



When vigilance prevails: The effect of regulatory focus and accountability on integrative negotiation outcomes



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ABSTRACT

Negotiators often bargain on behalf of constituents to whom they feel accountable. We argue that prior evidence for the superior outcomes of promotion-focused (vs. prevention-focused) negotiators may not hold when negotiators perceive high accountability to a third party. In two studies, we found that prevention-focused dyads achieved better joint financial outcomes than promotion-focused dyads in situations where high performance was expected and evaluated by a supervisor (i.e., high accountability condition). In Study 2, we found that prevention-focused individuals perceived a better regulatory fit in the high accountability condition and that the regulatory fit of both parties in a dyad was related to more integrative solutions.

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Introduction

Negotiations can be characterized as interdependent decision making situations that present negotiators with contradictory forces (DeRue, Conlon, Moon, & Willaby, 2009): Negotiators approach the situation with a goal of acquiring something of value (money, goods, services, information, etc.) while simultaneously hoping to avoid giving up too much of something else in return. Such desires are discussed in Higgins (1997, 1998) regulatory focus theory, which describes how individuals strive toward positive outcomes or away from negative outcomes. Individuals with a promotion focus emphasize hopes and accomplishments (striving toward pleasure and/or gains) whereas individuals with a prevention focus emphasize security and responsibilities (avoiding pain and/or losses). Because of its motivational attribute, regulatory focus theory has been widely applied to understand human behavior, such as leadership influence (Kark & van-Dijk, 2007; Neubert, Kacmar, Carlson, Chonko, & Roberts, 2008), decision making (Camacho, Higgins, & Luger, 2003; Crowe & Higgins, 1997), and creativity (Baas, De Dreu, & Nijstad, 2008).

Prior studies have examined the main effect of regulatory focus on negotiation outcomes; in these studies, scholars have found

that promotion-oriented negotiators perform better than prevention-oriented negotiators (Galinsky, Leonardelli, Okhuysen, & Mussweiler, 2005; Galinsky, Mussweiler, & Medvec, 2002). For example, in a series of studies, Galinsky et al. (2005) demonstrated that promotion-focused negotiators procured better outcomes in a distributive (i.e., zero-sum) negotiation compared to prevention-focused negotiators. The authors also found that promotion-focused negotiation dyads achieved pareto optimal agreements more often than prevention-focused dyads. However, these studies focused exclusively on situations whereby individuals negotiate without accountabilities to others (e.g., role playing a job candidate who negotiates for their own employment, Galinsky et al., 2005; Study 1). Based on regulatory fit theory (Higgins, 2000, 2005), we posit that accountability may be an important situational feature that shapes the effect of individual regulatory focus on negotiation outcomes. Being accountable to a client or superior activates feelings of obligation that fit with a prevention focus orientation, but that are a mismatch with a promotion focus orientation (Higgins, 2000; Shah, Higgins, & Friedman, 1998). A good match between a negotiator's prevention focus orientation and the presence of accountability produces a feeling of appropriateness, leading to heightened engagement and favorable negotiation outcomes.

In short, we argue that accountability makes an "ought self" salient to negotiators, leading prevention-focused negotiators to experience a better fit, and thereby better negotiation outcomes,

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than promotion-focused negotiators. We tested this hypothesis in two studies whereby negotiation dyads had opportunities to enlarge the joint negotiation outcome and we found support for our hypothesis. Our study thus points out the utility of a regulatory fit perspective in understanding negotiation processes and highlights accountability as an important boundary condition of regulatory focus effects on negotiation outcomes.

Regulatory fit perspective

Regulatory fit theory (Higgins, 2000, 2005) argues that promotion and prevention foci are associated with different strategies for goal pursuit (i.e., pursuing pleasure/gains or avoiding pain/losses) and therefore individuals with a given regulatory focus orientation may experience a fit or misfit when they engage in activities that require congruent or opposite strategies. Because of an emphasis on advancement and achievements, promotion-focused individuals, for example, are more likely to experience a fit when performing a task that focuses on achieving personal gains. In contrast, individuals with a prevention focus are better suited to tasks that emphasize avoiding losses and ensuring accuracy, owing to their focus on security and responsibility. The fit between one's regulatory focus orientation and the manner of pursuing an activity contributes to a sensation of "feeling-right" and leads to perceptions of purpose and value in one's behaviors (Higgins, 2000). As a result, individuals who experience higher regulatory fit are more motivated and engaged in pursuing the activity, leading to favorable outcomes.

Studies have supported the regulatory fit perspective by showing that individuals perform better when their regulatory foci match the nature and requirements of the task or the expected role (e.g., Appelt, Zou, Arora, & Higgins, 2009; Freitas, Liberman, & Higgins, 2002; Hong & Lee, 2008; Shah et al., 1998). For example, Wallace and Chen (2006) found that a promotion focus facilitated productivity (working quickly), but was negatively related to safety performance (which required compliance with safety-related rules and regulations). In contrast, a prevention focus led to higher safety performance but hindered productivity. Similarly, an experimental study by Crowe and Higgins (1997) showed that prevention-focused participants outperformed promotion-focused participants in a task that required accuracy, whereas a promotion focus boosted performance in a task that required creative solutions.

Building on prior work demonstrating a positive influence of regulatory fit on individual performance, we posit that a similar regulatory fit effect would occur in negotiations. We examine the fit between negotiators' regulatory focus orientation and the presence of accountability. In the following sections, we review existing research linking accountability to negotiation outcomes, and develop our hypotheses concerning how high accountability creates fit with a prevention focus in ways that influence negotiation outcomes.

Accountability and negotiation outcomes

In many situations, negotiators are negotiating on behalf of others such as a negotiator's manager or constituent that the negotiator represents (e.g., clients, union members) (Larrick, Heath, & Wu, 2009). Under such circumstances, negotiators may perceive that they are "answerable for conducting oneself in a manner that is consistent with relevant prescriptions for how things should be" (Schlenker & Weigold, 1989, p. 24). Accountable negotiators often strive to meet the expectations of the constituent to avoid loss of respect or status in the eyes of the constituent. Prior research has shown that accountability encourages competitive behavior, slow concession making, and impasses in a negotiation setting (e.g.,

Benton & Druckman, 1974; Klimoski, 1972; Klimoski & Ash, 1974), and leads to lower joint financial outcomes in a negotiation with integrative potential (Carnevale, Pruitt, & Seilheimer, 1981; Pruitt et al., 1978). Yet, De Dreu, Koole, and Steinel (2000) reported that feeling accountable in negotiation led negotiators to reduce fix-pie perceptions and to obtain higher joint gains in an integrative negotiation setting. The authors suggested that when held accountable by a constituent, the negotiator feels obligated to engage in more effortful and systematic processing of information to preempt potential criticism by the constituent (Lerner & Tetlock, 1999). Such comprehensive information processing can be instrumental in revealing the integrative potential in the negotiation.

Moreover, studies have shown that the effect of accountability on negotiation outcomes is contingent on a range of factors, including the status and behavior of the constituent (Bartunek, Benton, & Keys, 1975; Kogan, Lamm, & Trommsdorff, 1972) and the cultural values of the negotiation representative (Gelfand & Realo, 1999; Liu, Friedman, & Hong, 2012). In an integrative bargaining context, Gelfand and Realo (1999) found that while accountability led to contentious behavior and less joint profit among dyads with lower levels of collectivistic values, it promoted cooperative behavior and more joint profit among dyads high in collectivism. The authors concluded that accountability elicits behaviors that are normative in the individual's cultural experience (i.e., cooperation in collectivist cultures and competition in individualist cultures). We argue below that accountability activates one's sense of obligation, creating a precipitating situation (Bowles, Babcock, & McGinn, 2005) for perceived regulatory fit among negotiators with a prevention focus.

Fit between regulatory focus and accountability

In a negotiation context, accountability can be activated when negotiators are required to justify their actions or outcomes after the negotiation, when they perceive they will be evaluated by someone, or when their rewards or punishment are in a constituent's control (Lerner & Tetlock, 1999; Tetlock & Boettger, 1989). Felt obligation fits a prevention focus that emphasizes one's responsibilities to others (Higgins, 2000; Shah et al., 1998). Accountability also implies negative interpersonal consequences (e.g., loss of reputation, blame) when a person fails to provide sound justification for his or her behavior; as a result, accountability can prime a loss frame and motivation to avoid undesirable outcomes (Tetlock & Boettger, 1994). Thus, the presence of accountability activates an "ought self" and a loss frame which generate a fit with a prevention focus orientation. In contrast, promotion-focused negotiators focus on pursuing gains and an "ideal self," and act according to their personal preferences (Brebels, De Cremer, & Sedikides, 2008; Van-Dijk & Kluger, 2004). Promotion-focused negotiators thus are likely to experience a misfit when they perceive they *are required* to meet the implicit and explicit expectations of another party who has evaluation power over them.

Meyer, Becker, and Vandenberghe's (2004) work integrating theories of goal-setting (Locke, 1997) and commitment (Meyer & Herscovitch, 2001) provides additional theoretical support for our assertion. The authors introduced the concept of *goal regulation*, defined as "a motivational mindset reflecting the reasons for, and purpose of, a course of action being contemplated or in progress" (Meyer et al., 2004, p. 998). Goal regulation is based upon perceptions of why the person is pursuing the goal (for self-justified or other-justified reasons) and whether the purpose is to achieve ideals or to fulfill obligations (e.g., a promotion or prevention orientation). The authors argue that when individuals see their behavior as self-justified, they will be more inclined to take on a promotion

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