Affect from the top down: How powerful individuals’ positive affect shapes negotiations

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Abstract

We tested the hypothesis that the positive affect of powerful negotiators shapes the quality of negotiation processes and outcomes more than the positive affect of less powerful negotiators. Findings from two studies supported the hypothesis: powerful individuals’ trait positive affect was the best predictor of negotiators’ trust for each other and of whether they reached integrative outcomes. Positive affect predicted joint gains above and beyond negotiators’ trait cooperativeness and communicativeness. However, positive affect was unrelated to distributive outcomes; thus, there were no observed disadvantages of being positively affective.

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Introduction

The use of power and the experience of affect are among the most fundamental aspects of social interactions. It is not surprising, therefore, that the study of negotiation behavior has begun to examine the effects of power on negotiated outcomes (e.g., Lawler & Yoon, 1993; Mannix, 1993a, 1993b; Pinkley, Neale, & Bennett, 1994) and how affect shapes and is shaped by negotiations (for reviews, see Barry, Fulmer, & Van Kleef, in press; Morris & Keltner, 2000). What is surprising, perhaps, is that research on power and affect in negotiation have proceeded independently of one another, when in fact, they are often intimately related in social interactions (Anderson & Berdahl, 2002; Tiedens, 2001). In this paper, we tested the hypothesis that in power-asymmetric negotiations, the positive affect of the powerful negotiator shapes the process and outcome more than the positive affect of the less powerful negotiator. This hypothesis stems from recent analyses of the effects of power in face-to-face interactions (Keltner, Gruenfeld, & Anderson, 2003; Kramer, 1996), and from research on the benefits of positive emotion in negotiations (e.g., Carnevale & Isen, 1986; Forgas, 1998).

Defining power

Along with many theorists, we define power as the capacity to influence others (French & Raven, 1959; Goldhamer & Shils, 1939; Keltner et al., 2003; Lewin, 1951). Thus, power is a relational variable, in that individuals’ power can be understood only in relation to another person or a group (Emerson, 1962; Thibaut & Kelley, 1959). Power vis-à-vis others can derive from a number of sources. For example, people might have “legitimate power,” in that they occupy a position of authority (French & Raven, 1959; Pfeffer, 1992), “reward power,” in that others depend them for valued resources (Emerson, 1962; Lawler & Bacharach, 1987), or “coercive power,” in that they have the ability to inflict harm on others (Bacharach & Lawler, 1980; Brett, 2001; French & Raven, 1959).

Likewise, in the specific context of negotiations, power vis-à-vis a counterpart can derive from a number of sources. Negotiators might occupy a position of...
authority relative to their counterpart (as when an academic dean negotiates with a job candidate), their counterpart might be dependent on them for resources (as when the only potential buyer of a house negotiates with a desperate seller), they might have the ability to inflict harm on their counterpart (e.g., the ability to sue for fraud), or their power might stem from a combination of these sources.

The role of power in negotiations

The study of power in negotiation has centered on two key issues. An enduring question focuses on power at the individual level, addressing how negotiators' power affects the outcomes they attain (e.g., Pinkley et al., 1994). Another question focuses on power at the dyad or group level, addressing how the relative power difference between parties affects both the process and outcomes of negotiation (e.g., Lawler & Yoon, 1993; Mannix & Neale, 1993). Our focus is the latter question.

Differences in power can drive a wedge between negotiating parties, making it more difficult for them to reach integrative or “win-win” agreements (e.g., Mannix, 1993a; Pinkley et al., 1994). When parties of unequal power negotiate, the question arises as to whether the negotiated outcome should reflect the difference in power; negotiators with lower power tend to resist agreements that reflect the power differences, and negotiators with higher power push for agreements that distribute payoffs proportional to their power (Lawler & Yoon, 1993; Mannix, 1993a). As a result, both parties focus more on the distributive elements of the negotiation and less on its integrative potential (Faley & Tedeschi, 1971; Mannix, 1993a). They use more competitive and even coercive bargaining tactics (Lawler, 1992; Lawler & Bacharach, 1987; Lawler, Ford, & Blegen, 1988) and ultimately, reach less integrative outcomes. This has been documented in dyadic negotiations (Lawler & Yoon, 1993; McAllister, Bazerman, & Fader, 1986; Pinkley et al., 1994), multi-party bargaining contexts (Mannix, 1993a, 1993b), and prisoner’s dilemma games (Rekosh & Feigenbaum, 1966).

Positive affect and integrative outcomes

How can negotiators of unequal power reach better integrative outcomes? Research suggests that affective processes might be highly beneficial in facilitating development of integrative bargaining. The term “affect” represents a broad category of affective processes, including emotional experiences, moods, and trait or dispositional affect (Thompson, 1998). Emotions are brief states that involve cognitive, physiological, and behavioral processes that help individuals quickly respond to threats or opportunities; they are relatively short in duration and are directed at specific events or stimuli (Ekman, 1973; Frijda, 1994; Keltner & Haidt, 2001).

Moods, in contrast, have a longer duration, lasting hours or days, and are less directly focused on anything specific (Ekman, 1994; Frijda, 1994). Trait or dispositional affect reflects stable individual differences in the tendency to experience and express certain emotions and moods (Watson & Clark, 1984; Watson, Clark, & Tellegen, 1988).

Researchers have found the experience and expression of positive-affective states such as excitement, enthusiasm, and happiness help stimulate the integrative process (Allred, Mallozzi, Matsui, & Raia, 1997; Baron, 1990; Carnevale & Isen, 1986; Forgas, 1998; Kramer, Newton, & Pommerenke, 1993; Moore, Kurtzberg, Thompson, & Morris, 1999). In a seminal study, Carnevale and Isen (1986) induced positive emotion in some participants by having them read humorous cartoons and giving them a small gift. Although the manipulation of emotion was somewhat mild, they found that participants in the positive-emotion condition were more likely to communicate their priorities, perceive each other’s interests accurately, and achieve high joint gains than control participants. Subsequent studies that have induced positive emotion through the use of pleasant scents (Baron, 1990), humorous videos (Kramer et al., 1993), or false performance feedback (Forgas, 1998) have found similar results; positively emotional negotiators have consistently bargained more integratively and created more value than non-emotional negotiators.

There are a number of likely reasons why positive affect facilitates integrative bargaining; some are “intrapersonal” in nature, in that they concern the way emotion influences the person experiencing them, and some are “interpersonal” in nature, in that they concern the way emotional expression influences others (Van Kleef, De Dreu, & Manstead, in press). In terms of intrapersonal mechanisms, the experience of positive emotion evokes a more pro-social and cooperative orientation towards others (Baron, 1990; Forgas, 1998; Isen & Levin, 1972; Levin & Isen, 1975; Rosenhan, Salovey, & Hargis, 1981). Thus, when negotiators feel positive emotion, they should be drawn away from a

1 A smaller number of studies have found that parties with equal power achieve lower joint gains than parties of unequal power. Mannix (1993b) hypothesized that in some of these studies, higher joint gains was produced by less powerful parties who had high aspirations.

2 We focused on positive affect, and not negative affect, for two reasons. First, our primary focus is how parties of unequal power can achieve integrative agreements, and theorists and researchers have drawn stronger links between positive emotion and integrative agreements. Second, negative emotion is generally viewed as more multifaceted than positive emotion (e.g., Ekman, 1973; Lerner & Keltner, 2001), which suggests the relation between negative emotion and integrative agreements is quite complex, and that a full investigation of the effects of negative emotions is beyond the ken of this paper.
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