

When the Role Fits: Regulatory Fit in Negotiation

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Abstract

Building upon earlier research on regulatory fit in negotiation preparation, we investigated focus-role fit in a real price negotiation. Focus-role fit is created by a match between negotiator role and regulatory focus. In price negotiations, buyers and prevention focus share a preference for a vigilant strategy, and sellers and promotion focus share a preference for an eager strategy (Appelt et al., in press). **In the current study, prevention buyers (fit) and promotion sellers (fit) make more demanding opening offers than promotion buyers (non-fit) and prevention sellers (non-fit). Dyads with both negotiators in fit are more likely to impasse than other dyads.**

Theoretical Background

Why are some people better negotiators than others? Focus-role fit may offer one explanation. Regulatory fit theory (Higgins, 2000) asserts that a match between goal orientation and goal pursuit strategy creates a subjective experience of fit and increases engagement, which intensifies responses. In negotiation, regulatory fit results from a match between negotiator role and regulatory focus.

•Negotiator Role

- Buyers frame price negotiations in terms of non-losses and losses and thus seek to minimize monetary losses, a goal best met by a vigilant strategy.
- Sellers frame price negotiations in terms of gains and non-gains and thus seek to maximize monetary gains, a goal best met by an eager strategy.

•Regulatory Focus (Higgins, 1997)

- A prevention focus is concerned with maintenance and prefers a vigilant strategy ensuring the absence of negative outcomes.
- A promotion focus is concerned with attainment and prefers an eager strategy ensuring the presence of positive outcomes.

Because of the strategic complementarities between negotiator role and regulatory focus, in price negotiations, **prevention buyers and promotion sellers are in focus-role fit** whereas **promotion buyers and prevention sellers are in non-fit** (Appelt et al., in press).

When preparing for a price negotiation, focus-role fit negotiators (prevention buyers and promotion sellers) experience greater subjective fit with their roles than non-fit negotiators (promotion buyers and prevention sellers). Further, fit (vs. non-fit) negotiators show intensified responses—rating more demanding prices as fair or right (Appelt et al., in press).

The current research examines the effects of focus-role fit on first offers and impasse rates in a real price negotiation.

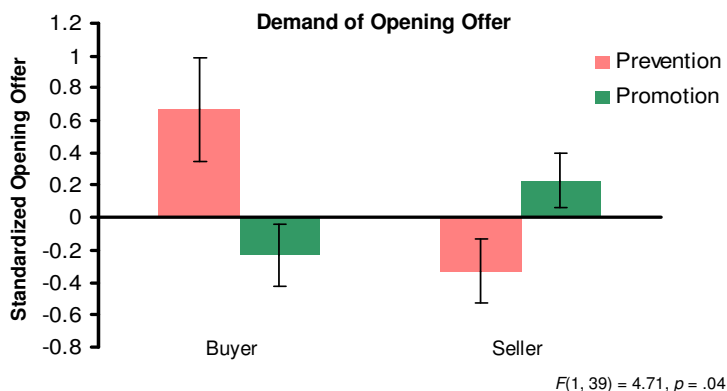
Methods

- Participants ($N = 94$) completed “study 1,” the Regulatory Focus Questionnaire (Higgins et al., 2001).
- The experimenter introduced “study 2” by randomly assigning participants to dyads and to buyer or seller roles within these dyads.
- A real negotiation (vs. a hypothetical case) was used.** The buyer was given \$5 whereas the seller was given a Columbia University notebook. Participants were informed that the negotiation was real and that their outcome (agreement or impasse) would be binding.
- After preparing, participants had 15 minutes to negotiate.

Results

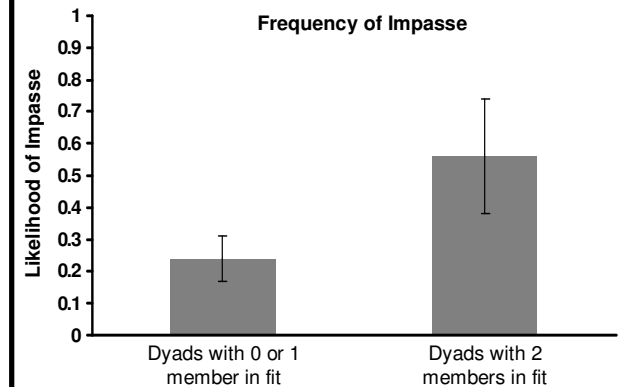
Opening offer

- Opening offers were standardized (sign reversed for buyers). For all negotiators, an increasing number represents a more demanding opening offer.
- No main effects of chronic regulatory focus (identified by a zero split on the difference score from the RFQ) or negotiator role.
- As predicted, the Regulatory Focus x Negotiator Role interaction was significant—**prevention buyers made more demanding opening offers than promotion buyers whereas promotion sellers made more demanding opening offers than prevention sellers.**



Frequency of Impasse

- We assessed the impact of dyad composition (0 for dyads with zero or one member in fit and 1 for dyads with both members in fit) on outcome type (0 for agreement and 1 for impasse) via logistic regression.
- Dyad composition predicted likelihood of impasse—**only 23.7% of dyads with 0 or 1 member in fit reached an impasse whereas 55.6% of dyads with both members in fit reached an impasse.**



Discussion

Focus-role fit affects demand, not only in negotiation preparation, but also during negotiation. Fit negotiators make more demanding opening offers. Their intensified demand also impacts impasse frequencies—dyads with both members in focus-role fit are more likely to impasse.

Because focus-role fit impacts the subjective experience of negotiators (Appelt et al., in press) and increases planned and actual demand, it may explain why some people are naturally better buyers or sellers than others. Research in persuasion suggests that people can selectively emphasize information fitting their regulatory focus (Wang & Lee, 2006). If negotiators in a multi-issue negotiation can selectively emphasize issues fitting their regulatory focus (an idea we are currently investigating), focus-role fit will be an important tool for negotiators.

References

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