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Negotiation in dyads and groups: the effects of social and epistemic motives

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CHAPTER 5

Goal Expectations meet Regulatory Focus:
How Appetitive and Aversive Competition Influence Negotiation

Negotiation is an important aspect of everyday life and refers to discussions among people aimed at resolving seemingly incompatible interests (Pruitt, 1981). Critical in negotiation are expectations about one's counterpart's goals and aspirations, his or her behavioral intentions, and strategic maneuvers. Such expectations greatly influence strategic decisions about concessions to make, information to provide or withhold, and so on. The direction of such influence is, however, not always as straightforward as one might think. For example, expecting competitive goals and behavior sometimes fuels competitive tendencies (Pruitt & Kimmel, 1977), and sometimes triggers conciliatory behaviors (Diekmann, Tenbrunsel, & Galinsky, 2003). Expecting large concessions from one's counterpart sometimes leads to making small concessions, and sometimes to making large concessions (Smith, Pruitt, & Carnevale, 1982). In short, expecting one's counterpart to behave cooperatively or, instead, competitively, influences negotiator cognition and behavior, but it is not yet clear when, how, and why.

To further our understanding of the conditions under which cooperative vs. competitive expectations influence negotiation behavior, we concentrate on two relatively ignored factors – the negotiators' aversive versus appetitive competitive motivation and their need for closure. We integrate insights from Goal Expectation Theory (Pruitt & Kimmel, 1977), Regulatory Focus Theory (Higgins, 1998), and the Motivated Information Processing Model of Negotiation (De Dreu & Carnevale, 2003) to argue and show that expectations of a counterpart's cooperativeness or competitiveness affect demands and concession making, but that these behavioral implications largely depend on the social and information processing motivations that negotiators bring to the table.

Expectations of Others in Social Decision Making: Goal Expectation Theory

According to Goal Expectation Theory (Pruitt & Kimmel, 1977; see also Kelley & Stahelski, 1970; Van Lange, 1992), people in mixed-motive settings such as social dilemmas and negotiations cooperate when two conditions are met. First, they need to perceive their counterpart as being trustworthy and cooperative, because if the other is seen as dishonest and competitive, unilateral cooperation may be exploited and taken advantage of. Indeed, a number of studies reveal the potential impact of individuals' expectations of each other on cooperation and concession making. De Bruin and Van Lange (1999), for instance, show that behavioral
information about the might or morality of another person influences impressions, expectations of cooperative behavior, and own cooperation in a social dilemma. Similarly, negotiators make larger concessions towards theology students, who are stereotyped as being moral and cooperative, than towards business students, who are stereotyped as being opportunistic and competitive (De Dreu, Koole, & Oldersma, 1999; De Dreu, Yzerbyt, & Leyens, 1995). Finally, people expect more cooperation, engage in less lying and deception, and make more concessions when their counterpart is said to have a cooperative personality, than when the other is said to have a competitive personality (Steinel & De Dreu, 2004; Van Kleef & De Dreu, 2002; but see Diekmann et al., 2003 and the Discussion section).

Second, and critical in Goal Expectation Theory, is that expecting cooperation only leads to cooperative action when negotiators have a cooperative goal to begin with. With a cooperative goal, expecting cooperation leads to cooperation and expecting competition leads to competition (i.e., to prevent being exploited). But with a competitive goal, expecting cooperation leads to competition (i.e., exploiting the other is “easy”) and expecting competition leads to competition (i.e., to prevent being exploited; Pruitt & Kimmel, 1977; see also Kelley & Thibaut, 1976). Thus, Van Lange (1992) and Steinel and De Dreu (2004) found that cooperators only cooperated when they expected their counterpart to cooperate, and not when they expected their counterpart to compete; non-cooperators, however, competed regardless of their expected counterpart's cooperativeness.

Although these predictions seem relatively straightforward, and tend to be well-supported by research on social dilemmas and negotiation, close scrutiny reveals that it is unclear why competitors compete regardless of their cooperative or competitive expectations regarding their counterpart. Competitors share common ground with cooperators in that both groups' utility function depends on their counterpart's outcome, with the distinction that a competitor's goal is to maximize their outcome relative to their counterpart, rather than maximize joint outcomes. Therefore, one might expect that, just like cooperators, competitors' strategy during negotiation is contingent upon their expectations of their counterpart. That this does not show up in research findings may be due to the fact that two different types of competitive motivation are not differentiated, but instead lumped together in the analysis. Specifically, competitive motivation may be rooted in (1) a desire for relative gain, and (2) fear of falling behind (Coombs, 1973; Van Lange, Liebrand, & Kuhlman, 1990). In the next section we invoke Regulatory Focus Theory (Higgins, 1998) to develop this critical distinction between appetitive competition (aimed at [relative] gain) and aversive competition (aimed at not falling behind), and we explore how it interacts with expectations of one's counterpart's behavior in producing demands and concessions in negotiation.
Aversive and Appetitive Competitive Motivation in Negotiation

Regulatory Focus Theory (Higgins, 1998) distinguishes between goals related to aspirations, growth, and accomplishment (promotion focus), and goals related to protection, safety and responsibility (prevention focus). These two goals elicit different strategic inclinations that are directed towards a desired end state: People with a promotion focus are sensitive to the presence or absence of positive outcomes, while people with a prevention focus are concerned with the presence or absence of negative outcomes (Higgins, Roney, Crowe & Hymes, 1994). Thus, promotion focus motivates individuals to accomplish hits and avoid errors of omission, while prevention focus motivates individuals to attain correct rejections and avoid errors of commission (Crowe & Higgins, 1997).

In terms of regulatory focus theory, it can be argued that appetitive competitors, who want to win from their counterpart, are more likely to have a promotion focus while aversive competitors, who want to avoid losing from their counterpart, are more likely to have a prevention focus. Both appetitive competition and promotion focus are characterized by a concern for accomplishment and a focus on obtaining a positive event (i.e., coming out ahead). Likewise, both aversive competitors and individuals with a prevention focus are characterized by a concern for safety and error prevention, and their behavior is driven by fear of a negative event (i.e., not falling behind; see Crowe & Higgins, 1997; Higgins, 1998).

While Regulatory Focus Theory is vital in understanding the possible consequences of aversive versus appetitive competition, one should not equate these two forms of competitive motivation with prevention versus promotion focus, respectively. This is because the general objectives postulated by Regulatory Focus Theory (i.e., growth and accomplishment for those with a promotion focus, and error prevention, safety and responsibility for those with a prevention focus) do not reveal what individuals want to accomplish or prevent. One example of a desired end-state in a negotiation context is to outperform the counterpart, but it might also be achieving equality of outcomes or reaching a mutually optimal, integrative outcome. Whereas appetitive and aversive competition specify, a priori, the desired end-state (i.e., winning or not losing in comparison with others), promotion and prevention focus do not. Thus, whereas appetitive and aversive competition are concerned with two different types of interpersonal competition, regulatory focus is concerned with accomplishment and error prevention in general, which does not necessarily apply to competition.

In a recent series of experiments, Ten Velden, Beersma and De Dreu (2007c) explored the effects of aversive versus appetitive competition in negotiation. In a first experiment, participants rated their satisfaction with a series of outcome differentials, some yielding relative advantage vis-à-vis a negotiation counterpart,
some yielding relative disadvantage, and some yielding equal distribution (no difference). Analyses showed that appetitive competitors were more satisfied with relative advantage than with equality or relative disadvantage. Aversive competitors, however, were equally satisfied with relative advantage and equality, and less satisfied with relative disadvantage. In other words, aversive competitors "can live with" an equal split, something quite dissatisfying to appetitive competitors. Indeed, follow-up experiments revealed that, by and large, aversive competitors were more likely to settle than appetitive competitors.

The results obtained by Ten Velden et al. (2007c), and our analysis of aversive versus appetitive competition in terms of Regulatory Focus Theory suggests that aversive competitors will respond differently than appetitive competitors to counterparts expected to behave cooperatively or competitively. Aversive competitors, who are characterized by a fear of falling behind, will prefer a cooperative counterpart (with whom an equal split solution seems feasible) to a competitive counterpart and thus behave tougher (higher demands, smaller concessions) when they perceive their counterpart to be competitive than when they perceive their counterpart to be cooperative. Appetitive competitors however, who experience less anxiety, should not differentiate between competitive and cooperative expectations - in both cases they believe that their goal of creating relative advantage is best served by high demands and small concessions. In other words, we propose an important qualification to Goal Expectation Theory – cooperative expectations engender cooperation among aversive competitors more than among appetitive competitors. More specifically, we believe that aversive competitors, who experience relatively high levels of anxiety, will behave more cooperatively, i.e., make larger concessions and make smaller demands, when they expect their counterpart to be cooperative than when they expect their counterpart to be competitive.

**Need for Cognitive Closure and Motivated Information Processing**

Our analysis, and much of the work it was based upon, proceeded on the basis of the assumption that the expectations negotiators form about their counterpart form the basis for their strategic decisions. In terms of Lay Epistemic Theory (Kruglanski, 1989), it was thus assumed that negotiators freeze upon a particular initial expectation of their counterpart, and neither process nor incorporate new information that becomes available in the course of the negotiation process. Following Lay Epistemic Theory, and the Motivated Information Processing Model of Negotiation (De Dreu & Carnevale, 2003), such freezing and concomitant low levels of information processing emerges especially when negotiators have high need
for cognitive closure—the individual's desire for a firm, unambiguous answer (Kruglanski & Webster, 1996). Individuals with high need for closure tend to seize information about a social target quickly, and subsequently freeze on that information. Individuals with low need for closure, in contrast, are more likely to continue information processing and are less influenced by initial expectations and stereotypic cues. Indeed, previous research has shown that negotiators with high need for closure were more influenced in their demands by social stereotypes than those with low need for closure (De Dreu et al, 1999).

Given that negotiators with high need for closure are more inclined to freeze on initial information than those with low need for closure, it follows that initial expectations of a counterpart will especially affect individuals with a high need for closure. Put differently, it was predicted that the interaction between aversive versus appetitive competition and expectations predicted above holds especially when negotiators have high need for cognitive closure. When they have low need for closure, both aversive and appetitive competitors can be expected to ignore initial impressions and concomitant expectations.

Overview of the Present Research

The current experiment was concerned with expectations about a counterpart's cooperativeness or competitiveness in negotiation, and their subsequent effects on negotiators' behavior. We integrated insights from Goal Expectation Theory (Pruitt & Kimmel, 1977), Regulatory Focus Theory (e.g., Higgins, 1998), and the Motivation Information Processing Model (De Dreu & Carnevale, 2003). It was predicted that aversive competitors who are characterized by a concern for safety and fear for negative outcomes (e.g., Higgins et al., 1994) would experience more anxiety and would therefore be more influenced by cooperative or competitive expectations of a counterpart than appetitive competitors, who are characterized by a concern for accomplishment and obtaining a positive event. Accordingly, it was expected that aversive competitors, but not appetitive competitors, would make higher concessions when they expected cooperation from their counterpart than when they expected competitive behavior form their counterpart. Finally, it was predicted that this effect holds especially when negotiators have high need for closure.

Method

Participants and Design

One hundred sixty-nine students from the University of Amsterdam (61 men, M = 21.56 years) participated for course credit, or were paid 7 Euro
(approximately 10 USD). The experimental design included the participant's competitive motivation (aversive vs. appetitive), their expectations about their counterpart's behavior (cooperative vs. competitive), and the participant's need for closure (high vs. low) as between-participants factors. Dependent variables were social perceptions, information processing, negotiators' emotions and negotiation behavior.

Procedure

Upon arrival in the laboratory, participants were seated behind computers in separate cubicles, which prevented them from talking to each other. The experimenter told participants that they were about to participate in a two-person negotiation, but that they had to wait for the arrival of their counterpart. After a few minutes, the experiment started. All instructions were presented to the participants on their computer screen. Participants read that the purpose of the experiment was to investigate how negotiations unfold when negotiators communicate via the computer. They were told that they were about to be matched to another participant, and that they would engage in a computer-mediated negotiation. In reality, a computer program simulated this other person. As part of the manipulation of participants' expectations about their counterpart's cooperativeness or competitiveness, participants were asked to complete a "collaboration skills test" (for a description of this test, see "Manipulation of expectations").

Assessment of Need for Closure

We used a validated Dutch translation of the original Need for Cognitive Closure Scale (NFCS) developed by Webster and Kruglanski (1994). Participants received a 42-item questionnaire to be scored on 7-point scales (1 = totally disagree to 7 = totally agree).

Negotiation Task

The negotiation task was a computerized version of the one used in past studies on multi-issue negotiation (see, e.g., De Dreu et al., 1999; Van Kleef et al., 2004). This task is designed to capture the main characteristics of real-life negotiations in that it involves multiple issues differing in value to the negotiator, provides negotiators with information about their own pay-offs only, and meets the provisional offer-counteroffer characteristic of many negotiation situations (cf. Pruitt, 1981). Participants took on the role of seller of a laptop and were instructed that their profits depended on three issues: the price, warranty and theft insurance of the laptop. Participants were shown a pay-off chart that listed 9 possible agreements per issue, and their corresponding profit. For price, Level 9 ($1000) gave 0 payoff and Level 1 ($2600) gave 400 payoff (i.e., increments of 50 points per level). For warranty period, Level 9 (36 months) gave 0 payoff, and level 1 (12 months) gave 120 payoff (i.e., increments of 15 points per level). Finally, for theft insurance, Level
9 (36 months) yielded a 0 payoff, and Level 1 (12 months) yielded a 240 payoff (i.e., increments of 30 points per level). Furthermore, participants were informed that the buyer would make the first offer, that they could respond with a counteroffer, and that the negotiation would end on agreement or when time would run out. In the latter case, no points would be obtained. It should be noted that throughout the instructions no indication was given as to (a) the buyer’s profits or (b) the maximum number of rounds.

After participants read the instructions pertaining to their pay-offs, the participants’ motivation and their expectation about their counterpart’s cooperatives or competitiveness were manipulated through instructions (see below). Once the negotiation started the buyer (i.e., the computer) made a first offer. Over the six negotiation rounds the buyer proposed the following levels of agreement (for price, warranty and theft insurance): 8–7–8, 8–7–7, 8–6–7, 7–6–7, 7–6–6, and 6–6–6. Past research has shown that this strategy has face validity and is seen as intermediate in cooperativeness and competitiveness (De Dreu et al., 1999). This is important because it does not interfere with the manipulation of expectations.

A demand by the participant was accepted if it equaled or exceeded the offer the computer was about to make in the next round. Thus, for example, if the participant demanded 7–6–6 in Round 4, this demand was accepted by the computer since its next offer (in Round 5) would have been 7–6–6. After the sixth round, the negotiation was interrupted regardless of whether participants had reached an agreement (cf. De Dreu et al., 1999). Following procedures established in previous research, participants who reached an agreement before Round 6 (n = 11) were excluded from the sample (cf. Tripp & Sondak, 1992).

**Manipulation of Own Motivation**

To manipulate motivation, we used instructions combined with incentives, following a procedure used in prior research (e.g., Beersma & De Dreu, 2005; Ten Velden et al., 2007b). Participants in the appetitive condition read that it was important that they would receive higher outcomes than their counterpart. This was accompanied by an incentive; participants were informed that those negotiators who succeeded in receiving higher outcomes than the other party would enter a lottery contest in which they could win 20 Euro. Participants in the aversive condition read that it was important that they did not receive lower outcomes than their counterpart. This was accompanied by an incentive; participants were informed that those negotiators that succeeded in not receiving lower outcomes than the other party would enter a lottery contest in which they could win 20 Euro.

**Manipulation of Expectations**

Using a procedure established in previous research (see, e.g., Steinel & De Dreu, 2004), participants were told that the researchers were interested in the effect
of having information about the other participant, and that they, but not their counterpart, were randomly selected to receive some information about the counterpart derived from a collaboration skills measure filled out earlier. The test contained 20 items dealing with cooperation in daily life (e.g., "In the bus, I stand up and let older people have my seat"; "I enjoy working with other people"; "Winning is everything"; "I like situations in which I can compete with others"). Participants indicated their agreement with each item on a 5-point scale (1 = completely disagree, 5 = completely agree).

Participants received the test allegedly completed by the other participant, with highlighted numbers on the rating scales for each item manipulated in such a way that the other appeared either competitive or cooperative. For example, participants in the cooperative-other condition saw that the other had answered "4" on the item "In the bus, I stand up and let older people have my seat" (i.e., he or she agreed); participants in the competitive-other condition saw that the other had answered "2" on this item.

**Dependent Measures**

*Social perceptions.* Participants were asked to indicate their perception of their counterpart’s might and morality, and adjectives were used that were previously shown to reflect these two dimensions (e.g., Liebrand, Jansen, Rijken, & Suhre, 1986). Might was measured using four items (intelligent, smart, ambitious, contemplative) as was morality (friendly, reliable, social, polite). Answers could be given on 7-point scales (1 = completely false to 7 = completely true). Both scales proved reliable (α = .65 for might and α = .87 for morality).

*Information processing.* Information processing was assessed with four items derived from previous research (e.g., De Dreu et al., 1999, e.g., "I thought deeply before making a decision"). Answers could be given on 7-point scales (1 = completely disagree to 7 = completely agree). Ratings were averaged into one index (α = .78).

*Negotiator emotions.* Participants were asked to indicate the anxiety they experienced during the negotiation, which was measured by asking participants to indicate the degree to which they felt afraid and anxious (α = .81). For exploratory reasons, participants were asked to indicate the degree to which they felt angry, happy, sad, and guilty. Participants could answer on a 7-point scale ranging from not at all (1) to very (7).

*Negotiation behavior. Initial demand* was measured as the demand participants made for all three issues in the first round. *Distance traveled* was measured as the difference between the demands participants made for the three issues during Round 1 and the demands during the last round they negotiated (Round 6). The higher the number, the greater the distance traveled. *Average demand* was assessed by averaging the demands participants made for the three issues across the six negotiation rounds.
Manipulation Checks. To check the adequacy of the manipulation of own motivation, a six-item questionnaire was used. Three questions assessed appetitive motivation (e.g., "During the negotiation, I tried to achieve more points than the other party") and three questions were used to assess aversive motivation (e.g., "During the negotiation, I tried to avoid that the other party would achieve more points than I"; always 1 = completely disagree to 7 = completely agree). Both scales proved reliable (Cronbach's alpha's > .60). To check the adequacy of the manipulation of expectations, a four-item questionnaire was used. Two items measured the other party’s cooperative motivation (e.g., "I think that the other party is a cooperative person") and two items measured the other party's competitive motivation (e.g., "I think that the other party is a competitive person"; 1 = completely disagree to 7 = completely agree). Both scales proved reliable (Cronbach's alpha's > .76).

Results

Treatment of the Data

To facilitate comparison across different studies and similar questionnaires, we followed Kruglanski et al.'s (1997) recommendation (see also Van Kleef et al., 2004) and performed a median split on the aggregated score of the responses on the 42 items of the NFCS. The NFCS had good internal reliability (α = .85), and the median split (Mdn = 4.07) yielded 15 to 21 participants per condition. We performed a 2 (own motivation) x 2 (expectations about the counterpart) Analysis of Variance (ANOVA) on the NFCS to check whether overall ratings did not differ across the four conditions. No main or interaction effects were observed, Fs < 1, ns.

Manipulation Checks

A 2 (own motivation: appetitive vs. aversive) x 2 (expectation of counterpart: cooperative vs. competitive) x 2 (NFCS: high vs. low) ANOVA on the manipulation check for own motivation revealed that participants in the appetitive condition reported a higher appetitive motivation (M = 5.99, SD = 0.84) than participants in the aversive condition (M = 5.56, SD = 1.34), F (1, 150) = 6.23, p = .01, η = .04. The same analysis revealed that participants in the aversive condition reported a higher aversive motivation (M = 5.07, SD = 1.60) than participants in the appetitive condition (M = 4.33, SD = 1.38), F (1, 150) = 9.55, p = .002, η = .06. No other effects were significant.

A 2 (own motivation: appetitive vs. aversive) x 2 (expectation of counterpart: cooperative vs. competitive) x 2 (NFCS: high vs. low) ANOVA on the manipulation check for expectations revealed that participants in the cooperative other condition expected the other party to be more cooperative (M = 5.46, SD = 1.28) than participants in the competitive other condition (M = 1.90, SD = 1.08), F (1, 150) = 342.99, p < .001, η = .70. In addition, participants in the competitive other
condition rated the other party as more competitive \( (M = 6.20, SD = 0.94) \) than participants in the cooperative other condition \( (M = 2.80, SD = 1.32) \), \( F (1, 150) = 347.67, p < .001, \eta = .70 \). No other effects were significant.

**Social Perceptions**

We submitted participants’ perceptions of their counterpart’s might and morality to two 2 (own motivation: appetitive vs. aversive) x 2 (expectation of counterpart: cooperative vs. competitive) x 2 (NFCS: high vs. low) ANOVA. Results revealed that participants’ perceptions of their counterpart’s might were higher in the competitive counterpart condition \( (M = 4.74, SD = 0.76) \), than in the cooperative counterpart condition \( (M = 4.43, SD = 0.88) \), \( F (1, 150) = 5.09, p = .03, \eta^2 = .03 \). In contrast, participants’ perceptions of their counterpart’s morality were higher in the cooperative counterpart condition \( (M = 4.40, SD = 0.90) \), than in the competitive counterpart condition \( (M = 3.54, SD = 0.95) \), \( F (1, 150) = 31.61, p < .001, \eta^2 = .17 \). No other effects were significant.

**Information Processing**

Information processing was submitted to a 2 (own motivation: appetitive vs. aversive) x 2 (expectation of counterpart: cooperative vs. competitive) x 2 (NFCS: high vs. low) ANOVA. Replicating findings from previous research (e.g., De Dreu et al., 1999), the ANOVA yielded a significant main effect of need for closure, \( F (1, 150) = 5.56, p = .02, \eta = .04 \), indicating that participants with low need for closure reported more information processing \( (M = 4.67, SD = 1.46) \) than participants with high need for closure \( (M = 4.09, SD = 1.55) \). No other effects were significant.

**Negotiator’s Emotions**

A 2 (own motivation: appetitive vs. aversive) x 2 (expectation of counterpart: cooperative vs. competitive) x 2 (NFCS: high vs. low) ANOVA revealed that aversive participants indicated more anxiety \( (M = 1.61, SD = 0.75) \) than appetitive participants \( (M = 1.37, SD = 0.74) \), \( F (1, 150) = 5.97, p = .02, \eta^2 = .04 \). No effects were found on the degree to which participants felt happy, angry, sad and guilty, all \( Fs < 1.84, ns \).

**Negotiation behavior**

**Initial demand.** A 2 (own motivation: appetitive vs. aversive) x 2 (expectation of counterpart: cooperative vs. competitive) x 2 (NFCS: high vs. low) ANOVA examining the effects of the independent variables on initial demand was conducted, which yielded a main effect for own motivation, \( F (1, 150) = 6.02, p = .02, \eta^2 = .04 \). Aversive competitors made a lower initial demand \( (M = 626.46, SD = 91.35) \) than appetitive competitors \( (M = 664.76, SD = 91.49) \).

**Average demand.** To examine the average demands negotiators made across the six negotiation rounds we conducted a 2 (own motivation: appetitive vs. aversive) x 2 (expectation of counterpart: cooperative vs. competitive) x 2 (NFCS: high vs.
low) ANOVA on average demand and found, first of all, a significant main effect for own motivation. Aversive participants demanded less ($M = 541.57$, $SD = 92.91$) than appetitive participants ($M = 573.08$, $SD = 77.98$), $F(1, 150) = 4.98, p = .03, \eta^2 = .03$. This main effect was qualified by a significant interaction between own motivation and expectations, $F(1, 150) = 3.98, p = .04, \eta^2 = .03$. Simple effects analysis showed that expectations did not affect appetitive participants, $F(1, 150) < 1, ns$. However, aversive participants demanded less when they expected a cooperative counterpart ($M = 522.42$, $SD = 90.88$) than when they expected a competitive counterpart ($M = 563.45$, $SD = 91.59$), $F(1, 150) = 4.45, p = .04, \eta^2 = .03$.

Distance traveled. It was predicted that aversive competitors concede more when they expected their counterpart to be cooperative than when they expected their counterpart to be competitive. A 2 (own motivation: appetitive vs. aversive) x 2 (expectation of counterpart: cooperative vs. competitive) x 2 (NFCS: high vs. low) ANOVA on distance traveled confirmed our prediction and revealed a significant interaction effect between own motivation and expectation, $F(1, 150) = 5.43, p = .02, \eta^2 = .04$. Simple effects analysis showed that the effect of expectation on distance traveled was significant for aversive participants, $F(1, 150) = 4.51, p = .04, \eta^2 = .03$, but not for appetitive participants, $F(1, 150) = 1.31, ns$. Inspection of means revealed that in the aversive condition, participants conceded more when they expected a cooperative other ($M = 176.00$, $SD = 82.04$) than when they expected a competitive other ($M = 125.86$, $SD = 115.60$), see Figure 5.1.

![Figure 5.1](image-url)  
**Figure 5.1.** Distance traveled as a function of the interaction between own motivation and expectation of counterpart.
Furthermore, it was predicted that need for closure would moderate this effect. ANOVA revealed the expected 3-way interaction between own motivation, expectations and need for closure, $F(1, 150) = 4.52, \rho = .04, \eta^2 = .03$. Simple effects analysis yielded a significant interaction between expectations and need for closure, but only for participants in the aversive condition, $F(1, 150) = 5.17, \rho = .02, \eta^2 = .04$. For participants in the appetitive condition, this interaction was not significant, $F(1, 150) < 1, n.s.$ Further analysis showed that in the aversive condition, only when participants had high need for closure did expectations affect concession size, $F(1, 150) = 10.22, \rho = .003, \eta^2 = .06$. When participants had low need for closure, expectations did not affect distance traveled, $F(1, 150) < 1, n.s.$ Inspection of means revealed that in the aversive condition, participants conceded more when they expected a cooperative counterpart ($M = 198.42, SD = 86.68$), than when they expected a competitive counterpart ($M = 101.00, SD = 139.74$), but only when they had high need for closure, see Table 5.1. Thus, as expected, aversive competitors were more influenced by their expectation of their counterpart's cooperativeness or competitiveness than appetitive competitors, especially when negotiators had high need for closure.

**Mediation Analysis**

We conducted mediation analysis to examine whether the moderating effect of aversive vs. appetitive competition on the effect of expectation of counterpart was mediated by anxiety. In the first step of the mediation model (Baron & Kenny, 1986), the two-way interaction between own motivation and expectation of counterpart should predict distance traveled. In the second step, own motivation should predict anxiety. Both conditions were met (see the results of the ANOVAs presented above). As the effect of the independent variable (expectation of counterpart) on distance traveled is moderated by own motivation and this moderation effect is assumed to be mediated by anxiety, the effect of the interaction between the mediator (anxiety) and expectation of counterpart is tested in the third step (cf. Muller, Judd, & Yzerbyt, 2005). Finally, in the fourth step, the strength of the interaction between own motivation and expectation of counterpart should be reduced when the interaction between anxiety and expectation is controlled for (Kenny, Kashy, & Bolger, 1998).

When we entered the interaction between expectation and anxiety (i.e. the mediator interaction) in a regression analysis in which own motivation, expectation of counterpart, and their interaction were also entered to predict distance traveled, this analysis yielded a significant effect of the mediator interaction, $\beta = -.18, \rho = .02$. The initial two-way interaction between own motivation and expectation of counterpart was reduced such that it became only marginally significant, $\beta = -.15, \rho = .06$. A directional Sobel test (Kenny et al., 1998) showed that the reduction in
regression weight was significant, \( Z = -1.74, p = .04 \). Thus, mediation was established (see Figure 5.2).^4

\[ \beta = -.19^* \]  
(\( \beta = -.15 \))

\[ \beta = .19^* \]

Note. *\( p < .05 \), † \( p < .10 \)

Figure 5. 2. Mediation model.

Conclusions and General Discussion

The current research was concerned with expectations about a counterpart's cooperativeness or competitiveness in negotiation – when and how do expectations about the counterpart affect negotiators' tendencies to cooperate or compete? We built on Goal Expectation Theory (e.g., Pruitt & Kimmel, 1977), Regulatory Focus Theory (e.g., Higgins, 1998) and the Motivated Information Processing Model of Negotiation (e.g., De Dreu & Carnevale, 2003; Kruglanski & Webster, 1996). It was predicted that the effect of negotiators' behavioral response to their expectation about their counterpart would depend on 1) their appetitive or aversive competitive motivation, and 2) on their need for cognitive closure. Results indeed confirmed that negotiators made higher concessions when they expected their counterpart
Table 5.1

*Distance traveled as a function of the interaction between own motivation, expectations, and need for cognitive closure*

<table>
<thead>
<tr>
<th>Need for Closure</th>
<th>Appetitive</th>
<th></th>
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</tr>
<tr>
<td>Distance traveled</td>
<td>167.62&lt;sub&gt;ac&lt;/sub&gt; (94.41)</td>
<td>177.14&lt;sub&gt;ac&lt;/sub&gt; (114.30)</td>
<td>141.00&lt;sub&gt;b&lt;/sub&gt; (92.83)</td>
<td>179.29&lt;sub&gt;ac&lt;/sub&gt; (65.04)</td>
<td>155.71&lt;sub&gt;ac&lt;/sub&gt; (73.85)</td>
</tr>
</tbody>
</table>

*Note.* Standard deviations are given in brackets. Means not sharing a subscript differ at $p < .05$. 
to be cooperative rather than competitive, but only when they had an aversive motivation. Appetitive competitors were not influenced by the expected cooperativeness of their counterpart. Furthermore, this effect was stronger when negotiators had high need for closure, and were thus more inclined to freeze on the available information that led to their expectation. Finally, as predicted, these effects were mediated by anxiety: Aversive participants reported more anxiety, and therefore were more inclined to act on their expectation about their counterpart, especially when they had high need for closure.

_Theoretical implications, limitations and directions for future research_

The implications of the findings reported in this chapter. First of all, the current research is the first to investigate the interplay between competitive motivation, expectations and cognitive processes on negotiators' behavior. Previous work has either focused on the effects of the expectation about a counterpart's intention to cooperate or compete (e.g., De Bruin & Van Lange, 1999; Kelley & Stahelski, 1970) or on the effects of need for cognitive closure on reactance to stereotypes (e.g., De Dreu et al., 1999). For example, De Bruin and Van Lange (1999) showed that own cooperation is higher when other's morality (i.e. other's perceived intention to cooperate) is higher. De Dreu et al. (1999) found that when negotiators had high need for closure, they were more inclined to act on a social stereotype, than when they had low need for closure. More specifically, only when negotiators had high need for closure they conceded more to a theology student, than to a business student. The current research refines our thinking about the notion that expectations of a counterpart lead to specific behaviors by showing that the influence of expectations about a counterpart on negotiators' behavior depends on their own motivation through its effect on anxiety – aversive competitors were more anxious than appetitive competitors and therefore were more influenced by expectations of their counterpart's cooperativeness – and on their need for closure, which affects their freezing on the initial information that evoke certain expectations.

At first blush, the current findings are in contrast to previous studies showing that negotiators sometimes "mismatch" their counterpart's behavior – they make smaller concessions to cooperative rather than competitive others (e.g., Smith et al., 1982). As a case in point, Diekmann et al. (2003) showed that when negotiators expected a very competitive counterpart, they set less aggressive reservation prices and made less aggressive offers than when they expected a less competitive counterpart. One explanation for this finding might be that in the Diekmann et al. (2003) studies any deal was better than no deal, and this causes negotiators to cooperate when they expect the other to compete. This was less so in our study – both appetitive and aversive competitors were focused on obtaining their objective
of winning or not losing. Closing the deal to secure any outcome would therefore have been a risky option. This points to the critical importance of the value of reaching an impasse. When impasse is unattractive, as in the Diekmann et al. (2003) study, cooperation may meet competition. But when impasse is acceptable, as for the aversive competitors in the current study (e.g., it implies they did not fall behind), competition may meet with competition as much as cooperation meets cooperation. Future research is needed to examine this issue further.

Second, the current research contributes to our understanding of competitive motivation. Previous research regarding social motivation in negotiation has often ignored competitive motivation or combined it with individualistic motivation (the desire to achieve maximal outcomes for oneself regardless of the counterpart's outcomes) into one category, a so-called pro-self motivation, ignoring the differences between individualistic and competitive motivation and the different types of competitive motivation (e.g., see De Dreu, Weingart, & Kwon, 2000, for a review). Building on work concerned with regulatory focus (e.g., Higgins, 1998), we argued and found that aversive competitors, who are characterized by a concern for safety, and fear of a negative event, i.e., falling behind, would be more influenced by their expectations about their counterpart than appetitive competitors, who are characterized by a concern for accomplishment and getting ahead.

Third, our findings speak to the Motivated Information Processing Model, a theoretical model that is currently receiving support in many different areas of group decision making, such as information dissemination and negotiation (De Dreu, Nijstad, & Van Knippenberg, in press). Demonstrating the moderating role of need for closure contributes to theoretical development and provides insight into the processes responsible for the effects we found (i.e. that NFC played a moderating role in our study must mean that epistemic motives and concomitant information processing tendencies drive the effects we found). We believe that these findings further our understanding of negotiation and offer new insights that might guide future studies.

Future research could, for example, investigate what happens in situations where expectations based on pre-negotiation information are congruent or incongruent with actual negotiation behaviors. In the current experiment, the information negotiators received about their counterpart was not necessarily diagnostic as to the kinds of behaviors the counterpart would engage in. That is, participants learned that their counterpart was either a cooperative or a competitive person, but the pre-programmed concession pattern the "counterpart" engaged in was kept constant across conditions. Past research has shown that this pre-programmed strategy is seen as intermediate in cooperativeness and competitiveness (De Dreu et al., 1999), and it may well be that expectations of cooperativeness
"biased" perceptions of subsequent concession behavior (e.g., it was seen as more cooperative when one expected cooperation). Future studies could invest in orthogonally manipulating expectations (cooperative vs. competitive) and concession patterns (conciliatory vs. tough) and examine whether aversive competitors are not only more influenced by expectations, but also by actual concession patterns. Based on the current findings, we would expect appetitive negotiators to be relatively insensitive to any information about their counterpart. However, for aversive negotiators, need for closure might determine in large part what they focus on, and might help them distinguish between useful information that is diagnostic of a counterpart's negotiation behavior, and less useful information that is relatively non-diagnostic. One could expect that aversive negotiators with high need for closure would anchor on relatively non-diagnostic but easy-to-get pre-negotiation information, while low need for closure aversive negotiators would focus on more subtle, and more diagnostic behavioral information.

Conclusion

Only when negotiators were motivated to avoid falling behind (i.e., when they had an aversive competitive motivation) their expectations of other's cooperativeness affected their behavior: Due to their relatively high levels of anxiety, aversive competitors conceded more to a counterpart expected to be cooperative than to a counterpart expected to be competitive. This basic finding provides an important qualification to Goal Expectation Theory (Pruitt & Kimmel, 1977), which argues that competitors compete regardless of their expectations regarding their counterpart. Our findings also provided further insight into the Motivated Information Processing Model of Negotiation by showing that these effects were particularly pronounced when aversive competitors had high need for closure. Finally, the current findings provide further insight into how regulatory focus in negotiation influences cognitive processes, emotional states, and behavioral tendencies. In sum, aversive competitors, who are characterized by a prevention focus, were shown to be responsive to expectations about their counterpart, especially under high need for closure, whereas appetitive competitors, who are characterized by a promotion focus, are unlikely to cooperate, whatever their counterpart did, does, or wants to do.
Notes

1 This chapter is based on Ten Velden, Beersma, and De Dreu (in press).

2 A regression analysis with Need for Cognitive Closure as a continuous variable yielded similar results and identical conclusions. The author can be contacted for more detail.

3 A repeated measure analysis with demands in Rounds 1 to 6 as a repeated-measures variable yielded similar results and identical conclusions. The author can be contacted for more detail.

4 In addition, we examined whether the effect of own motivation on the interaction between expectations and need for cognitive closure would be mediated by anxiety. This was indeed the case, and the author can be contact for more detail.