actively engaging in the negotiation process. Low self-efficacy and subsequent withdrawal from the negotiation may urge the negotiator to just give up and passively accept the counterpart's offers, thus increasing yielding behavior. Nevertheless, the finding that self-anger can increase both dominating and yielding behaviors presents a need for the identification of potential moderators of the relationship as well as further empirical validation.

The present results offer some practical guidelines for practicing negotiators in the strategic planning of their behaviors and negotiation tactics. For example, as shown by

the results, high-power negotiators could increase their counterpart's compromising behavior and increase distributive outcome by showing gratitude toward their counterparts. Similarly, low-power negotiators could decrease their high-power counterpart's dominating behavior by showing gratitude. Therefore, both parties could use and control their emotions in order to elicit desirable behaviors during a negotiation. One way to achieve this aim would be to manage the events preceding the negotiation, because cognitive appraisals of these events lead to the arousal of emotions, which ultimately result in certain behaviors (Kelley and Thibaut, 1978; Roseman *et al.*, 1990).

Despite these intriguing implications, the present findings should be interpreted in consideration of the following limitations. First, the observed patterns may not be fully generalizable to real-life negotiation situations because the present empirical patterns were based on written role information and performance feedback in a negotiation simulation. Second, although the present participants were well-educated and had attended English medium schools where the curriculum and pedagogy are very similar to schools in Western countries, the findings could still be culturally biased owing to the Pakistani participants' social values and interpersonal behavioral patterns, which are different from people in other cultures (Hofstede, 1991). Particularly, the present hypotheses regarding the role of power might more likely be observed in Asian countries that are often characterized by high collectivism and high power distance. Nevertheless, considering that most prior studies have been conducted using Western samples, the present study based on an Asian sample offers a distinct empirical contribution to the literature on power and emotion. Finally, in the present negotiation simulation, the random allocation of roles, namely, job candidate and HR manager, might not accurately translate into different levels of power as intended. However, participants did assume that the managers had more power because of the general belief that there were more applicants than job positions, which was very true at the time and location the research was carried out. Nevertheless, considering these study limitations, it would be useful to replicate the present findings in real-life negotiation situations with participants at different power levels in varying societal cultures.

In conclusion, the present study offers important theoretical and practical contributions to the negotiation literature. It highlights the importance of broadening the spectrum of emotions by considering both value and agency associated with the emotion. When we solely focus on the valence of emotion, we may lose the rich possibility that emotions with the same valence can exhibit different functions depending on the action tendencies generated by the negotiators' agency attribution (Butt *et al.*, 2005). For example, although both pride and gratitude are positive emotions, they have very different implications for negotiation behavior. By incorporating the moderating role of power, this study reveals that the relationships between emotion and negotiation behavior are not simple and straightforward, thus further expanding existing studies of power and emotion (Friedman *et al.*, 2004; Van Kleef *et al.*, 2006; Van Kleef and Côté, 2007). As shown in this study, the relationships may take different (often completely opposite) forms depending on the power or status of the negotiator. Future research may further identify additional moderators of the emotion-behavior link in negotiation and other interpersonal settings, such as teamwork. In fact, most of the present findings were in accordance with the principle of socially acceptable behavioral norms, which suggested that low-power individuals are

socially expected to show respect toward their superiors, whereas high-power individuals are not constrained by such social pressure (Brown and Levinson, 1987; Keltner *et al.*, 2003). This leads to an intriguing question as to how much of the relationship between emotion and behavior could be explained by such socio-normative factors. Thus, an impending area of future research is to explore the distinct effects of social norms versus emotional states on individual behavior in the negotiation and other interpersonal exchanges.

Notes

1. Yielding behavior refers to behaviors where negotiators sacrifice their own interests and concerns to enable counterparts to achieve their objectives, whereas dominating behavior places self-interests over those of counterparts through the use of distributive tactics such as threats and persuasive arguments. Compromising behavior refers to behaviors where the objective is to find a middle ground, such that both parties are equally but only partially satisfied. Integrating behavior focuses on seeking an integrative solution that involves a problem-solving orientation and is achieved with open and correct information exchange and mutual respect for each other's interests and objectives.
2. The analysis of participants' responses in Questionnaire 1 clearly revealed that the performance feedback for Task 1 was successful in inducing the target emotion as intended. One-way ANOVA results showed that participants experienced different emotions under the four feedback conditions (all $p < 0.001$). Subsequent *post hoc* t-tests further confirmed that participants reported a greater level of pride than other emotions in the condition of self-caused success (all $p < 0.01$). Similarly, other emotions, including gratitude, shame, and anger, were highest under the conditions of other-caused success, self-caused failure, and other-caused failure (all $p < 0.05$). This manipulation check procedure indicates that participants in our simulation experienced various emotions corresponding to the four feedback conditions before they engaged in the Task 2 negotiation.
3. In our HLM analyses, Level 1 represented the negotiator level, including both job candidates and managers, and Level 2 represented the dyad level. In the present analysis, Level 2 was included in order to take into account the interdependence of the two negotiators within the same negotiation dyad. Likewise, no predictors were entered in Level 2. At Level 1 (negotiator level), using the entire sample, including both job candidates and managers, we tested the main effects of emotion variables on negotiation behavior and outcome, as well as their interaction with the negotiator role (0 = job candidate, 1 = manager). Significant interaction between an emotion variable and the negotiator role indicated that the effect size of this particular emotion were significantly different for the job candidate and the HR manager. For instance, in the following negotiator level (Level 1) equation, we tested the effect of SelfAnger on his/her dominating behavior. In this equation, a significant interaction between negotiator role and SelfAnger (β_{3j}) indicates that the effect of SelfAnger (β_{3j}) indicates that the effect of SelfAnger in predicting the negotiator's dominating behavior is significantly different for job candidates and managers. $Y_{ij}[\text{Dominating}] = \beta_{0j} + \beta_{1j}\text{Role} + \beta_{2j}\text{SelfAnger} + \beta_{3j}\text{Role} \times \text{SelfAnger} + r_{ij}$

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Appendix. Four types of feedback for Task 1 performance

Scenario I. Success due to self

An analysis of the "vacation time" issue (the number of months of vacation time and the time of the year allowed by the company, Sunbeam Corporation) reveals that the final settlement between you and the human resource manager of Sunbeam Corporation was in your favor. Your settlement is better than the industry norms and even Sunbeam Corporation's own company policies. Your favorable settlement is due to your own ability to negotiate and the effort you put into the negotiation process, and you are solely responsible for your success in this negotiation.

Scenario II. Success due to the other

An analysis of the “vacation time” issue (the number of months of vacation time and the time of the year allowed by the company, Sunbeam Corporation) reveals that the final settlement between you and the human resource manager of Sunbeam Corporation was in your favor. Your settlement is better than the industry norms and even Sunbeam Corporation’s own company policies. You owe this favorable settlement to the personal goodwill of the human resource manager who acted in your favor in good faith during the negotiation process.

Scenario III. Failure due to self

An analysis of the “vacation time” issue (the number of months of vacation in a year and the time of the year allowed by the company, Sunbeam Corporation) reveals that you should have settled on “6 Weeks in Summer” based on the industry norms and Sunbeam Corporation’s company policies. The final settlement between you and the human resource manager of the Sunbeam Corporation was highly detrimental to your interests. Your unfavorable settlement in this negotiation is due to your lack of ability and effort, and you are solely to blame for your failure in this negotiation.

Scenario IV. Failure due to the other

An analysis of the “vacation time” issue (the number of months of vacation in a year and the time of the year allowed by the company, Sunbeam Corporation) reveals that you should have settled on “6 Weeks in Summer” based on the industry norms and even Sunbeam Corporation’s company policies. The final settlement between you and the human resource manager of Sunbeam Corporation was highly detrimental to your interests. You failed in the negotiation because of the negative attitude and the undesirable tactics employed by your counterpart. Your counterpart is solely responsible for your failure in this negotiation.

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