

Regulatory Focus and Strategic Concerns in Negotiation Preparation

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Abstract

Promotion negotiators achieve better outcomes than prevention negotiators (Galinsky *et al.*, 2005). What are the different pre-negotiation strategic concerns of promotion and prevention negotiators that cause this difference?

In three separate studies, we found evidence that chronic high promotion pride negotiators and chronic high prevention pride negotiators approach negotiations with different strategic concerns. Following regulatory focus theory (Higgins, 1997) we expected and found that promotion negotiators see the negotiation in terms of attaining gains; we expected but did not find that prevention negotiators see the negotiation in terms of avoiding losses. These different strategic orientations to negotiation may underlie promotion-focused negotiators' more demanding reference prices (Appelt *et al.*, 2007) and superior outcomes (Galinsky *et al.*, 2005).

Theoretical Background

Regulatory focus theory distinguishes between two separate self-regulatory orientations: promotion and prevention (Higgins, 1997).

- Promotion pride is associated with a desire to attain hits, an emphasis on advancement and an eager strategy.
- Prevention pride is associated with a desire to avoid false alarms, an emphasis on protection and a vigilant strategy.

Galinsky *et al.* (2005) found that promotion negotiators outperform prevention negotiators because they utilize more demanding reference prices and open with more demanding offers. We investigated negotiators' strategic approaches to negotiation to determine the origin of these differences in demandingness.

People approach goals using their chronic strategic orientations. Promotion people approach matches to desired end-states while prevention people avoid mis-matches to desired end-states (Higgins *et al.*, 2001). Thus, we expected to find that:

- Promotion negotiators approach the negotiation as a chance to create value
- Prevention negotiators approach the negotiation as a chance to avoid loss.

Study Methods

Overview: In all three studies, Ps (combined $N=285$) took part in unrelated-studies paradigms.

•Upon arrival to the study, Ps completed "study 1," a series of personality measures, including the Regulatory Focus Questionnaire (Higgins *et al.*, 2001).

•Ps then began "study 2" by being randomly assigned to dyads and to buyer or seller roles within these dyads.

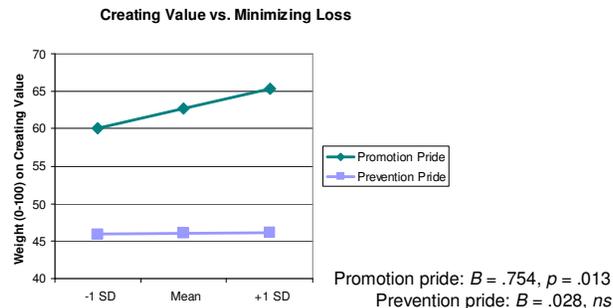
•Ps were instructed in the details of the negotiation procedure and given revised case materials (Studies 1&2: Synertech-Dosagen, Study 3: Bullard Houses) to read. Ps were given 15 minutes to complete a questionnaire assessing pre-negotiation strategic behavior.

•For Study 1, this concluded the study – no negotiation took place. For Studies 2&3, Ps were given 15 minutes to negotiate an agreement or impasse. Studies 2&3 ended with the completion of a post-negotiation questionnaire.

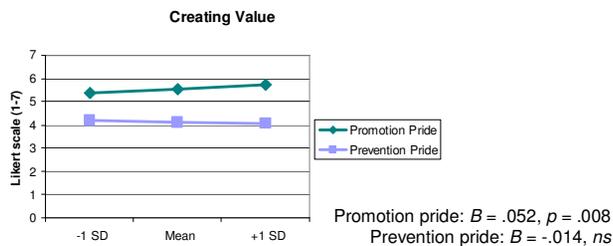
Study Results

In each study's pre-negotiation questionnaire, we had three DVs to test our hypotheses:

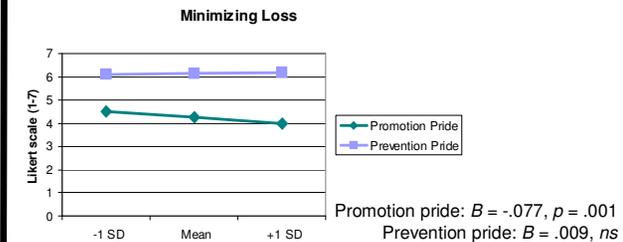
- A division of 100 points between viewing the negotiation as a chance to create value versus minimize loss:



- A rating of the extent to which the negotiation was viewed as a chance to create value:



- A rating of the extent to which the negotiation was viewed as a chance to minimize loss:



Discussion

We have shown that promotion and prevention negotiators approach negotiation differently. **In three measures across three studies, as promotion pride increased, negotiators were more likely to see a chance to create value and less likely to see a chance to minimize loss.** Although prevention pride was not a significant predictor, prevention negotiators were consistently less likely to see a chance to create value and more likely to see a chance to minimize loss than promotion negotiators. These differences in strategic concerns may underlie previous findings, namely that promotion negotiators use more demanding reference prices (Appelt *et al.*, 2007) and, therefore, achieve superior negotiation outcomes (Galinsky *et al.*, 2005). The current findings are further evidence that regulatory focus is a key variable in understanding negotiation processes and outcomes.

References

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