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I feel, therefore you act: Intrapersonal and interpersonal effects of emotion on negotiation as a function of social power

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ABSTRACT

We examine how emotion (anger and happiness) affects value claiming and creation in a dyadic negotiation between parties with unequal power. Using a new statistical technique that analyzes individual data while controlling for dyad-level dependence, we demonstrate that anger is helpful for powerful negotiators. They feel more focused and assertive, and claim more value; the effects are intrapersonal, insofar as the powerful negotiator responds to his or her own emotional state and not to the emotional state of the counterpart. On the other hand, effects of emotion are generally not intrapersonal for low-power negotiators: these negotiators do not respond to their own emotions but can be affected by those of a powerful counterpart. They lose focus and yield value. Somewhat surprisingly, the presence of anger in the dyad appears to foster greater value creation, particularly when the powerful party is angry. Implications for the negotiation and power literatures are discussed.

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Introduction

Students and practitioners of negotiation might be forgiven for feeling confused about the role of emotions in negotiation. The nascent negotiator is told that anger can be used as a tactic to get the counterpart to yield (Sinaceur & Tiedens, 2006; Van Kleef, De Dreu, & Manstead, 2004a, 2004b), but that they should try not to negotiate when feeling angry, as this can lead to poorer outcomes (Allred, 1999). Perhaps happiness is useful, given that happy people may engage in more creative thinking (Lyubomirsky, King, & Diener, 2005); or perhaps it's harmful, since smaller concessions are made to those who express happiness (Van Kleef et al., 2004a). In the current work, we examine several new aspects of how emotions—specifically, anger and happiness—affect negotiations. In particular, we investigate the notion that emotions have different effects, and operate through different pathways, for negotiators of different relative power. This work builds on past research to provide new insights into the complex relationship among power, emotion, and outcomes in a negotiated interaction.

Earlier studies have built a strong foundation for our work. Sinaceur and Tiedens (2006) found that negotiators who expressed anger were more likely to gain concessions from their counterparts, particularly when the counterpart had poor alternatives (a

common indicator of low power; Kim, Pinkley, & Fragale, 2005). The authors showed that perceptions of the angry negotiator as “tough” mediated the effects of the anger.

Van Kleef et al. (2004a) similarly found that concessions were smallest to negotiators who expressed happiness and largest to those who expressed anger. This was particularly true when the conceding party was high in need for cognitive closure, experiencing low time pressure, or, notably, of lower power. These findings led the authors to conclude that emotion serves an informational function in negotiation, and that it affects the negotiation only when counterparts are motivated to use that information. These investigators followed this work with a second paper (Van Kleef, De Dreu, Pietroni, & Manstead, 2006) in which they specifically examined the interpersonal effects of happiness and anger, and the moderation of these effects by power. Across five studies in which individual participants responded to scenarios or interacted with a simulated computer-programmed opponent, the opponent's expression of anger led low-power participants to concede much more than participants in any other condition (i.e., low-power participants facing happy opponents, or high-power participants facing either angry or happy opponents). The authors again argue that the opponent's anger provides information to the negotiator, and focus on emotion as an interpersonal force in negotiations.

C. Anderson (2004) found that the success of negotiators with high levels of trait (that is, chronic and not just transitory) anger depended on their power, with low power, angry negotiators doing

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more poorly. However, angry and powerful negotiators did well. Finally, N. Anderson and Neale (2006), exploring the effects of anger and uncertainty, found that negotiators who were angry were able to claim more value than those who were not. More important, angry negotiators who were uncertain about the target of their anger were able to create more value than either control-condition negotiators or those who were both angry and certain. While the power of negotiators in this study was not varied, the results suggest an informational role of emotions in negotiation.

Interpersonal and intrapersonal effects of emotion

As we have mentioned, much past work has focused—often explicitly—on the interpersonal effects of emotion on negotiation; in other words, how emotions act on the focal negotiator's counterpart. It is well established that emotion (specifically, expressed emotion) serves an interpersonal, informational function (cf. Darwin, 1872). Emotion expressions communicate important social information such as danger (fear expressions) or opportunity (happiness expressions; Isen & Means, 1983; Johnson & Tversky, 1983). If negotiator A displays anger during negotiation, for example, it might communicate that the counterpart, B, has offended A, and thus B might feel a desire to soothe A by making concessions. Past research on interpersonal effects of emotion expression have tended to focus on the fact that anger communicates toughness to a counterpart. For example, Sinaceur and Tiedens (2006) showed that the angry person was seen as acting tougher, and that this accounted for increased concessions to that person. Similarly, Van Kleef et al. (2004a) argued that anger “conveys the impression of a hard-to-get, tough negotiator who will not settle for a suboptimal outcome” (p. 58). This appears to be the dominant story emerging from research on anger and negotiation—that anger communicates the negotiator's toughness to his or her counterpart—and thus, the current work explicitly examines whether angry negotiators see themselves as being more tough, and whether their toughness in turn affects the negotiation.

Similar effects may occur with expressions of positive emotions. A's display of happiness might communicate A's interest in an agreement with B at the current level of resource allocation; in this case, B will likely make fewer subsequent concessions, perhaps because they do not seem as necessary for reaching a deal. That is, a happy negotiator does not seem tough, but rather satisfied (Van Kleef et al., 2004a; Wall, 1991); thus, the counterpart need not work so hard (in the form of additional concessions) to please him or her. From this perspective, expressed emotion by one party might affect the negotiation by changing how the counterpart perceives the situation, and by affecting his or her choice of response.

Clearly, though, emotion also functions within the individual—that is, the focal negotiator is affected by experiencing his or her own emotions. The intrapersonal experience of emotion may not only reflect a response to some stimulus, but also provide evidence from which the person draws conclusions about how to interpret the environment (James, 1890; Schwarz & Clore, 1988; Zajonc, 1980). Indeed, emotions have been reliably associated with specific patterns of situation appraisal (cf. Frijda, 1993; Lazarus, 1991; Smith & Ellsworth, 1985): Anger is associated with blaming others, experiencing a violation or offense, and feeling certain. Happiness, on the other hand, is associated with the expectation of positive future states as well as certainty related to positive affect. Appraisals may be antecedents of emotion, but they may also follow or simply co-occur with the perception of an emotional state (Lerner, Han, & Keltner, 2007).

If a negotiator experiences anger, a common intrapersonal response is for that person him- or herself to become more aggressive and indiscriminately optimistic (Lerner & Keltner, 2001) in subsequent behavior (e.g., greater resistance to making concessions). Anger has been shown to influence the angry individuals' perceptions, the decisions they make and the behaviors they

implement. That is, anger motivates the individual to act to change the situation, remove barriers, and re-establish the situation that existed prior to the anger stimulus (Lerner & Tiedens, 2006).

On the other hand, it has often been argued that feeling anger causes negotiators to lose focus and to become cognitively impaired (Adler, Rosen, & Silverstein, 1998; Allred, 1999; Barsade, 2002; Janis & Mann, 1977; N. Anderson & Neale, 2006). Negotiation texts counsel against becoming angry because of the negative implications of experienced anger for one's ability to stay focused (e.g., Fisher, Ury, & Patton, 1991; Raiffa, 1982; Thompson, 2005). It is thought that angry negotiators' attention switches to anger-relevant issues such that negotiation-relevant information may be overlooked (Daly, 1991), and that the negotiator may lose focus on his or her primary goals in the negotiation (Adler et al., 1998; Kopelman, Gewurz, & Sacharin, 2008). As such, angry negotiators are generally thought to be poor integrative bargainers, failing to create value because of their lack of interest, motivation, or focus (Allred, Mallozzi, Matsui, & Raia, 1997). Given that “negotiating is a complex and cognitively taxing venture” (Van Kleef et al., 2004b, p. 511), this lack of focus is likely to have significant impact on the resulting outcomes. As N. Anderson and Neale (2006) highlight in their discussion of the research exploring the impact of negative emotions: “Fisher et al. (1991) report that emotions (typically negative) can quickly result in an impasse while Janis and Mann (1977) provide evidence that high levels of emotion results in incomplete research, appraisal and contingency planning. Explanations for these observed effects tend to focus on the inability or lack of motivation on the part of the negotiator to engage in complex information processing such as considering the interests of the counterpart. . . . The typical rationale for the poor value-creating capability of the angry negotiator is that angry negotiators have a diminished cognitive capacity,” (p. 4) or, in our terms, focus. Because the dominant account of anger's intrapersonal effects in negotiation involves issues of cognitive focus, our study explicitly examines negotiators' reports of their own focus as a function of their emotion and power, and how the variance in focus affects negotiation processes and outcomes.

In contrast, if a negotiator experiences happiness during negotiation, then he or she may evaluate the situation as leading to future satisfaction, and conclude that no further extraction of value from the counterpart is needed (Carnevale, 2008). Specifically, negotiators in a positive mood may be more cooperative and less competitive (Barsade, 2002; Forgas, 1998). Further, happy negotiators seem to increase their reliance on simple heuristics that, in the context of negotiation, may lead to quick but inefficient agreements (Lyubomirsky et al., 2005). Although other research has suggested that positive affect can improve cognitive focus and flexibility, this pattern may be limited to the experience of mild positivity, and not happiness per se (cf. Anderson & Thompson, 2004) or to tasks that are well-learned or heuristic in nature (Lyubomirsky et al., 2005).

Taken together, this work provides a great deal of insight into the role of emotions in negotiations, under several particular circumstances. The specificity of these circumstances raises several questions, which we hope to answer in this paper. First, the work reviewed above tends to focus on the impact of expressed emotions or personality of the focal negotiator on the negotiating counterpart, and evidence about the impact of experiencing emotions is comparatively more rare. In fact, it is often true that the participant's own emotion is not manipulated; rather, the emotions of a target person (such as a scripted counterpart) vary, and the participant's responses to that experience are measured. Second, of the studies mentioned above, almost all look at only one negotiator (not a dyad) or else assign participants with manipulated emotion to negotiate with control participants. That is, although negotiation is inherently dyadic, some study designs pit a single negotiator

against a scripted computer, thus assessing only one person's emotions and responses. Such designs mean that we do not have evidence about the important social effects of emotion, and that we cannot yet distinguish effects of asymmetry in emotions from effects of the manipulated emotions themselves. Third, the research cited above tends to show that counterparts of angry negotiators yield more value, but few studies investigate differences in value creation. Fourth, though most researchers appear to agree that emotion serves an informational function in negotiation, it is not clear whether the information affects the negotiation by signaling how the counterpart is feeling and is likely to respond (an interpersonal function resulting from emotion expression) or by arousing emotional responses in the focal negotiator that influence his or her decisions or conduct (an intrapersonal function resulting from emotion experience). Finally, negotiation research has typically examined the impact of power or emotion separately on negotiation performance. However, we take the perspective that power is an inseparable aspect of the negotiation process, and that the effects of different expressed emotions (e.g., happy, angry) on the value claiming and value creating capability of the dyads necessarily depend on the relative power of the two parties. As such, below we lay out predictions for effects of emotion on negotiation process and outcomes, organizing these explicitly according to the power of each negotiator.

Interpersonal and intrapersonal effects of power and emotion

Power, defined here as the ability to control one's own resources and the resources of others (Fiske, 1993; Galinsky, Gruenfeld, & Magee, 2003; Keltner, Gruenfeld, & Anderson, 2003; Overbeck, *in press*; Thibaut & Kelley, 1959), is inversely related to dependence on others (Bacharach & Lawler, 1981; Burt, 1992; Emerson, 1962; Magee, Galinsky, & Gruenfeld, 2007). In negotiation, power has typically been operationalized in terms of the relative quality of one's alternatives (Pinkley, Neale, & Bennett, 1994); it can also be defined by the contributions that each party offers to the other (Kim et al., 2005). Power is a relative capacity: one does not have an innate quantity of power, but rather one's power is defined in comparison to the other (Hindess, 1996; Overbeck, *in press*). As such, in a dyadic negotiation, having one higher-power party implies that the other party is lower power. For this work, we assume power asymmetry, that is, we do not consider dyads in which the both parties have equal power.

Past research has found that powerful individuals are more expressive of anger (Tiedens, 2001), less likely to take the perspective of others (Galinsky, Magee, Inesi, & Gruenfeld, 2006), more likely to use others as means to ends (Gruenfeld, Inesi, Magee, & Galinsky, 2006), more sensitive to rewards (Croizet & Claire, 1998; Keltner et al., 2003; Zander & Forward, 1968), and more assertive in pursuit of those rewards (Anderson & Berdahl, 2002; Smith & Bargh, 2008). Specific to negotiations, research suggests that powerful negotiators are likely to have higher aspirations for outcomes (Pinkley et al., 1994; Van Kleef et al., 2006), more likely to make the first offer (Magee et al., 2007), less likely to be influenced by the emotions of others (Van Kleef et al., 2006), and more likely to communicate preferences for different outcomes (C. Anderson & Galinsky, 2006). These and other behaviors indicate that powerful negotiators have higher aspirations and are more action oriented than their less powerful counterparts. Consistent with the results of this prior research, we predict that powerful negotiators are likely to claim more value for themselves (Hypothesis 1).

An important difference between the experience of having high versus low power is that individuals with high power tend to experience themselves as the subjects of their lives (James, 1890), whereas those with low power both experience themselves, and are seen by others, as objects (Deschamps, 1982; Gruenfeld et al.,

2006; Overbeck, Tiedens, & Brion, 2006; Snibbe & Markus, 2005). As such, in a negotiation, having high power should lead to a greater sense of personal agency and of will-directed action; on the other hand, having low power should be associated with being reactive rather than proactive. Such patterns echo our distinction between intrapersonal and interpersonal processes: being an agentic subject and acting based on one's will would reflect an intrapersonal process, whereas being a reactive object would reflect an interpersonal response.

These differences should shape negotiators' experience of the negotiation. High-power negotiators (HPNs) should find negotiation merely a new setting in which to exercise their personal agency by acting outward on the counterpart, and they should be guided by their own (intrapersonal) goals and cognitions. Low-power negotiators (LPNs) should tend to react (interpersonally) to what the HPNs do. Such differences should manifest in both parties' affective, cognitive, and behavioral experience during negotiation. For powerful negotiators, it is more likely that emotion affects economic outcomes (money, points, and such numerical measures) through intrapersonal effects on the negotiator (Hypothesis 2), whereas for less powerful negotiators, effects should primarily be interpersonal (Hypothesis 3). Suggestive evidence for this pattern was reported by C. Anderson and Thompson (2004), who found that powerful negotiators with positive trait affect were more influential over negotiations than were powerless negotiators with positive trait affect. If these notions were correct, the more powerful negotiators should be responsive to their internal emotional state, and that should lead that state to have an impact on the negotiation. Less powerful negotiators, on the other hand, should be guided by interpersonal effects of emotion (e.g., by its display by their more powerful counterparts) and, thus, their own internal states would not affect the negotiation.

In the current study, we anticipate that anger will have positive intrapersonal effects for more powerful negotiators, for whom feeling angry is consistent with role expectations and likely to be experienced in terms of its approach-oriented, motivating action tendencies (Lerner & Tiedens, 2006). That is, since anger expression is closely associated with high power (Mondillon et al., 2005; Tiedens, 2001), it may be less likely to produce cognitive disruptions among people with power. As such, powerful negotiators should enjoy the benefit of increased cognitive focus, as discussed above. However, for less powerful negotiators, the internal experience of emotion is likely to be overwhelmed by the interpersonal effects of the more powerful counterpart's anger—specifically, the increased toughness that the powerful counterpart displays—which is consequential and threatening. As such, the LPN should respond with a placating response that leads to negative outcomes for the LPN.

As implied by these predictions, we expect angry HPNs to report greater focus in the negotiation (Hypothesis 4), as well as more behavioral toughness (Hypothesis 5). Angry LPNs should not report such responses; more likely, LPNs who face angry counterparts should report less focus (Hypothesis 6) and less toughness (Hypothesis 7). Further, the more that negotiators report feeling focused and acting tough, the better we expect their outcomes to be (Hypothesis 8).

Given past findings that anger leads to more value claiming by the powerful and more concession by the powerless (Sinaceur & Tiedens, 2006; Van Kleef et al., 2004a), and that powerless negotiators may pursue integrative bargaining more vigorously (Mannix & Neale, 1993), we anticipated that power and emotion should affect value creation. Such research has tended to focus on the dyad level of analysis. To facilitate comparison with this work, we examine dyad-level data on value creation and expect dyads with angry, powerful negotiators to show greater value creation (Hypothesis 9); this may be especially true when the LPN is happy rather than

angry, because this may facilitate better focus and effort by the LPN to keep the value-creation process on track (Hypothesis 10).

Hypothesis 10 is driven by past research that has shown low power actors to be the primary drivers of value creation in negotiations. Mannix and Neale (1993) examined the relative power of the negotiator making the last and second to last offers. The final agreement created significantly more value when this offerer was the low power party, compared with the value created when he or she was the high power party. One possibility is that low-power negotiators may be more accustomed to, or feel it is more appropriate for them to shoulder, hard work and burdens (cf. Snibbe & Markus, 2005); alternatively, they may simply be more motivated to search for creative agreements because they must otherwise accede to the value-claiming demands of the HPNs, who can dominate the negotiation. Whatever may cause the outcome, some evidence does suggest that LPNs work harder to find opportunities for value creation—for example, by asking more diagnostic questions of their counterparts (De Dreu & Van Kleef, 2004; but see C. Anderson & Thompson, 2004).

To test these possibilities, we also examine individual behavior by HPNs and LPNs. We predict that LPNs would exhibit more value-creating behaviors than would HPNs (Hypothesis 11). Not only should powerful negotiators typically show less integrative behavior in the conduct of their negotiation, across various measures of integrativeness, but we expected this to be particularly true when they were angry (Hypothesis 12). Less powerful negotiators, on the other hand, should respond to powerful counterparts' anger by increasing their efforts at integrative bargaining (Hypothesis 13). Note that these predictions involve an intrapersonal effect of emotion for HPNs, and an interpersonal effect for LPNs, consistent with the logic we have laid out above.

In the current work, we explore more systematically the interpersonal and intrapersonal aspects of how emotions affect negotiation processes and outcomes. In particular, we consider how the interaction of negotiators' power and emotions affect the negotiation process and outcome. We focus on one negative emotion, anger, and one positive emotion, happiness. We study negotiations in which two parties of differing power actually interact, and we separate the interpersonal and intrapersonal effects of the parties' power and emotion on outcomes.

Methods

Overview

Dyads negotiated a simulated job offer (the "New Recruit" exercise; Neale, 1997). Dyads were assigned to one cell of a 2 (candidate emotion: happy vs. angry) \times 2 (recruiter emotion: happy vs. angry) \times 2 (power distribution: candidate high/recruiter low vs. candidate low/recruiter high) design; however, as explained below, the unit of analysis is generally the individual negotiator. Each participant's emotion was manipulated through instructions. Dyads always contained one high- and one low-power negotiator; the role associated with each power level was counterbalanced. Power was manipulated through both alternative opportunities available to the negotiator and a narrative description of the power discrepancy between the two roles. In addition to examining the final points earned by each party and the degree of integrativeness achieved by the dyad, we asked about the negotiators' emotions and their self-reported responses to their counterparts' behavior.

Participants

We recruited 164 participants from a subject pool at Stanford University, which included students, staff, and community mem-

bers, to participate in the study in exchange for \$10. Within each experimental session, participants were randomly paired for the negotiation, resulting in 82 dyads. Dyad gender was not controlled (36 dyads were mixed-gender and 45 same-gender; the sample included 65 men and 99 women).¹ Actual participants included mostly students, although some university staff and community members also participated. Their ages ranged from 18 to 54, with a mean age of 20.92.

Materials and procedure

As participants arrived at the lab, each dyad was assigned to its own room, and participants were seated at opposite ends of the room. For the first ten minutes, participants read through their role instructions. We used an adapted version of the *New Recruit* negotiation exercise (Neale, 1997), in which a company recruiter is negotiating terms of the employment contract with a candidate who has already been offered the job. Our version presented six issues on which participants must reach agreement: these included one distributive, or "fixed-sum," issue on which the parties' interests were mutually opposing; one congruent issue on which the parties' interests were aligned; and four integrative, or "pie-expanding," issues on which the parties could make trade-offs that maximized both individual and overall value by logrolling among two pairs of issues with asymmetric points. Participants received a list of settlement options for each issue, and the payoff (in points) associated with each option. They saw only their own payoff schedule, and were not aware of their counterparts'.

In addition to reading about the issues to be negotiated and their associated point values, participants also read instructions that conveyed our power and emotion manipulations. These were delivered as two last-minute, urgent messages, separate from the main case materials; each participant received his or her own messages, and were not given any information about the other participant's messages. Although many novice negotiators typically assume that the recruiter is more powerful than the candidate, we wanted to manipulate power independently from role. Therefore, regardless of the assigned role, participants were randomly assigned to the high-power or low-power condition. We emphasized the power differences by inserting language at several points to underscore the participant's power. For example, in the candidate role, high-power negotiators read the following (manipulated language is italicized here, but only the bolded, underlined text was specially formatted for participants):

You have just received word that a recruiter from another, but equally prestigious, organization has made you an offer. *This puts you in a very strong position compared with the recruiter, because you have the freedom to say "no" to this deal (unless it is particularly good for you).* The offer from the other organization is worth 4000 points to you. You can choose, therefore, not to reach an agreement or settlement in your current interview and, instead, be hired by this other organization for a contract that is worth a total of 4000 points (which is a great outcome). Of course, your goal in this negotiation is to maximize the number of points the final contract is worth to you, regardless of

¹ We elected not to examine gender effects, for several reasons. Most important is the fact that, though gender differences are often anticipated and tested, a great deal of the power literature has actually tended not to find gender differences in the kinds of processes we were interested in (e.g., C. Anderson & Thompson, 2004; Galinsky et al., 2003; Kray, Thompson, & Galinsky, 2001; Overbeck & Park, 2001; Sinaceur & Tiedens, 2006). Specifically, in the work we review on power and emotion in negotiation, we have found that the papers that test for gender effects virtually always report that there were no such effects. Less important was the relative difficulty of adding gender to our path models, in the sense that the models could quickly become too complex, especially if we were to allow gender to interact with all other variables, which would probably be necessary.

which organization you eventually join. But you should be aware that *you are in a very strong negotiating position and can afford to use your leverage to get a good deal*. From what you can assess, it appears that *you are really the company's top choice, and they may not have a good back-up if you turn them down*.

On the other hand, low-power candidates read that they were in a relatively weak position, could not really afford to say no, had a poorly-fitting alternative offer worth only 1700 points, were in a weak negotiating position, and did not have much leverage. Recruiters received similar messages, edited appropriately for their role.

The emotion manipulations were delivered at the same time. Emotion was manipulated orthogonally to role and to power. The manipulation text focused largely on emotion expression, but we embedded information intended to influence the participant's appraisal of the situation and the other party, and thereby to create an experience of emotion, as well.² We drew from the literature on emotion appraisals (Lazarus, 1991) and action tendencies (Frijda, 1993) to create instructions that would activate cognitive and evaluative dimensions that are inherently associated with the target emotion. Anger appraisals involve blaming another person for a perceived slight. As such, the emotion manipulation for candidates read as follows (again, recruiters read a very similar message, edited appropriately for their role):

You have been doing research on this company and have reason to be concerned as you go into this negotiation. Others who have interviewed here report that the company has tried to take advantage of them, and that many new employees come in with much worse deals than they should get. According to your sources, the only way to be sure that you are being treated fairly is to be tough and even aggressive in your negotiation. Don't fall into the trap of friendliness; instead, you need to approach this negotiation with a negative demeanor. Be unpleasant and difficult. Do not smile. Do not respond positively to your counterpart's offers. Remember—you can't really trust the recruiter, and it's important to behave accordingly.

On the other hand, happiness appraisals involve a positive expectation for the future. The text for this manipulation was written accordingly:

You have been doing research on this company and feel confident as you go into this negotiation. Others who have interviewed here report that the company has treated them fairly, and that many new employees come in with very good deals. According to your sources, the best way to ensure that you will end up with a good deal, and to ensure a fruitful start to your employment, is to be positive in your negotiation. Approach the recruiter with friendliness, and respond to offers with a positive demeanor. Be pleasant and constructive. Be sure to smile. Do your best to keep things on a warm footing. Remem-

ber—you should expect the recruiter to be trustworthy, and it's important to behave accordingly.

After reading through all instructions, participants were seated at a small table in the middle of the study room and given 30 min to conduct the New Recruit negotiation. The experimenter left the room during this time. All sessions were videotaped. At the end of the 30 min, the experimenter returned with a blank contract for the dyad to complete. They filled in the level of agreement on each of the six issues, summed their total points (these were checked by the experimenters before data analysis), and signed the contract.

Finally, participants were given a post-negotiation questionnaire that asked them to report their reactions to and feelings about the negotiation. They completed this questionnaire, which took about 10 min, and then were paid, thanked, and debriefed.

Dependent measures

Data for this study come from three sources: the negotiation contract, which captured the level of agreement on each issue and the value each party claimed; the post-negotiation questionnaire; and the videotapes of all negotiations.

Negotiation contract

The contract provided the number of points earned by each party; the total number of points earned by the dyad; and the number of points earned on specific kinds of issues (distributive, integrative, and congruent). We use the total points earned by each party across all six issues as our primary measure of value claiming. Each party's points could vary, from a minimum of –6000 points to a maximum of 10,800 points (actual points earned by participants ranged from –2300 to 9200).

To assess value creation, we follow Tripp and Sondak (1992) and use the contract data to calculate the level of *pareto efficiency* reached by each dyad. *Pareto efficiency* represents the degree to which an agreement approaches the point at which there are no further joint gains possible. We used the Pareto 1.1 program (Okhuysen & Pounds, 1999) to calculate these scores at the dyad level; the scores are calculated as $1 - ((\text{the number of possible superior agreements, i.e., those that outperform the current agreement}) / (\text{the number of possible superior agreements plus the number of possible inferior agreements}))$.

Post-negotiation questionnaire

Several items on the questionnaire were intended as manipulation checks. To assess feelings of power, we asked participants, "How much power did you feel that YOU had in this negotiation?" To assess emotions, we asked participants to report the degree to which they felt each of the following happiness-related emotions: *happy, excited, lively, content, cheerful, pleased, satisfied, unhappy, sad, and bored*, on a 1–7 scale with 7 = "a lot," and with the final three items reverse-scored. They reported anger by rating the following emotions on the same scale: *hostile, angry, and stubborn*. Exploratory factor analysis revealed a two-factor structure: all items loaded as predicted onto two distinct scales (absolute value of all happiness factor loadings >.53; absolute value of all anger factor loadings >.52; details available from first author). We combined these items into a happiness scale ($\alpha = .90$) and an anger scale ($\alpha = .81$).

Participants were asked about how they responded to their counterparts. These responses were designed to capture two categories, *focus* and *getting tough*. (Again, exploratory factor analysis revealed a two-factor structure with distinct loadings by the hypothesized items only. The "focus" scale items loaded at .61 or greater, and the "getting tough" items loaded at .57 or greater.) The "focus" items included *had difficulty maintaining perspective,*

² In creating instructions that would manipulate emotion experience and not just expression, it was necessary to write a rich and involving scenario that would create genuine resentment among participants. As such, these instructions also contain material that might affect participants' trust in, or suspicion of, the counterpart. To ensure that we were not inappropriately activating confounding constructs, we pretested this measure along with two other standard, well-validated measures of anger and happiness that are considered distinct from trust manipulations (Keltner, Ellsworth, & Edwards, 1993; Rusting & Nolen-Hoeksema, 1998). In fact, pretesting showed that all 3 manipulations affected emotions as intended; further, all 3 manipulations affected both affectively-based and cognitively-based trust (McAllister, 1995; both kinds of trust in a counterpart were lower in an anger-inducing than in a happiness-inducing situation) and power (felt power was higher in an anger-inducing than in a happiness-inducing situation). Although we did not intend to manipulate these additional constructs, to the extent that trust and felt power were changed by our manipulation, it appears that trust and felt power may covary with anger more generally, and are thus part of the realistic emotional experience.

felt less creative than usual, could easily remember what I wanted to do and say, and was able to focus on the problem at hand (the composite measure was scored so that higher numbers indicated less focus; thus, the latter two items were reverse-scored); the composite measure had satisfactory reliability, $\alpha = .74$. The “tough” items included *behaved unpleasantly*, *resisted giving in*, *tried to show that I couldn't be intimidated*, *tried not to back down*, and *smiled less*, and this composite also showed satisfactory reliability, $\alpha = .74$. All participants completed the power manipulation check first, then the items on focus and getting tough, then emotion ratings.

Videotape coding

We coded the videotaped negotiations to measure negotiators' actual behavior. Two coders, blind to hypotheses and condition, coded the full-length videos for evidence of integrative and distributive behavior and for emotional display.

Videotape coding was used to measure observable, behavioral integrativeness in the negotiation. Though several coding schemes have been developed with measures relevant to integrativeness (Adair & Brett, 2005; Olekalns, Smith, & Walsh, 1996; Weingart, Prietula, Hyder, & Genovese, 1999), we found none that met our needs exactly.³ As such, we used those prior schemes to develop training for our coders—thus ensuring their complete understanding of our constructs—but developed a simpler and more targeted scheme for use with our data.

Coders were trained to distinguish between distributive and integrative behavior using dimensions derived from the past frames cited above, especially that of Weingart and colleagues (1999): making single-issue offers vs making multiple-issue offers; stating priorities vs stating positions; asking diagnostic questions vs justifying one's offer. Specifically, the two coders received a chart listing these and other particular acts; the acts were grouped into “more integrative” and “more distributive” categories. Coders were asked to read several descriptions of negotiation situations and to identify the overall category into which each negotiation fell, and to identify the specific acts that formed the basis of their judgment. They next independently watched five videotaped negotiations, making note of particular act occurrences, and categorizing both the overall interaction and the behavior of each negotiator as more integrative or more distributive. At this point, when both the researchers and the coders were satisfied that the coders fully understood these distinctions, they began coding the videotapes using our codes.

We created a new set of codes that could capture the behaviors encompassed by the above frames, as well as important aspects of individual integrativeness identified in past research. We used three different codes: *overall impression* used the framework of self-interest and other-interest, following Pruitt (1981) and Fragale, Kim, and Neale (2002) in conceptualizing integrativeness as a point maximizing both self-interest and other-interest. *Cooperativeness* honed in specifically on concern for and responsiveness to the other party's concern. Finally, *effort* assessed the degree to

which the negotiator kept trying to work on reaching agreement, with creativity and energy.

These codes used 5-point scales to assess the degree to which each party was cooperative, where 5 = significant emphasis on the counterpart's concerns; and the degree to which each party showed effort and perseverance, where 5 = repeated evidence of initiative and motivation to reach a deal. A third 5-point scale assessed coders' overall impression of each negotiator, with 5 representing an overall impression of strong integrativeness. Finally, as further manipulation checks, coders rated each negotiator's display of anger and happiness on separate 6-point scales, where 5 = a prolonged, intense display of that emotion and 0 = neutral affect. Two coders rated a subset of the videos (nine negotiating pairs) and achieved agreements of 72–93%. Differences were resolved through discussion—the full coding dimensions, listed in Appendix A, reflected the consensus reached in discussion—and coders independently rated an additional three pairs, achieving over 90% agreement on each.

Thereafter, each coder independently coded half of the remaining videos. Descriptive statistics and intercorrelations for all measures are provided in Tables 1a and 1b.

Analysis strategy

Our hypotheses require that we examine participants' responses at the individual level; however, using data from two negotiators in each dyad violates the assumption of independence. So that we could account for dependence while analyzing individuals' data, we relied on the Actor–Partner Interdependence Model (APIM; Kenny, Kashy, & Cook, 2006), a form of multilevel modeling specifically for analyzing dyadic data.⁴ In an APIM, individuals are nested under dyad; the approach is used when some treatments or measures vary both within and between dyads. Although the APIM has primarily been used in research on close relationships (e.g., Badr & Acitelli, 2008; Vittengl & Holt, 2000) and is new to the negotiation literature, it is extremely well suited for analyzing negotiation data. First, it allows the examination of data at the individual level without violating assumptions of independence, and without the loss of precision that occurs when individual data are aggregated to the dyad level. Second, and more important to our current aims, the APIM models separate effects for each party's contribution to each party's outcome. That is, we can separate effects of independent variables on one's own outcomes from those on the counterpart's outcomes.

In particular, we analyzed a basic path model (see Fig. 1) in which both the inputs and the outcome for the dyad are represented. The high-power negotiator's emotion is represented by

³ The relevant existing schemes were created by Adair and Brett (2005), Olekalns et al. (1996) and Weingart, Prietula, Hyder, and Genovese (1999). These frames all coded written transcriptions, whereas our interest was in the observable behavior and emotional display captured by the videos themselves; the earlier frames are also geared toward dyad-level analysis, whereas we intended to code behavior at the individual level. More fundamentally, the broad purpose of these past schemes was to aggregate across individual behaviors to show how the negotiation interaction related with integrative and distributive outcomes. In our case, we were solely interested in how each individual negotiator emoted and behaved, and in how our manipulations affected their emotion and behavior. As such, Adair and Brett's (2005) coding of sequences that create “signature rhythms” in a negotiation, Olekalns and colleagues' (1996) categorization of response-cue pairings, and Weingart and colleagues' (1999) temporal sequencing of negotiation “moves,” could not be used in their original forms.

⁴ Dyadic data, such as those from two-party negotiations, are commonly handled in ways that sacrifice power, data richness, or the assumption of independence. For example, aggregating individual data to the dyad level and using dyad as the unit of analysis in standard OLS regression or ANOVA (cf. C. Anderson & Thompson, 2004; Galinsky, Maddux, Gilin, & White, 2008) reduces statistical power and omits potentially informative data. Including individual variables as predictors in a dyad-level model controls for dependence on the right-hand (predictors) side of the regression equation, but fails to account for dependence among the left-hand (outcome) variables. Other suboptimal approaches include discarding data from one dyad member or collecting data from only one dyad member. Somewhat better is the use of pooled regressions, in which separate analyses assess within-dyad effects and between-dyads effects, and then results are pooled to estimate each party's effect on own and other's outcomes; still, this method is cumbersome and prone to error, and is relatively inflexible in the specific tests that can be run (Kenny et al., 2006). In response to these challenges, a number of methodologists who work with social interaction data have advocated the use of multilevel models to account for individual process while controlling for non-independence in both predictor and outcome measures (Gonzalez & Griffin, 1999; Kashy & Kenny, 2000; Kenny et al., 2006). The APIM is a special case of such models. It is especially suited for the case—such as ours—in which a single measure (here, emotion) varies both within and between dyads.

Table 1a
Descriptive statistics and intercorrelations for all continuous variables used in path models.

	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
1 HPN points	4867.09	1710.28																							
2 HPN Felt power	4.80	1.05	.52**																						
3 HPN toughness	3.81	1.12	.34**	.21																					
4 HPN focus	3.09	1.23	-.30**	-.53**	-.14																				
5 LPN points	3363.29	1929.01	-.45**	-.26*	-.29*	.03																			
6 LPN felt power	4.12	1.02	-.32**	-.31**	-.30**	.08	.59**																		
7 LPN toughness	3.65	1.11	-.11	-.19	.02	.07	.16	.21																	
8 LPN focus	3.13	1.10	.07	.19	.36**	-.05	-.31**	-.28*	.16																
9 HPN impression (VC)	2.94	0.56	-.01	.02	-.29*	-.01	-.00	-.11	.08	-.17															
10 HPN happy (VC)	0.73	0.89	-.09	.09	-.32**	-.00	-.11	-.03	-.24*	-.13	.25*														
11 HPN angry (VC)	0.23	0.48	.16	-.13	.16	.01	-.06	-.12	.30**	.10	-.05	-.18													
12 HPN cooperative (VC)	3.28	0.63	-.11	.18	-.42**	-.14	-.02	-.01	-.21	-.22	.28*	.52**	-.39**												
13 HPN effort (VC)	3.00	0.62	.02	-.03	-.11	.02	-.02	-.09	.19	-.04	.78**	.04	.20	.04											
14 LPN Impression (VC)	3.02	0.53	-.02	-.01	.01	-.06	-.07	-.21	.01	-.01	.63**	.03	-.05	.10	.58**										
15 LPN happy (VC)	0.76	0.77	-.10	-.06	-.29**	.16	-.16	-.24*	-.23*	-.11	.20	.60**	-.18	.42**	.04	.14									
16 LPN angry (VC)	0.22	0.55	.17	.16	.15	-.20	.03	-.06	.20	-.01	.13	-.23*	.21	-.20	.17	.08	-.17								
17 LPN cooperative (VC)	3.34	0.61	-.02	.06	-.17	.02	-.09	-.09	-.26*	-.24*	.16	.48**	-.21	.32**	.06	.24*	.44**	-.33**							
18 LPN effort (VC)	3.12	0.58	-.03	-.09	.01	.06	-.01	-.05	-.01	-.01	.45**	-.17	.06	-.07	.57**	.69**	-.04	.23*	.05						
19 HPN happy (post)	4.69	1.18	.30**	.49**	-.17	-.42**	-.27*	-.24*	-.12	.01	.16	.26*	-.03	.39**	.07	-.03	.22	.02	.24*	-.08					
20 HPN angry (post)	2.97	1.10	.14	.36**	.64**	-.26*	-.36**	-.37**	-.05	.28*	-.05	-.16	.18	-.19	.03	.12	-.24*	.18	-.13	.09	.19				
21 LPN happy (post)	4.60	1.05	-.31**	-.12	-.40**	.03	.39**	.41**	-.03	-.33**	-.04	.21	-.17	.24*	-.07	-.01	.13	-.25*	.26*	-.15	.07	-.37**			
22 LPN angry (post)	2.98	1.15	-.02	-.32**	-.03	.02	.19	.06	.50**	.12	.12	-.11	.30**	-.17	.22	.02	-.14	-.07	-.23*	-.00	-.16	-.21	-.00		

VC = Video Coding; post = post-negotiation self-report; HPN = high-power negotiator; LPN = low-power negotiator.

Points earned range from -2300 to 9000; power, toughness, focus, and post measures range from 1 to 7; impression, cooperative, and effort measures range from 1 to 5; Video Coding measures of happy and angry range from 0 to 5.

* $p < .05$.

** $p < .01$.

Table 1b
Dyadic statistics and intercorrelations.

	Mean	Std	1	2	3	4	5	6	7	8	9	10	11	12
1 Dyad points	8229.11	1917.74												
2 Dyad felt power	4.45	.61	.43**											
3 Dyad toughness	3.72	.79	.06	-.03										
4 Dyad focus	3.09	.81	-.35**	-.33**	.22									
5 Pareto score	792.47	186.63	.75**	.31**	.11	-.27*								
6 Dyad impression (VC)	2.98	.49	-.05	-.15	-.08	-.10	-.10							
7 Dyad happy (VC)	.75	.74	-.24*	-.10	-.42**	-.03	-.22	.19						
8 Dyad angry (VC)	.22	.40	.17	-.07	.36**	-.06	.23	.05	-.28*					
9 Dyad cooperative (VC)	3.31	.51	-.14	.08	-.46**	-.25*	-.23*	.26*	.64**	-.44**				
10 Dyad effort (VC)	3.06	.53	-.02	-.12	.03	.02	-.10	.78**	-.04	.24*	.03			
11 Dyad happy (post)	4.66	.82	.07	.29**	-.34**	-.38**	-.08	.04	.32**	-.17	.48**	-.08		
12 Dyad angry (post)	2.95	.73	-.04	-.13	.59**	.12	.07	.09	-.28*	.28*	-.35**	.15	-.20	

* $p < 0.5$.
** $p < 0.01$.

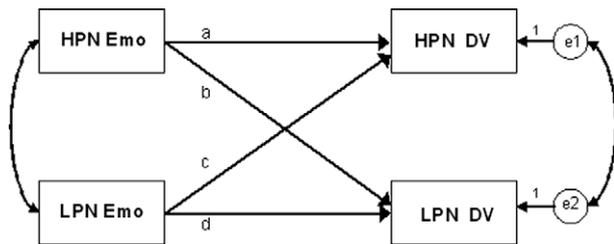


Fig. 1. Basic Actor-Partner Interaction Model.

the exogenous observed variable at top left, and that party's point earnings are represented by the endogenous observed variable at top right. The same variables for the low-power negotiator appear along the bottom of the model. Both the independent and dependent pairs of variables are allowed to covary (indicated by the curved, double-headed arrows); these paths account for dependence in the data due to dyad.

Power is a within-dyad variable: there is always a high- and a low-power dyad member. Emotion varies both within and between dyads, as each party may be in the angry or happy condition; the emotion condition variable is contrast-coded, with anger coded +1 and happiness coded -1. A key feature of the APIM is that it includes not only the direct path to each party's outcomes from his or her own emotion—the actor effect—but also the direct path to each party's outcomes from the other party's emotion—the partner effect. Thus, the path labeled "a" tells us how the HPN's emotion affected the HPN's points, whereas path "c" reveals how the LPN's emotion affected the HPN's points. Note that the actor effect represents an intrapersonal process, while the partner effect represents an interpersonal process.

This basic model can be modified to test direct and indirect effects so that we can examine both sequential processes and interactive processes. That is, we can examine a model in which an exogenous variable A affects a dependent measure C through an indirect effect via some third, endogenous variable B (a sequential process), and we can examine a model in which B is also exogenous, and A and B affect C directly and can interact to affect C. We use such modified models to test specific hypotheses.

Results

Manipulation checks

To avoid contaminating our experimental participants, and to assess the effectiveness of our manipulation before participants actually negotiated, we conducted a pretest to check on our power and emotion manipulations. The materials from the main study were presented on the web; a separate group of 80 participants

was recruited from the same subject pool and told that they would be matched with another person online to complete a virtual negotiation. They read the case materials and then reported their feelings of power and emotions. After completing these measures, they were informed that the negotiation would not actually take place, and that the study was over.

We tested the power manipulation with a single item that has been validated in prior work (cf. Overbeck & Park, 2001): "How much power do you feel you will have in this negotiation?" High-power negotiators reported feeling more powerful, $M = 5.36$, than low-power negotiators, $M = 4.57$, $t(79) = 3.49$, $p < .001$.

In the New Recruit exercise, sometimes participants assume that the Recruiter role is high power and the Candidate role low power. Though we took great pains, in the instructions, to emphasize that the negotiators' power was a function of their alternatives and not role assignment, we wanted to ascertain that participants did not use role as a signal of power. To check on this, in the main study, we calculated the correlation between assigned role and self-rated feelings of power. As expected, there was no correlation, $r(162) = .11$, ns.

As mentioned earlier, we are interested in the effects of experienced emotions, and not just expressed emotions. Our instructions clearly addressed emotion expression, but we expected them to produce differences in emotional experience, as well. Thus, we assessed how much the emotion manipulation affected pretest participants' felt emotions. We calculated an outcome measure by subtracting self-ratings on the happiness scale ($\alpha = .90$) from those on the anger scale ($\alpha = .81$), so that higher numbers indicate more anger. Participants' ratings in the angry condition were significantly higher (i.e., angrier), $M = -0.58$, than those in the happy condition, $M = -1.44$, $t(79) = 4.08$, $p < .001$.

We also examined the videotaped, coded expressions of emotion in the main study. Unlike the pretest, for which individual was the unit of analysis, the main study yoked pairs of participants, and the appropriate unit of analysis became the dyad. Note, too, that emotions varied both within and between dyads. We examined a path model, following the basic form shown in Fig. 1, to test for emotion-condition differences in expressed emotion; we analyzed expressed happiness and anger in separate models. Significant actor effects (path a) showed that powerful negotiators expressed more happiness in the happy condition than in the angry condition, $b = -.25$, $CR = -2.79$, $p < .01$,⁵ and they expressed more anger in the angry condition than in the happy condition, $b = .13$,

⁵ The Critical Ratio (CR), reported in modeling programs such as Amos, consists of the parameter estimate divided by its standard error. This inferential statistic is normally distributed and comparable to a Z-test, such that values more extreme than ± 1.96 are significant at $p < .05$. We report Critical Ratios for all significance tests involving paths in our models, to distinguish these tests clearly from standard ANOVA or regression, or from the χ^2 difference tests also reported in the text.

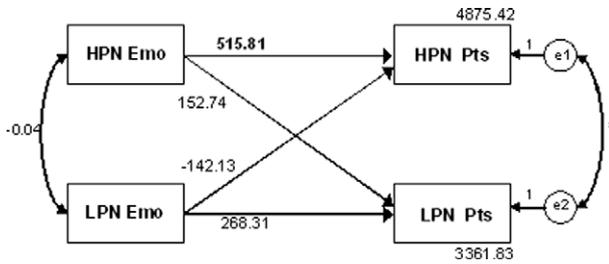


Fig. 2. Basic APIM results on value claiming (points earned by each party). Estimates are unstandardized path coefficients and use the original metric of the measures. * = -1499973.85 . Bolded path and covariance are significant at $p < .01$; all other paths and covariances n.s.

$CR = 2.44, p = .02$. Similarly, the other significant actor effect (path d) showed that low-power negotiators expressed more happiness in the happy condition than in the angry condition, $b = -.24, CR = -2.61, p < .01$; and they expressed more anger in the angry condition than in the happy condition, $b = .14, CR = 2.33, p = .02$.

Effects of power and emotion on value claiming (H1, H2, H3)

Hypothesis 1 predicted that powerful negotiators would claim more value than low-power negotiators. A test of the intercepts confirmed this hypothesis: HPNs earned more points ($M = 4875.42$) in the negotiation than did LPNs ($M = 3361.83$), $\chi^2(1) = 15.12, p < .001$. The basic pattern of results within and between dyads is depicted in Fig. 2. Hypothesis 2 predicted intrapersonal effects of emotion on value claiming for powerful negotiators only. Indeed, powerful negotiators who were angry claimed, on average, 515.81 points more than did powerful negotiators who were happy, $CR = 2.83, p = .005$. Own emotion did not significantly predict value claiming among low-power negotiators, $CR = 1.25, ns$. Contrary to Hypothesis 3, which predicted interpersonal effects of emotion for low-power negotiators, counterparts' emotion did not significantly predict value claiming for either HPNs, $CR = -0.78, ns$, or LPNs, $CR = 0.71, ns$. This pattern suggests that anger serves an intrapersonal function for HPNs, helping them to claim more value. In the most basic analysis, however, there was no interpersonal effect of emotion for HPNs, and neither an interpersonal nor intrapersonal effect for LPNs' emotional state.

Effects of power and emotion on toughness and focus (H4, H5, H6, H7)

We tested our predictions regarding toughness and focus in two ways: by testing a sequential model in which the reactions are endogenous variables predicted by power and emotion, and by testing an interactive model in which exogenous reaction variables interact with power and emotion to affect outcomes. The basic sequential model is shown in the top portion of Fig. 3, and the interactive model is shown in the bottom portion. Because increasing the number of variables in a path model can quickly lead to a profusion of parameters to be estimated, and because our sample size was relatively small for this kind of modeling, we limited the number of variables in a single analysis (Kline, 1998). Thus, we used the observed composite measures of toughness and focus rather than fitting a measurement model for these variables, and we obtained results from several different models. Full results of these models are presented in Tables 2a and 2b and are noted to allow clear identification of which model yielded which result.

Hypotheses 5 (see Table 2a, Model 1) and 6 (see Table 2a, Model 2) predicted intrapersonal effects of emotion on cognitive focus and behavioral toughness for powerful negotiators. As predicted by Hypothesis 4, HPNs in the anger condition reported greater cognitive focus than did those in the happy condition, $b = -.30, CR = -2.31, p = .02$. This was not the case for LPNs, $b = .06,$

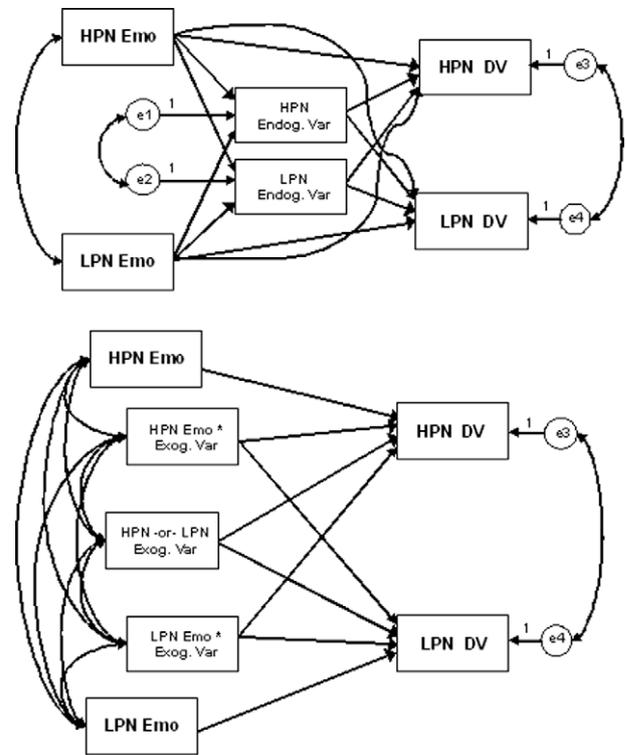


Fig. 3. Sequential process model (top panel) and interactive process model (bottom panel). Notes: All models included all possible paths (i.e., the models were fully saturated). Moderational models were run twice, with the HPN and LPN moderator in separate models, to keep number of parameters manageable.

$CR = 0.45, ns$. Hypothesis 5 predicted more behavioral toughness by angry than happy HPNs, but not LPNs. In fact, both HPNs, $b = .34, CR = 2.81, p < .01$, and LPNs, $b = .50, CR = 4.52, p < .01$, got tough in response to manipulated anger.

Hypotheses 6 and 7 predicted interpersonal effects of emotion on cognitive focus and behavioral toughness for low-power negotiators. However, the direct effects of HPN emotion on LPNs' focus, $b = .01, CR = 0.08, ns$, and toughness, $b = -.02, CR = -0.21, ns$, did not support this prediction. (See Table 2a, Models 1 and 2 respectively, for these results.)

Effects of power, emotion, and focus on value claiming (H8, H3)

For both HPNs, $b = -311.07, CR = -2.04, p = .04$, and LPNs, $b = -553.60, CR = -2.97, p < .01$, losing focus was associated with poorer value claiming, as predicted by Hypothesis 8 and shown in Table 2a, Model 1. We unpacked these effects by allowing focus to interact with emotion. As shown in Table 2b, Model 2 revealed a marginally significant interaction of LPNs' feelings of focus and HPN emotion: when a low-power negotiator faced an angry, powerful counterpart and lost focus, the low-power negotiator's points decreased even more, $b = -344.51, CR = -1.88, p = .06$. This suggests that the HPN's emotion also served an interpersonal function for the LPN, supporting Hypothesis 3. It is important to note that, although Hypothesis 3 was not supported in the basic model (there were no direct interpersonal effects on value claiming that could be attributed to LPNs), it is supported when the process by which emotion affects outcomes is taken into account. That is, it does not appear that emotion has an overall effect on all low-power negotiators; however, we do see an effect among some LPNs—those that are affected negatively by the counterpart's emotion by losing focus, for example—and when that effect occurs, it is interpersonal in nature.

Table 2a

Results of sequential process path models. Column headings identify the process variable (line 2) and DV (line 3) reported. Entries are parameter estimates and should be interpreted as unstandardized regression coefficients. Bolded/underlined items were reported in text.

	Model 1 Focus points	Model 2 Toughness points	Model 3 Toughness impression	Model 4 Toughness cooperation	Model 5 Toughness effort
HPN emotion → HPN variables	-.30*	.34**	.33**	.33**	.34**
HPN emotion → LPN variables	.01	-.02	-.02	-.02	-.02
HPN emotion → HPN DV	420.11*	366.92*	-.03	-.02	-.03
HPN emotion → LPN DV	160.43	365.19*	.01	.07	-.04
LPN emotion → HPN variables	.21	.15	.15	.15	.15
LPN emotion → LPN variables	.06	.50**	.50**	.50**	.50**
LPN emotion → HPN DV	-83.61	-161.85	-.08	-.13*	-.12
LPN emotion → LPN DV	297.74	263.53	-.12*	-.21**	-.11
HPN variables → HPN DV	-.311.07	.438.25**	-.13*	-.20**	-.04
HPN variables → LPN DV	6.98	-.620.85**	.01	-.09	.03
LPN variables → HPN DV	98.61	-91.01	.08	-.06	.16*
LPN variables → LPN DV	-.553.60**	194.08	.05	-.07	.04

Focus, toughness, and effort were assessed on 1–7 scales. Process variables (focus, toughness) were mean-centered prior to analysis.

* $p < .10$.
 * $p < .05$.
 ** $p < .01$.

Table 2b

Results of interactive process path models. Entries are parameter estimates and should be interpreted as unstandardized regression coefficients. Column headings identify the process variable (line 2) and DV (line 3) reported. Bolded/underlined items were reported in text.

	Model 1 HPN focus points	Model 2 LPN focus points	Model 3 HPN tough points	Model 4 LPN tough points	Model 5 HPN tough effort
HPN emotion → HPN DV	404.63*	502.35**	386.93*	520.50**	-.05
HPN emotion → LPN DV	176.87	166.63	360.63*	150.11	-.03
LPN emotion → HPN DV	-67.54	-159.45	-243.96	-79.44	-.11
LPN emotion → LPN DV	283.00	314.04	370.02*	139.15	-.11
Process variables → HPN DV	-298.85*	129.47	476.94**	-133.21	.14*
Process variables → LPN DV	13.49	-527.55**	-637.26**	261.55	.04
Process * HPN emotion → HPN DV	163.27	70.45	-202.89	154.61	.06
Process * HPN emotion → LPN DV	155.89	-.344.51*	-24.41	-234.44	.00
Process * LPN emotion → HPN DV	-227.14	169.62	175.16	40.68	.14*
Process * LPN emotion → LPN DV	181.24	75.88	-103.29	-121.85	-.05

Focus, toughness, and effort were assessed on 1–7 scales. Process variables (focus, toughness) were mean-centered prior to analysis.

* $p < .10$.
 * $p < .05$.
 ** $p < .01$.

Effects of power, emotion, and toughness on value claiming (H8, H3)

As predicted by Hypothesis 8, HPN’s own toughness led intra-personally to greater HPN value claiming, $b = 438.25$, $CR = 2.65$, $p < .01$ (see Table 2a, Model 2); this hypothesis was not supported for LPNs, $b = 194.08$, $CR = 0.95$, ns. However, HPN toughness led interpersonally to less LPN value claiming, $b = -620.85$, $CR = -3.27$, $p < .01$. This result again suggests support for Hypothesis 3, only when process is taken into account. In this case, when HPNs got tougher, LPNs placated, resulting in less value claimed by LPNs. We found no other effects of getting tough, even when toughness was allowed to interact with condition.

Effects of power and emotion on dyad-level value creation (H9, H10)

As stated earlier, a main aim of this paper was to examine not only the claiming but also the creating of value. Value creation is most commonly assessed by examining the joint value produced by the dyad; in particular, as recommended by Tripp and Sondak (1992), researchers calculate an index of pareto efficiency that compares the dyad’s joint value with the distribution of possible agreements. We examined the pareto efficiency of the agreement reached by each dyad as a function of power and emotion. Table

Table 3

Pareto efficiency scores for dyads, by HPN and LPN emotion conditions.

	HPN emotion			
	Happy		Angry	
LPN Emotion	M	SD	M	SD
Happy	715.62	225.82	814.72	147.72
Angry	798.04	152.07	879.47	130.56

Note: Higher numbers indicate more pareto-efficient agreements.

3 shows efficiency scores at the dyad level, by power and emotion; these were analyzed using a 2 (HPN emotion: angry vs. happy) × 2 (LPN emotion: angry vs. happy) between-dyads ANOVA. A significant effect of HPN emotion showed that dyads with angry HPNs reached more integrative agreements than did dyads with happy HPNs, $F(1, 69) = 5.24$, $p = .03$, supporting Hypothesis 9. A marginally significant effect of LPN emotion showed that dyads with angry LPNs reached somewhat more integrative agreements than did dyads with happy LPNs, $F(1, 69) = 3.49$, $p = .07$. The two factors did not interact; however, more importantly, a linear contrast confirmed that integrativeness increased as the amount of anger in the

dyad increased, $F(1, 69) = 8.05, p < .01$; this is contrary to Hypothesis 10, which would imply that the results for the two cells in the right-hand column would be reversed. It appears that having at least one angry party helps in reaching integrative agreements; that the more anger in the dyad, the better (for value creation); and that HPN anger is more helpful than LPN anger in maximizing pareto efficiency. While this analysis does not allow us to reach conclusions about whether the effects are interpersonal or intrapersonal, it does provide considerable new insight into the effects of emotion on the domain of value creation.

Effects of power and emotion on individual integrative behavior (H11, H12, H13)

Nonetheless, our central interests in this paper are individual-level questions. Because there are no existing measures of integrative outcomes at this level, we tested another set of path models in which the coded measures of overall impression, cooperation, and effort shown by the negotiators in the videotaped negotiations constituted the outcome measures. Though these measures offer somewhat different information from the rest of our measures—for example, they reflect observable behaviors, which may be subject to impression management and other motivated self-presentation strategies—our coding is derived from past work on integrative bargaining and captures important individual contributions to integrativeness in the dyad.

First, we examined the three coded integrative behavior measures for evidence that low-power negotiators were more integrative than high-power negotiators, as predicted by Hypothesis 11. Results showed only partial support for the prediction. Low-power negotiators appeared to exert somewhat more effort than their powerful counterparts, $\chi^2(1) = 3.66, p = .06$. However, there were no differences in the parties' ratings on cooperativeness, $\chi^2(1) = 0.56, ns$, or overall impressions of integrativeness, $\chi^2(1) = 2.39, ns$.

Hypothesis 12 predicted that powerful negotiators would respond intrapersonally to anger (versus happiness) with less integrative behavior. However, support for this hypothesis was not found, as shown in Table 2a, Model 4. Hypothesis 13 predicted an interpersonal effect of HPN anger on LPNs' integrative behavior. Results showed that angry LPNs were seen as less cooperative than happy LPNs, $b = -.21, CR = -2.97, p < .01$ —an unexpected intrapersonal effect. However, this was moderated by the interpersonal effect of HPN emotion: the negative effect of LPN anger on LPN cooperativeness was lessened when the powerful counterpart was also angry, $b = .11, CR = 2.00, p = .05$ (see Table 2a, Model 4).⁶

Discussion

Our results show that powerful negotiators seem to benefit from anger in negotiation: they become more cognitively focused and behaviorally tough, and they claim more value. These patterns all reflect intrapersonal effects of emotion: the HPN responds to his or her own emotional state. Angry low-power negotiators, on the other hand, become less cognitively focused; though they try to be tough, their toughness doesn't lead to better performance; and they claim less value. Further, these patterns seem to reflect interpersonal effects of emotion, with LPNs' outcomes predicted

better by HPNs' emotions and toughness than by their own (it should be noted, though, that this occurred only on one measure; in general, our predictions of interpersonal effects for LPNs were not strongly supported). Despite this general pattern, LPNs' toughness did seem to elicit an interpersonal response from HPNs in one area: HPNs facing tough LPNs appeared to exert greater effort to reach an integrative deal. Indeed, anger, in general, seemed beneficial for integrative dealmaking, in that value creation increased as the number of angry negotiators in the dyad increased.

It is noteworthy that the patterns of coded—that is, observable—behavior diverged from those involving only self-reported responses and negotiation outcomes. Although powerful negotiators' cooperativeness responded intrapersonally to their own emotion, and less powerful negotiators' cooperativeness was interpersonally affected by their counterparts' emotion, this pattern reversed with respect to observable effort. Powerful negotiators responded to their low-power counterparts' toughness by showing more apparent effort, and this was especially true when the counterpart was also angry. This suggests that, though the HPNs experienced themselves as being guided by their own internal emotional experience, they were also objectively responsive to the social dynamics of the negotiation.

The results presented here represent an important contribution to the study of power and emotion in negotiation. We have extended current knowledge about their effects in four ways: First, we have shown that emotional experience, and not just expression, affects the negotiation outcome. Though past work suggested that experiencing anger put negotiators at a disadvantage, we find that angry negotiators can actually improve the integrativeness of the negotiation outcome, and that anger can help an individual negotiator to claim value. Second, we are able to reach conclusions about the effects of emotions that vary both within and between dyads. Given that anger may tend to be contagious (Rozin & Royzman, 2001), it may not be realistic to manipulate only one dyad member's emotion. Here, we find that the combination of different emotions in the dyad affected value creation; further, both one's own and one's counterpart's emotion affected value claiming. Third, we are able to conclude that value creation is affected by the intersection of power and emotion within the dyad.

Fourth, our use of the Actor-Partner Interdependence Model enabled us to separate the interpersonal effects of emotion from intrapersonal effects, and led to the most important of our findings. It appears that high-power negotiators are intrapersonally affected by emotion; when they are angry, they become more cognitively focused, and as a consequence are able to claim more value. Low-power negotiators, on the other hand, appear interpersonally affected by emotion. They respond less to their own emotional state than to that of the counterpart; they lose cognitive focus when the counterpart is angry, and they cede value when the counterpart is tough. Similarly, their toughness wavers when the counterpart is angry, such that even when trying to be tough, they end up behaving more cooperatively.

Implications for research on social power within negotiation

Deschamps (1982) pointed out that powerful people are seen as the “subjects” of the social world—they possess agency and volition, enjoy the ability to act on their internal desires, and are described by themselves and others in dispositional, idiosyncratic terms. The powerless, on the other hand, are seen as “objects”: they are acted upon, they are described in group more than individual terms (a “woman doctor”), and they are more susceptible to situational forces. Indeed, a great deal of research has established that powerholders enjoy more behavioral and expressive freedom (Brauer & Chekroun, 2005; Galinsky et al., 2003; Keltner et al., 2003), and that both high- and low-power judges see

⁶ Though we had not made specific predictions, we also examined the effects of self-reported behavioral toughness and cognitive focus on the coded measures (see Model 2a). Impressions of powerful negotiators who reported getting tough in the negotiation were more negative, $b = -.13, CR = -2.19, p = .03$ (Model 3), and these negotiators were seen as less cooperative, $b = -.20, CR = -3.41, p < .01$ (Model 4). On the other hand, an interactive model (Model 5) showed that powerful negotiators facing LPNs who reported getting tough were seen as exerting greater effort in the negotiation, $b = .14, CR = 2.06, p = .04$. This was particularly true when the LP was angry rather than happy, $b = .14, CR = 1.98, p = .05$.

high-power targets as more variable (i.e., individually idiosyncratic) than low-power targets. In short, powerholders seem to “dance to their own tune”—to be guided primarily by internal dispositions (but see Overbeck et al., 2006, for a discussion of possible bias in the perception of powerholders as dispositionally motivated)—and the powerless to be more like the dance partner who follows.

This pattern is clearly mirrored in our data. In a negotiation context, high-power individuals tune in to their internal states, and their outcomes are a function of their own feelings. Low-power individuals, on the other hand, monitor their interaction partners, and adapt their behavior and subjective responses according to the interpersonal signals they receive. Their outcomes result from the direct influence of the other's emotions, and from the interaction of those emotions and their—generally unhelpful—reactions. (We note, however, that those low-power negotiators who became tougher in the negotiation seemed to elicit more effortful responses from their powerful counterparts. Thus, there is some evidence that powerful negotiators may also respond to interpersonal signals, and that low-power negotiators do have some ability to influence their outcomes by prompting more effort to create value.)

One possible reason for the occurrence of such dynamics is that anger and happiness may be particularly closely associated with power differences. Anger is congruent with high power (Tiedens, 2001; Tiedens, Ellsworth, & Mesquita, 2000), and happiness may be congruent with low power (Kay & Jost, 2003). This congruence is defined by emotional experience—powerful people may feel freer to experience anger, and powerless people may take solace in their low-power roles by focusing on their happiness. It is also reflected in display rules which proscribe the expression of anger without the legitimating shield of power (Matsumoto, 1990), and which cast a smile as a gesture of submission (Becker, Kenrick, Neuberg, Blackwell, & Smith, 2007; Henley, 1977). Our finding that powerful negotiators feel more cognitively focused when they are angry may be a function of this congruence: I am powerful, and now I am angry; these things fit comfortably together, so I can relax and function, using both my power and my anger as complementary resources.

Because of these stereotypes and expectations, it is likely that the powerful will have an easier time leveraging their display of anger to procure resources through negotiation. It is possible that experiencing anger helps to reinforce and heighten the powerful negotiator's feelings of power. Similarly, expressing anger underscores to the counterpart that the expresser holds a superior hierarchical position. If that counterpart expresses happiness (perhaps to placate), then this signals submissiveness to the powerholder and reifies the power difference all the more. Although we did not manipulate or closely monitor the natural evolution of emotional feelings and expressions in our study, it seems quite possible that a pattern of power-congruent emotions might arise spontaneously in a negotiation; and the emotions might then exacerbate the effects of power in privileging the powerholder's outcomes.

Consistent with this view, angry low-power negotiators in this study showed less apparent cooperativeness; however, when the powerful counterpart was also angry, they became more cooperative. Beyond this, there was little evidence of observable behavior being affected by either emotion or negotiators' behavioral or cognitive responses for low-power negotiators; this suggests that, unlike the powerful negotiators, they internalized their experience and kept it out of the interaction. Further, angry low-power negotiators became angrier by the end of the negotiation, whereas the angry powerful negotiators calmed down. Past work has argued that subordinates are expected to absorb and defuse the anger displays of their superiors, whereas those superiors are free to express their negative emotions openly and even to abuse subordinates (Lively, 2000; Porath, Overbeck, & Pearson, 2008). Our findings are consistent with this argument: Low-power negotiators here seem to have

absorbed and internalized their counterparts' anger, responding, if at all, with soothing behavior (greater cooperativeness) and ultimately feeling worse as a result. As such, our work has implications for the emerging body of research on emotion regulation in negotiation (e.g., Foo, Efenbein, Tan, & Aik, 2004; see also Gross, 1998; Lopes, Salovey, Cote, Beers, & Petty, 2005), suggesting some conditions under which regulation may be more or less successful.

Methodological contribution

Our paper is one of the first to examine individual processes in negotiation while fully accounting for dyadic dependence. Often, negotiation data are analyzed only at the dyad level. While this can reveal many interesting patterns, it leaves the dyad itself a ‘black box’: we are unable to identify with confidence the individual sources of variation that create these patterns. Alternately, some analysts use regression models in which an individual outcome is regressed on both the actor's and the partner's scores. Though this approach is intuitively appealing, it accounts for dependence only on the right-hand (independent variable) side of the equation; it does not allow for shared variance in the outcome due to dyad membership. Our use of the Actor-Partner Interdependence Model (Kenny et al., 2006) is novel in the negotiation domain, but we hope and anticipate that it will become standard as a way to provide a window into the black box of the negotiating dyad.

Limitations and future directions

Naturally, our study has some important limitations. First, we limit the negotiators' manipulated emotions to just anger and happiness. We do not assign other emotions. Perhaps more important, we do not provide a control condition. These decisions were made for practical reasons, given the difficulties of running a dyadic design and the fact that each additional condition would demand a large number of new participants (to fully cross a no-emotion condition would require us to more than double the size of this study). However, we acknowledge that our lack of a baseline emotion condition means that our conclusions must be interpreted in relative terms: anger may lead powerful negotiators to better outcomes than happiness does, but we can't be certain that anger is better in absolute terms. Future research may fruitfully examine these issues, although other studies seem to support our conclusions.

Second, the emotion manipulation itself may raise questions, given that its verbal content contains several elements that go beyond pure emotion. We designed the manipulation to provide a vivid, involving, and effective manipulation of anger, which is notoriously difficult to induce experimentally. Further, we wanted to encompass both experienced and expressed emotion, and so our instructions had to address both aspects. Other work has examined trait or incidental anger (C. Anderson, 2004; N. Anderson & Neale, 2006), but here we wanted to examine anger that occurs as part of the immediate interaction and relationship. The resulting manipulation, though, might cue differences in trust and strategy, as well as in experienced and expressed emotion. We would argue, however, (and the pilot data reported in Footnote 2 empirically support) that such extraneous constructs are probably always going to be affected by anger. Differences in feelings of trust and power with respect to the person who elicits one's anger seem to be part of the constellation of reactions that an angry person experiences. Of course, there is always a tradeoff between precision and control, on the one hand, and realism, on the other. In this case, we felt it was reasonable to trade off a certain amount of precision to create a psychologically real emotional experience.

Finally, we find ourselves constrained by the current, limited state of the art in reconciling the individual focus of the APIM with

standard measures of integrativeness, which almost always tend to be at the level of the dyad (cf. Clyman, 1995). We have tried to expand on the accepted dyadic measure of Pareto efficiency (Tripp & Sondak, 1992) by using coded integrative behavior (e.g., cooperation, effort, overall impression), which we can examine at the individual level. However, it is not clear that these behaviors map cleanly as antecedents of the dyads' value creation. For example, observed dyadic level cooperativeness is negatively correlated with Pareto efficiency. Yet, we should not be particularly surprised when there is a difference between what an individual intends or self-reports compared to what is seen or interpreted by a third party. Second, while there is often an expectation that value creation is associated with cooperative behaviors, there is evidence that cooperation may be more important for reaching agreement than for reaching a high quality, integrative agreement (Pruitt, 1981). Finally, the fact that the measures are at different levels of analysis makes it difficult for us to validate their equivalence through correlation analysis or similar methods. We pose this challenge for ourselves and fellow researchers: to explore novel ways of assessing value creation that allow for analysis at the sub-dyad level as well as distinguishing what is lore from reality in behaviors that lead to value creation.

Conclusion

How should negotiators manage emotions in negotiation? Our study suggests this is not so simple as keeping anger out of the interaction, but that the answer to this question lies in the relative power of the party and whether we are considering value claiming or value creating as our metric. While it is true that a negotiator who is at a power disadvantage would be well served by trying to keep anger out of the negotiation because he or she is likely to claim less value, our study suggests that the more members of the dyads who are angry, the more value that is created. Whether one's own or the counterpart's, the anger is likely to benefit the other party at the expense of the self—and to leave him feeling that he couldn't perform to his potential. In addition to potentially violating important norms or scripts for negotiating behavior, the low-power negotiator is subject to more difficulties when anger is present. Controlling anger and pacifying the other party may be well worth the effort they require. On the other hand, if the negotiator were powerful, she may not only be unconcerned about anger but also even seek it out—it may actually help her feel calmer and more cognitively focused—and it will certainly enhance her ability to both create and claim value. Based on our results, it seems that prescriptive advice about the impact of emotions on negotiation performance should also include a component on the relative power of the negotiators.

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