European Journal of Social Psychology
Eur. J. Soc. Psychol. **36**, 557–581 (2006)
Published online in Wiley InterScience (www.interscience.wiley.com). **DOI**: 10.1002/ejsp.320

Power and emotion in negotiation: Power moderates the interpersonal effects of anger and happiness on concession making

GERBEN A. VAN KLEEF[1]*,
CARSTEN K.W. DE DREU[1], DAVIDE PIETRONI[2]
AND ANTONY S. R. MANSTEAD[3]
[1]*University of Amsterdam, The Netherlands*
[2]*University of Trento, Italy*
[3]*University of Amsterdam, The Netherlands; Cardiff University, UK*

Abstract

This paper focuses on the interactive effects of power and emotion in negotiation. Previous research has shown that negotiators concede more to angry opponents than to happy ones, and that power influences the amount of attention that is devoted to the social environment. Integrating these two lines of inquiry, we predicted that low-power negotiators would be influenced by their opponent's emotions (conceding more to an angry opponent than to a happy one), whereas high-power negotiators would not. Five studies using different methods (an experiment, a field simulation, and three scenario studies), different samples (students, general population, managers), and different operationalisations of power (BATNA, number of alternatives, legitimacy, support) support this hypothesis. The results are discussed in terms of a motivated information processing model of the interpersonal effects of emotions in negotiations. Copyright © 2006 John Wiley & Sons, Ltd.

> Karadzic . . . said that our draft proposal was unacceptable. Suddenly, Mladic erupted. Pushing to the center of the circle, he began a long, emotional diatribe . . . This was the intimidating style he had used with the Dutch commander at Srebenica, with Janvier, and with so many others. He gave off a scent of danger . . . I did not know if his rage was real or feigned, but this was the genuine Mladic, the one who could unleash a murderous rampage (Holbrooke, 1999, pp. 150–151).

Conflict is inherent in both interpersonal and intergroup interactions. To escape conflict parties often resort to negotiation—the joint decision making between individuals or groups with perceived divergent interests (Pruitt & Carnevale, 1993). Negotiating parties often differ in terms of power, and power differences exert an important influence on the way in which negotiation processes develop

*Correspondence to: Gerben A. Van Kleef, University of Amsterdam, Department of Social Psychology, Roetersstraat 15, 1018 WB Amsterdam, The Netherlands. E-mail g.a.vankleef@uva.nl

Received 2 July 2004
Accepted 13 October 2005

and conclude. As the above quote from Richard Holbrooke, a US diplomat mediating in the war between Bosnia-Herzegovina and Serbia, shows, negotiations between powerful and powerless parties are often characterised by strong emotions. The quote also suggests that emotions can have important implications for the ways in which observers (e.g. counterparts, mediators) respond and develop their subsequent strategies. These two notions constitute the major ingredients of the present article, which focuses on the combined effects of emotion and power in negotiations. Specifically, we aim to demonstrate that the interpersonal effects of anger and happiness on negotiation behaviour are moderated by the negotiators' power, as derived from different sources. To this end, we first provide an outline of the relevant literature on emotion in negotiation. Subsequently, we discuss the role of power in negotiations. We then propose hypotheses regarding the effects of power and emotion in negotiations, and report five studies testing these hypotheses.

EMOTION IN NEGOTIATION

Prior research on emotion in negotiation has mostly focused on the *intra*personal effects of emotions or general affect, that is, the influence of a negotiator's emotional state on his or her *own* behaviour. This research has repeatedly demonstrated that negotiators experiencing positive affect are more cooperative, whereas those experiencing negative affect tend to be more competitive (Allred, Mallozzi, Matsui, & Raia, 1997; Baron, 1990; Carnevale & Isen, 1986; Forgas, 1998; Pillutla & Murnighan, 1996). Although this research has contributed to our understanding of the role of emotions in negotiation, it has overlooked the fact that negotiation is a social phenomenon—negotiators' emotions influence not only themselves, but also their counterparts. Recently, several researchers have emphasised the importance of the *inter*personal effects of emotions in negotiations (Barry, Fulmer, & Van Kleef, 2004; Morris & Keltner, 2000; Van Kleef, De Dreu, & Manstead, 2004a, b). From a social functions perspective, it is argued that emotions convey useful information about people's feelings, intentions and orientation towards others (Ekman, 1993; Keltner & Haidt, 1999), and thereby serve as positive or negative incentives for other people's behaviour: Negative emotions serve as a call for mental or behavioural adjustment, whereas positive emotions serve as a cue to stay the course (Cacioppo & Gardner, 1999).

The first empirical investigations of the interpersonal effects of emotions in negotiations were conducted by Van Kleef et al. (2004a) and Sinaceur and Tiedens (in press). In a computer-mediated negotiation task with a simulated opponent, Van Kleef et al. provided participants with information about the opponent's emotional state (angry, happy or no emotion). Consistent with the social functions perspective outlined above, participants with an angry opponent made larger concessions than did those with a non-emotional opponent, whereas participants with a happy opponent made smaller concessions. Sinaceur and Tiedens (in press) found compatible results in face-to-face dyadic negotiations, showing that participants conceded more to angry than to happy counterparts.

Recent evidence suggests that the interpersonal effects of anger and happiness on concession behaviour are the result of a process of strategic decision-making on the part of the emotion-perceiving negotiator. Van Kleef et al. (2004a, Exp. 2) showed that negotiators used their opponent's emotions to infer the other's limits, and subsequently used this information to make an offer. Negotiators who were confronted with an angry opponent judged the other's limit to be high and, to avoid impasse, they made relatively large concessions. Conversely, negotiators with a happy opponent judged the opponent's limit to be low, felt no need to concede to avoid impasse, and accordingly made smaller concessions. Furthermore, Van Kleef et al. showed that negotiators only modified their demands in

accordance with the other's limits if the other made small rather than large concessions, presumably because the latter felt no need to act on the other's emotions.

The idea that negotiators are especially influenced by other's emotions when they are motivated to process new information is consistent with the motivated information processing model of negotiation developed by De Dreu and Carnevale (2003). This model assumes that people differ in their epistemic motivation—the desire to develop and maintain a rich and accurate understanding of the world, including the negotiation and the opponent. The higher an individual's epistemic motivation, the greater the tendency to engage in deep and systematic information processing (for similar notions, see Chaiken & Trope, 1999; Kruglanski & Webster, 1996; Petty & Cacioppo, 1986). In a recent series of experiments, Van Kleef et al. (2004b) showed that negotiators with a low epistemic motivation (i.e., low motivation to search for and process new information; De Dreu & Carnevale, 2003; Kruglanski, 1989) were unaffected by the emotions of their counterparts, whereas those with a high epistemic motivation were strongly influenced by their opponent's emotions.

POWER IN NEGOTIATION

As mentioned above, negotiators often differ in power, and in the present research we examine how such power differentials influence the interpersonal effects of emotions on negotiation behaviour just reviewed. Power can be broadly defined as the ability to exert influence on other people (Bacharach & Lawler, 1981; Kelley & Thibaut, 1978). In their seminal work on the bases of social power, French and Raven (1959) distinguished five types of power: coercive, reward, legitimate, expert, and referent power. *Coercive power* is based on the ability to administer or withdraw punishment for undesired behaviour. Conversely, *reward power* derives from the ability to reward people for desired behaviour. *Legitimate power* is based on subordinates' beliefs that a superior has the *right* to prescribe and control their behaviour, for instance based on his or her seniority or position in the organisation. *Expert power* may be derived from having experience, knowledge, or expertise in a given area. Finally, *referent power* is based on subordinates' interpersonal attraction to, admiration of, and identification with a superior (French & Raven, 1959; Podsakoff & Schriescheim, 1985). All of these power bases have been investigated in the context of negotiation (e.g. De Dreu, 1995; Donahue, 1978; Gold & Raven, 1992; Kim, 1997; Rawwas, Vitell, & Barnes, 1997). In addition, negotiation research has focused on a number of other (related) power sources, such as the availability of support and the possibility to form coalitions (e.g. Beersma & De Dreu, 2002) and the so-called *best alternative to a negotiated agreement* (BATNA). The more attractive one's alternative(s), the less dependent one is on the other for one's outcomes, and the higher is one's power (Lee & Tiedens, 2001; Pinkley, 1995; Thibaut & Gruder, 1969).

A considerable body of research has documented the effects of power on negotiation behaviours and outcomes. For instance, powerful parties tend to have higher aspirations (Pinkley, 1995), to demand more and to concede less (De Dreu, 1995), and to be more likely to use threats and bluffs to get their way (Lawler, 1992). Power also increases action orientation and goal-directed behaviour (Galinsky, Gruenfeld, & Magee, 2003). As a result of these tendencies, powerful negotiators tend to end up with the larger share of the pie (Giebels, De Dreu, & Van de Vliert, 2000). In addition to these behavioural consequences of power in conflict and negotiation, research suggests that powerful individuals are less likely to pay attention to and think about the less powerful than vice versa (Fiske, 1993; Fiske & Dépret, 1996; for a review see Keltner, Gruenfeld, & Anderson, 2003). The idea is that high-power individuals have many resources and can often act at will without serious consequences. Low-power individuals, on the other hand, have to be more careful because they are more dependent on other people for their

outcomes. Fiske (1993) argued that individuals with high power are therefore not very motivated to pay attention to other people, whereas those with low power are motivated to gain or regain control over their outcomes by paying close attention to the people on whom they depend.

HYPOTHESES AND OVERVIEW OF THE PRESENT STUDIES

The preceding discussion shows (a) that negotiators tend to respond to happy as opposed to angry counterparts with higher demands and smaller concessions; (b) that these interpersonal effects of anger and happiness are stronger when negotiators have high rather than low epistemic motivation; and (c) that individuals with low power have higher epistemic motivation than do individuals with high power. Building on these findings we propose the following hypotheses. First, we expect that negotiators will make larger concessions when dealing with an angry opponent than when dealing with a happy opponent. Second, we expect that high-power negotiators will make smaller concessions than low-power negotiators. Third, and most importantly, we expect the interpersonal effects of anger and happiness to be moderated by power. Specifically, we predict low-power negotiators to be strongly influenced by their opponent's emotions (by being more conciliatory to an angry opponent than to a happy one), but we expect high-power negotiators to remain unaffected.

Below we report five studies that tested these hypotheses. To ensure high internal as well as external validity, we used different manipulations and measures of power, different contexts, different research methods, and different populations. Study 1 was a laboratory experiment with undergraduate student participants, in which power was manipulated by providing participants with either a good or a bad BATNA. Study 2 was a simulated online negotiation with visitors to the Dutch equivalent of eBay as participants. Power was measured by asking participants to rate the likelihood that they would find an appropriate buyer for their advertised product (i.e. a subjective measure of their BATNA). Study 3 was a scenario study with managers of a large Italian banking company as participants. Respondents were provided with abundant alternatives or no alternative, and they were asked to indicate how much they would be willing to pay for a particular service. Study 4 was a scenario study with employees of various Dutch companies as participants; here we manipulated power by asking participants to imagine that they had been in the organisation for different lengths of time and in varying capacities (i.e. legitimate power). Finally, in Study 5 managers of an Italian banking firm were presented with a scenario in which power was manipulated by telling participants that they enjoyed either high or low managerial support. What these different operationalisations of power have in common is that each of them influences the negotiator's level of dependency on the other party, which is regarded as one of the core characteristics of power—that is, power decreases to the extent that one is dependent on others for obtaining desired resources (Bacharach & Lawler, 1981; Kelley & Thibaut, 1978). These different manipulations of power have been shown in previous research to produce reliable and consistent effects on individuals' experienced power and subsequent behaviour (e.g. Kim, 1997; Pinkley, 1995; Rawwas et al., 1997).

In all studies we used a verbal manipulation of emotion that has been successfully employed in previous research (see Van Kleef et al., 2004a, b). The results that have been obtained using this type of manipulation have also been found in face-to-face negotiations where participants expressed their anger and happiness verbally, as well as nonverbally (i.e. through facial expressions; Sinaceur & Tiedens, in press). Given that verbal and nonverbal manipulations of emotion have yielded identical results in previous work, and given that our primary goal was to investigate the conjunctive effects of power and emotions on conscious decision-making processes and behaviour in negotiation (as opposed to automatic, less conscious responses), we opted for the verbal emotion manipulation. We return to the advantages and disadvantages of this approach in the General Discussion.

STUDY 1

In Study 1 we examined the moderating influence of negotiators' BATNA on the effects of the opponent's emotion on their concessions. As in previous research, we manipulated the opposing negotiator's emotion in the context of a computer-mediated negotiation where parties could not see each other and communicated via computers (see Van Kleef et al., 2004a, b). The negotiation consisted of six offers and counteroffers. After the first, third, and fifth rounds of the negotiation, participants received information about their opponent's intentions, which contained the manipulation of the opponent's emotion. In this way we were able to create a relatively dynamic setting with high experimental realism, in which we had perfect control over the opponent's emotion. Power was manipulated by providing participants with either an attractive (high power) or an unattractive (low power) BATNA (see Pinkley, 1995), thereby varying the degree to which participants depended on the opponent to obtain a good outcome.

Method

Participants and Experimental Design

A total of 96 male and female undergraduate students at the University of Amsterdam participated either in partial fulfilment of a course requirement or for monetary compensation (EUR7, roughly equivalent to US$8 US). The experimental design included the opponent's emotion (anger vs. happiness) and the participant's BATNA (attractive vs. unattractive) as between-participants variables, and concessions as the main dependent variable. Participants were randomly assigned to the experimental conditions using a double-blind procedure.

Procedure

For each session, four to eight participants were invited to the laboratory. Upon arrival, participants were welcomed to the experiment, and were seated in separate cubicles in front of a computer. From this point on all instructions were presented on the computer screen. To facilitate the manipulation of the opponent's emotion, participants were led to believe that the purpose of the study was to find out how knowledge about one's opponent's intentions affects negotiation processes in a situation where the negotiating parties cannot see each other. Subsequently, they were instructed that they would engage in a computer-mediated negotiation with another participant (whose behaviour was simulated by the computer).

Negotiation Task The negotiation task was one previously employed by Van Kleef et al. (2004a, b), which was adapted from De Dreu and Van Lange (1995; see also Hilty & Carnevale, 1993). The task captures the main characteristics of real-life negotiation (i.e. multiple issues differing in utility to the negotiator, information about one's own payoffs only, and the typical offer-counteroffer sequence). In the current version, participants learned that they would be assigned the role of either buyer or seller of a consignment of mobile phones, and that their objective was to negotiate the price, the warranty period, and the duration of the service contract of the phones. Participants were then presented with a payoff chart depicting nine possible levels of agreement for each issue. The chart showed them that level 9 on *price* ($110) would yield 0 points and level 1 ($150) would yield 400 points (i.e. increments of 50 points per level). For *warranty period*, level 9 (9 months) yielded 0 points, and level 1 (1 month) yielded 120 points (i.e. increments of 15 points per level). Finally, for *duration of service contract*,

level 9 (9 months) yielded 0 points, and level 1 (1 month) yielded 240 points (i.e. increments of 30 points per level). Participants were told, 'You can see that the best deal for you is 1–1–1, for a total outcome of 760 points (400 + 120 + 240).' The corresponding payoff table for the other party was not displayed, and participants were told only that it differed from their own.

To enhance participants' involvement in the task, they were informed that points would be converted to lottery tickets at the end of the experiment, and that the more points earned, the more lottery tickets one would obtain and the greater would be one's chance of winning a EUR50 (approximately US$60) prize. To emphasise the mixed-motive nature of the negotiation, participants were told that only those who reached an agreement would participate in the lottery. Thus there was an incentive to earn as many points as possible, but there was also an incentive to reach an agreement.

After a short pause, all participants were assigned the role of seller. They were told that two potential buyers had expressed an interest in the phones, and that they had to reach an agreement with one of them. They were further told that the first buyer had already made a proposal, and that they were now about to negotiate with the second buyer. Participants then learned that this second buyer (i.e. the opponent) would make the first offer and that the negotiation would continue until an agreement was reached or until time ran out. Just before the negotiation started, participants learned that an additional goal of the study was to examine the effects of having versus not having information about the opposing negotiator's intentions. They read that the computer had randomly determined that they would receive information about the intentions of the opponent *without the opponent knowing it*, and that the opponent would not receive information about their intentions.

BATNA Manipulation The participant's BATNA was manipulated through instructions. As explained above, participants were told that two buyers were interested in the phones, and that the first one had already made a proposal. In the attractive BATNA conditions (high power), participants learned that the deal that had been proposed by the first buyer would yield 570 points (i.e. 75% of the maximum of 760 points). In the unattractive BATNA conditions (low power), participants learned that the first buyer's proposal would yield 190 points (i.e. 25% of the maximum of 760 points). It was explained that failing to reach an agreement in the negotiation with the second buyer would mean that the offer advanced by the first buyer had to be accepted.

After these instructions, the negotiation started and the buyer (i.e. the computer) made a first offer. Over the negotiation rounds the buyer proposed the following levels of agreement (for price—warranty—service): 8–7–8 (round 1), 8–7–7 (round 2), 8–6–7 (round 3), 7–6–7 (round 4), 7–6–6 (round 5), and 6–6–6 (round 6). Past research has shown that this preprogrammed strategy has face validity and is seen as intermediate in cooperativeness and competitiveness (De Dreu & Van Lange, 1995). A demand by the participant was accepted if it equalled or exceeded the offer the computer was about to make in the next round. 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 or not participants had reached an agreement (cf. De Dreu & Van Lange, 1995; Van Kleef et al., 2004a, b). Following Tripp and Sondak (1992), participants who reached agreement before round 6 ($n = 16$) were excluded from the analyses (although retaining these participants yielded a similar pattern of results).

Manipulation of the Opponent's Emotion After the first, third, and fifth negotiation rounds, participants received information about 'the intentions of the buyer', which contained the manipulation of the buyer's emotion. Participants had to wait for a about a minute and a half while the buyer was supposedly asked to reveal what he or she intended to offer in the next round, and why. After this short wait, participants received the answer supposedly given by the buyer. The buyer's intentions were held constant across conditions and contained the buyer's intended offer for the next round. For instance,

Table 1. Statements used for the manipulation of the opponent's emotion (Study 1)

Opponent's Emotion	After round 1
Angry	This offer makes me really angry, I think I will offer 8–7–7
Happy	I am happy with this offer, I think I will offer 8–7–7
	After round 3
Angry	This is really getting on my nerves. I am going to offer 7–6–7
Happy	This is going pretty well so far. I am going to offer 7–6–7
	After round 5
Angry	I am going to offer 6–6–6, 'cos this negotiation pisses me off
Happy	I am going to offer 6–6–6, 'cos I feel good about this negotiation

Note: Statements were pretested, and have been translated from Dutch.

after round 1 the buyer wrote 'I think I will offer 8–7–7', which would indeed be the buyer's next offer. The buyer's intention information also contained an emotional statement that constituted the emotion manipulation. It was stressed that the buyer did not know that his or her 'intentions' were revealed to the participant. This was done in order to lead the participant to believe that he or she was receiving information about the *real* emotions of the opponent, and not faked, inhibited or exaggerated emotions. The emotion statements were the same as those used by Van Kleef et al. (2004a, b).

After the first negotiation round, participants in the angry opponent condition received the following information: 'This offer makes me really angry', followed by the intention statement 'I think I will offer 8–7–7', which was the same for all conditions. In the happy opponent condition, participants read 'I am happy with this offer', followed by the same intention statement. After the third and fifth negotiation rounds participants again received an emotional statement and an intention. Table 1 displays all statements used in the experiment. Note that the intended offer always matched the true offer subsequently made by the opponent.

Dependent Variables

The main dependent variable was the number of points conceded in rounds 1 to 6. In addition, participants completed a post-negotiation questionnaire that contained checks of the emotion and BATNA manipulations, as well as more indirect indices of the success of the power induction (i.e. aspiration level, occupation with reaching an agreement, and experienced power).

Participants' aspirations were measured using six items, two for each issue (e.g. 'On which level of [price/warranty/service] do you strive to reach an agreement?'). Responses could range from 1 (indicating an extremely high aspiration level) to 9 (indicating an extremely low aspiration level). The six items were averaged into a single index of *aspiration level* ($\alpha = 0.87$). Participants' concern to reach an agreement was measured using nine items (e.g. 'My main goal in the negotiation was to reach an agreement', 'During the negotiation, I worried about whether we could make a deal', 'During the negotiation, I did not care much about reaching an agreement', reverse scored; $1 =$ *totally disagree* to $7 =$ *totally agree*). These items were averaged into a scale reflecting *concern to reach an agreement* ($\alpha = 0.88$).

Participants' sense of power was measured with nine items (e.g. 'I felt that I had a strong negotiation position', 'The fact that I had an alternative offer gave me a sense of power in the

negotiation'; 1 = *totally disagree* to 7 = *totally agree*). These items were combined into an index of *experienced power* ($\alpha = 0.91$). We also measured participants' sense of relative power (i.e. compared to the buyer). Relative power, too, was measured by nine items (e.g. 'Who do you think had the strongest position in the negotiation?', 'Who do you feel was the most powerful person in the negotiation'; 1 = *definitely the buyer* to 7 = *definitely myself*), which were averaged into a single index of *relative power* ($\alpha = 0.94$). For an overview of all the items used to measure experienced power and relative power, see the Appendix.

To check the adequacy of the manipulation of the opponent's emotion, participants were asked to indicate on 7-point scales how angry, irritated and aggravated they thought their opponent had been during the negotiation, and how happy, satisfied, and joyful they thought the opponent had been (e.g. 'The buyer appeared angry during the negotiation'; 1 = *totally disagree* to 7 = *totally agree*). The items designed to measure perceived anger were averaged into a single index of *perception of the opponent's anger* ($\alpha = 0.97$). Similarly, the items pertaining to happiness were combined into an index of *perception of the opponent's happiness* ($\alpha = 0.95$).

Finally, the manipulation of BATNA was checked in two ways. First, participants answered six questions regarding the attractiveness of their alternative (e.g. 'I find the first buyer's offer very attractive', 'I am very happy with the first buyer's offer', 'The first buyer's offer yields me few points', reverse scored; 1 = *totally disagree* to 7 = *totally agree*). These items were combined into an index of *BATNA attractiveness* ($\alpha = 0.97$). Second, participants answered two questions pertaining to the numerical value of their BATNA ('How many points do you receive if you do not reach an agreement in the present negotiation?' and 'How many points did the first buyer offer you?'). These two items were highly correlated ($r = 0.87$), and were therefore combined into an index of *BATNA value*.

Results

Treatment of the Data

The offers made by participants in each negotiation round were transformed into an index revealing the total number of points conceded in that negotiation round (i.e. the number of points conceded, summed across the three negotiation issues of price, warranty, and service). These offers were then combined into a single index revealing the total number of points conceded in the negotiation. All analyses were computed using analysis of variance over the full 2×2 design.

Manipulation Checks

Emotion Check To check whether the manipulation of the opponent's emotion was successful, we conducted a 2 (opponent's emotion: angry vs. happy) $\times$ 2 (BATNA: attractive vs. unattractive) $\times$ 2 (participant's perception of the opponent's emotion: angry vs. happy) ANOVA, the latter variable being a within-participants factor. Results showed the expected interaction between the opponent's emotion and the participants' perception of the opponent's emotion, $F(1, 76) = 438.85$, $p < 0.001$ ($\eta^2 = 0.84$). Participants in the angry-opponent condition rated the opponent as more angry ($M = 5.93$, $SD = 1.04$) than did participants in the happy-opponent condition ($M = 1.71$, $SD = 0.79$). Similarly, participants in the happy-opponent condition rated the opponent as happier ($M = 5.08$, $SD = 1.05$) than did participants in the angry-opponent condition ($M = 1.85$, $SD = 0.78$). We found no effect of the BATNA manipulation on the emotion check, and no interaction (both Fs < 1, *ns*).

BATNA Check A significant main effect of the BATNA manipulation on the BATNA value scale indicated that participants in the attractive BATNA conditions reported significantly higher BATNAs

($M = 531$, $SD = 111$) than did those in the unattractive BATNA conditions ($M = 190$, $SD = 32$), $F(1, 76) = 289.89$, $p < 0.001$ ($\eta^2 = 0.79$). Furthermore, a main effect on the BATNA attractiveness scale revealed that participants in the attractive BATNA conditions also judged their BATNA as more attractive ($M = 6.05$, $SD = 0.56$) than did participants in the unattractive BATNA conditions ($M = 2.24$, $SD = 0.99$), $F(1, 76) = 482.42$, $p < 0.001$ ($\eta^2 = 0.86$). A main effect of the BATNA manipulation on the experienced power scale further indicated that participants in the attractive BATNA conditions experienced a greater sense of power in the negotiation ($M = 5.00$, $SD = 1.17$) than did those in the unattractive BATNA conditions ($M = 3.53$, $SD = 1.08$), $F(1, 76) = 33.30$, $p < 0.001$ ($\eta^2 = 0.31$). Similarly, a main effect on the relative power scale showed that participants in the attractive BATNA conditions felt more powerful relative to their opponent ($M = 5.13$, $SD = 1.04$) than did those in the unattractive BATNA conditions ($M = 3.97$, $SD = 1.03$), $F = 24.21$, $p < 0.001$ ($\eta^2 = 0.24$).

As a more indirect check of the BATNA manipulation, we looked at its effects on participants' concern to reach an agreement, and on their aspiration level. A significant main effect of BATNA on the concern to reach an agreement scale indicated that participants with an unattractive BATNA were more concerned about reaching an agreement ($M = 4.59$, $SD = 1.03$) than were those with an attractive BATNA ($M = 3.43$, $SD = 1.15$), $F(1, 76) = 22.48$, $p < 0.001$ ($\eta^2 = 0.23$). Finally, a significant main effect of BATNA on the aspirations scale revealed that participants with an attractive BATNA had higher aspirations ($M = 2.79$, $SD = 0.80$) than did those with an unattractive BATNA ($M = 4.26$, $SD = 1.14$), $F(1, 76) = 46.44$, $p < 0.001$ ($\eta^2 = 0.38$). (Recall that lower numbers reflect higher aspirations.) Together, these results show that the BATNA manipulation successfully influenced participants' sense of (relative) power and dependence.

Concessions

First, ANOVA revealed a significant main effect of the opponent's emotion on the number of points conceded, indicating that participants with an angry opponent made larger concessions in the course of the negotiation ($M = 209$, $SD = 87$) than did those with a happy opponent ($M = 174$, $SD = 83$), $F(1, 76) = 5.77$, $p < 0.02$ ($\eta^2 = 0.07$). Second, a significant main effect of BATNA indicated that participants with an attractive BATNA made smaller concessions ($M = 157$, $SD = 58$) than did those with an unattractive BATNA ($M = 239$, $SD = 96$), $F(1, 76) = 24.69$, $p < 0.001$ ($\eta^2 = 0.25$). Third, and most important, results revealed the predicted emotion by BATNA interaction, $F(1, 76) = 4.48$, $p < 0.04$ ($\eta^2 = 0.06$). As hypothesised, simple-effects analysis showed that participants with an unattractive BATNA (low power condition) were strongly influenced by their opponent's emotions: Participants with an angry opponent made larger concessions ($M = 276$, $SD = 73$) than did those with a happy opponent ($M = 201$, $SD = 103$), $F(1, 76) = 8.87$, $p < 0.005$ ($\eta^2 = 0.16$). However, and also in line with our expectations, participants with an attractive BATNA (high power condition) were not affected by their opponent's emotions ($M = 159$ and $SD = 58$ for anger vs. $M = 154$ and $SD = 59$ for happiness), $F(1, 76) < 1$, *ns*. This interaction is depicted in Figure 1.

STUDY 2

In Study 1 we explicitly opted for experimental control at the expense of mundane realism, using a computer-mediated negotiation paradigm to permit a carefully controlled test of our hypotheses. This experimental approach allows for firm causal conclusions, and we can therefore be reasonably confident about the internal validity of the findings. However, the method used means that we can be

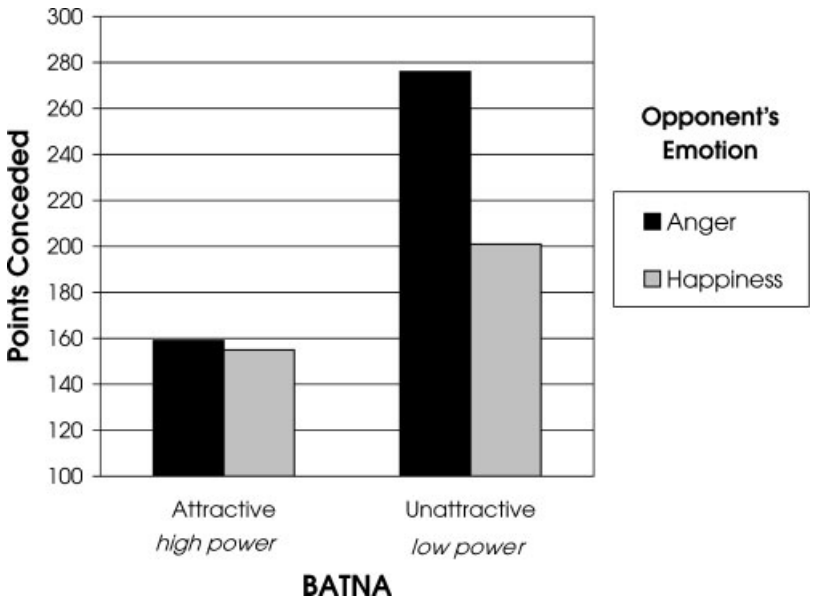

Figure 1. Points conceded as a function of the opponent's emotion and the attractiveness of the participant's BATNA (Study 1)

less certain about the generalisability of the findings. In Study 2 we addressed this issue by using a different sample (people selling products on the internet), and by measuring (rather than manipulating) participants' alternatives as they actually perceived them when trying to sell their products. Specifically, we asked respondents to indicate the likelihood of finding another buyer for their product as they perceived it. We opted for this operationalisation of power because the perceived likelihood of finding other potential buyers constitutes the most salient (and perhaps the sole) source of bargaining power in this type of buyer-seller setting (Pinkley, Neale, & Bennett, 1994).

Method

Participants and Design

Sixty visitors to a Dutch buyer-seller website participated in the study (age and gender unknown). The design included the opponent's emotion (anger vs. happiness) and the participant's self-reported likelihood of finding another buyer (high vs. low). The dependent measure was the participant's concession magnitude.

Procedure

An e-mail message was sent to 100 visitors to a Dutch buyer-seller website (www.viavia.nl), who had placed an advertisement to sell a particular article (e.g. a computer, a refrigerator, a phone or a piece of furniture). The advertisers were asked to participate in 'a brief study on internet transactions', and were promised a scratch card with possible prizes of up to EUR10 000 for participation. The e-mail message contained a hyperlink that connected participants to a specially created website, where they could participate in the study straight away. To enhance participants' involvement in the simulation, a

separate webpage was prepared for each participant, containing the specific product information and asking price they had mentioned in their advertisement. Upon arrival at the website, participants were asked to imagine that a buyer had contacted them to negotiate about the price for the advertised article. Participants then enrolled in a simulated buyer-seller negotiation, in which both the article and the opponent's offers were tailored to their specific situation. Participants were then asked to complete an online interactive questionnaire in which they could enter their offer in each round.

In the first round, the virtual opponent offered 60% of the participant's asking price. For example, if participants offered a television set for EUR300, the virtual opponent would offer EUR180. Participants were then asked to respond with a counteroffer. Following their offer, participants in the angry-opponent condition then received the following message from their opponent: 'This offer makes me really angry' (i.e. the first angry statement used in Study 1). In the happy-opponent condition, participants read 'I am happy with this offer' (i.e. the first happy statement used in Study 1). The opponent subsequently offered 72% of the asking price, and participants were again asked to respond with a counteroffer. After participants had made their counteroffer, the negotiation was interrupted, and participants were presented with a short questionnaire. Upon completion, they received a written debriefing along with information about how to contact the researchers for additional information.

Measures

The dependent variable of interest was the participant's counteroffer made in response to the opponent's emotion. In a short post-negotiation questionnaire, we asked a number of questions to check the emotion manipulation, using the same items as in Study 1 but with a 5-point response scale ($\alpha = 0.87$ for *perceived anger* and $\alpha = 0.81$ for *perceived happiness*). Subsequently, participants were asked, 'How likely do you think it is that someone will buy your article?' (1 = *very unlikely* to 5 = *very likely*). A median split was performed on this item ($Mdn = 3$), which resulted in four conditions with 12 to 16 participants each. This median split was performed in order to classify respondents as being in a strong versus weak bargaining position. Four participants failed to complete the questionnaire and had to be excluded due to missing values.

Results

Manipulation Check

A main effect of the opponent's manipulation on the perceived anger and perceived happiness scales indicated that the manipulation was successful. Participants in the angry-opponent condition perceived the opponent as angrier ($M = 3.10$, $SD = 1.24$) than did those in the happy-opponent condition ($M = 1.48$, $SD = 0.51$), $F(1, 52) = 43.53$, $p < 0.001$ ($\eta^2 = 0.46$), and participants in the happy-opponent condition perceived the other party as happier ($M = 3.48$, $SD = 0.60$) than did those in the angry-opponent condition ($M = 1.98$, $SD = 0.74$), $F(1, 52) = 69.75$, $p < 0.001$ ($\eta^2 = 0.57$). There was no main effect of power on the manipulation check of emotion, and no interaction (Fs < 1, *ns*).

Concessions

Participants' final offers were converted into an index revealing the percentage conceded relative to the asking price. ANOVA on this concession index yielded a main effect of the participant's

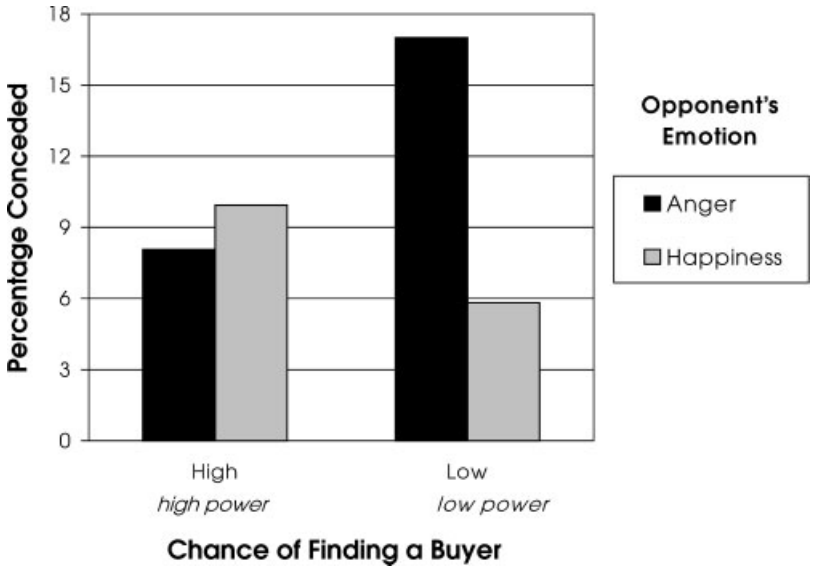

Figure 2. Percentage conceded as a function of the opponent's emotion and the respondent's chance of finding a buyer (Study 2)

self-reported likelihood of sale, $F(1, 52) = 7.69$, $p < 0.01$ ($\eta^2 = 0.13$). Participants who expected that someone would buy their product made smaller concessions ($M = 9.01$, $SD = 5.13$) than did those who did not expect someone to buy their product ($M = 13.94$, $SD = 7.54$). The main effect of the opponent's emotion was not significant, $F(1, 52) = 1.43$, *ns*. However, we did find the expected interaction between the opponent's emotion and the participant's self-reported likelihood of finding another buyer, $F(1, 52) = 5.03$, $p < 0.03$ ($\eta^2 = 0.09$). The interaction is displayed in Figure 2. As predicted, participants who did not expect to find another buyer (low bargaining power) conceded more to an angry opponent than to a happy one ($M = 17.01$ and $SD = 6.12$ vs. $M = 10.88$ and $SD = 8.96$, respectively), $F(1, 52) = 5.71$, $p < 0.025$ ($\eta^2 = 0.14$). However, participants who did expect to find another buyer (high bargaining power) were not influenced by their opponent's emotion ($M = 8.07$ and $SD = 4.44$ vs. $M = 9.94$ and $SD = 5.82$, respectively, $F(1, 52) < 1$, *ns.*).

STUDY 3

The results of Studies 1 and 2 demonstrate that negotiators who do not have a good alternative to a negotiated agreement (i.e. low power) are strongly influenced by their opponent's emotions, whereas those who do have a good alternative (i.e. high power) are unaffected by the other's emotions. One of the aims of the present research is to test the generalisability of these effects across different settings, methods, and populations. In Study 3 we therefore used a different participant pool (managers) from a different country (Italy), and we employed a different research method (a scenario). Furthermore, instead of manipulating the attractiveness of participants' alternatives (as in Study 1) or measuring the subjective likelihood of finding a buyer (as in Study 2) we manipulated the *number* of alternative negotiation partners participants could contact. This manipulation of power is strongly related to the previous manipulations in that it influences negotiators' dependency on the

other party—the more alternatives one has, the less dependent one is on the other party, and the more powerful one is in the negotiation (Fischer & Ury, 1981).

Method

Participants and Design

Participants were 65 middle-level managers of a major Italian banking company (41 men, 22 women and 2 gender unknown, with an average age of 40). They participated in the study as part of a seminar on organisational development. The design was a 2 (opponent's emotion: anger vs. happiness) by 2 (participant's alternatives: abundant [high bargaining power] vs. none [low bargaining power]) factorial, with price offered as the major dependent variable.

Procedure

Participants were presented with a scenario that featured a buyer-seller negotiation in an organisational context. They were instructed to take their role seriously, and to indicate how they would behave if faced with a similar situation. Participants were given the role of a project manager assigned with the task of hiring an IT company to update and professionalise the company website. They were told that their company preferred to spend no more than EUR90 000. Subsequently, half of the participants read that a thorough search of all the appropriate IT companies in the region had shown there to be as many as eight good candidates (abundant-alternatives condition). The other half read that there was only one good candidate (no-alternatives condition). Participants then learned that one [the] company was willing to accept the assignment for EUR120 000, and that they were now contacting this company to negotiate the price. They read that they had called the IT company, and had proposed to pay EUR90 000. Participants then learned that, just as the other party was about to respond to this offer, a mobile phone rang at the other party's end, the other party apologised for the disturbance, and tried (unsuccessfully) to put the proposer on hold.

Participants in the angry-opponent condition were then asked to imagine that they overheard the following conversation: 'Hey, I'm sorry, I don't have time right now, I'm in the middle of a negotiation with a client . . . I just received an offer that makes me really mad. I'll call you back . . . Yeah, you're right, I'm pretty angry. Bye!' In contrast, participants in the happy-opponent condition overheard this conversation: 'Hey, I'm sorry, I don't have time right now, I'm in the middle of a negotiation with a client . . . I just received an offer that makes me really happy. I'll call you back . . . Yeah, you're right, I feel very good about this. Bye!' After this interruption, the other party asked for an improved offer, which was to be communicated by electronic mail. After these instructions and manipulations, participants were asked to send their final offer to the IT company by e-mail.

Dependent Variables

The main dependent variable was the price offered by the participant. Additionally, participants completed a questionnaire containing measures of their experienced power and manipulation checks. Participants' experienced power was measured by seven of the items used in Study 1 (items 1 to 6 and item 9; see Appendix), using a 5-point scale (1 = *totally disagree* to 5 = *totally agree*). These items

were averaged into a single index of *experienced power* ($\alpha = 0.75$). The manipulation of the participant's alternatives was checked using three items (e.g. 'Do you think that there are other IT companies in your region that could professionalise the website for a better price?', 'Are there other qualified IT companies in your region that you might contact?'), which were averaged into an *alternatives* index ($\alpha = 0.69$). The emotion manipulation was checked with two items, one measuring *perceived anger* ('During the conversation over the mobile phone, the other person expressed anger regarding my offer'), and one measuring *perceived happiness* ('During the conversation over the mobile phone, the other person expressed happiness regarding my offer').

Results

Manipulation Checks

Emotion Check Two main effects of the emotion manipulation on the perceived anger and perceived happiness items indicated that the emotion manipulation was successful. Participants in the angry-opponent conditions reported having perceived more anger than did those in the happy opponent condition ($M = 3.36$ and $SD = 1.48$ vs. $M = 1.44$ and $SD = 1.01$, respectively), $F(1, 61) = 38.27$, $p < 0.001$ ($\eta^2 = 0.39$), and those in the happy condition perceived more happiness than did those in the angry condition ($M = 3.84$ and $SD = 1.27$ vs. $M = 1.46$ and $SD = 0.75$, respectively), $F(1, 61) = 86.27$, $p < 0.001$ ($\eta^2 = 0.59$). There was no main effect of power, and no interaction (Fs < 1, *ns*.).

Alternatives Check A significant main effect of the alternatives manipulation on the alternatives index revealed that participants in the abundant-alternatives condition felt that they had more alternatives ($M = 4.33$, $SD = 0.72$) than did those in the no-alternatives condition ($M = 3.24$, $SD = 0.69$), $F(1, 61) = 39.56$, $p < 0.001$ ($\eta^2 = 0.39$). Furthermore, a main effect on the experienced power scale showed that participants who had abundant alternatives felt more powerful ($M = 4.08$, $SD = 0.67$) than did participants who had no alternatives ($M = 3.33$, $SD = 0.52$), $F(1, 61) = 26.08$, $p < 0.001$ ($\eta^2 = 0.30$). We found no main effect of emotion, and no interaction (Fs < 1, *ns*.).

Price Offered

First, a main effect of emotion showed that participants with an angry opponent agreed to a higher (i.e. less favourable) price than did those with a happy opponent ($M = 95\,227$ and $SD = 7561$ vs. $M = 88281$ and $SD = 5176$, respectively), $F(1, 61) = 25.11$, $p < 0.001$ ($\eta^2 = 0.29$). Second, a main effect of alternatives revealed that participants with abundant alternatives made lower offers than did those who had no alternatives ($M = 89242$ and $SD = 5321$ vs. $M = 94\,453$ and $SD = 8224$, respectively), $F(1, 61) = 13.86$, $p < 0.001$ ($\eta^2 = 0.19$). Finally, and most importantly, both main effects were qualified by the expected interaction between emotion and alternatives, $F(1, 61) = 6.85$, $p < 0.01$ ($\eta^2 = 0.10$). As predicted, simple-effects analysis revealed that participants made higher offers to an angry opponent than to a happy one, but only when they had no alternatives (low bargaining power; $M = 99\,844$ and $SD = 8390$ for anger vs. $M = 89\,063$ and $SD = 2720$ for happiness), $F(1, 61) = 28.67$, $p < 0.001$ ($\eta^2 = 0.44$). Participants with abundant alternatives (high bargaining power) did not differ as a function of the opponent's emotion ($M = 90\,882$ and $SD = 2643$ for anger vs. $M = 87\,500$ and $SD = 6831$ for happiness), $F(1, 61) = 2.19$, *ns* (see Figure 3).

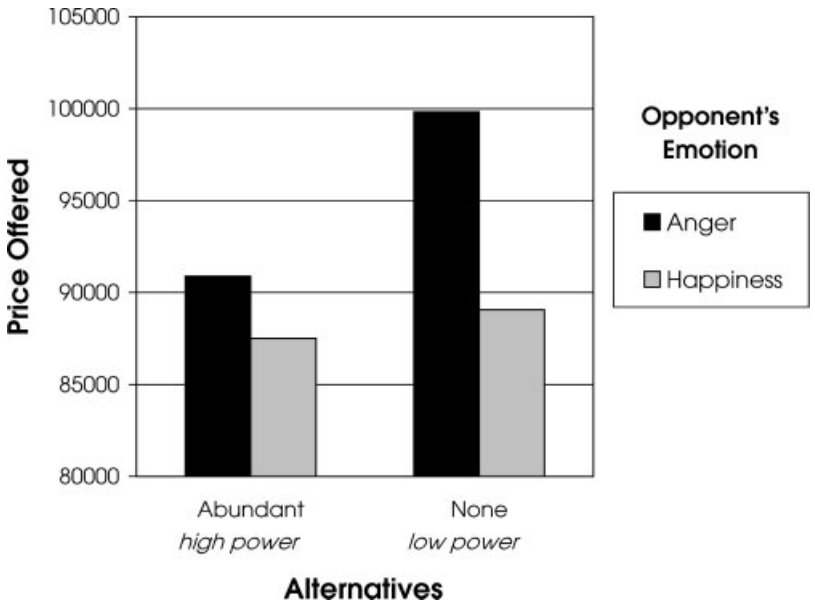

Figure 3. Price offered as a function of the opponent's emotion and the respondent's alternatives (Study 3)

STUDY 4

Thus far we have operationalised power in terms of dependence, by varying the quality (Study 1) or the quantity (Study 3) of alternatives negotiators had or measuring the subjective likelihood of finding an alternative (Study 2). Consistent with our theorising, we found that negotiators who were not dependent on their counterpart (i.e. had abundant or high quality alternatives) were not affected by their opponent's emotions, whereas those who were dependent were strongly influenced by their opponent's emotions. The purpose of Studies 4 and 5 was to investigate whether other bases of power would produce similar results. In Study 4 we opted for one of the classic power bases introduced by French and Raven (1959), namely legitimate power—power based on one's position in an organisation. As in the previous studies, we expected that low-power negotiators would concede more to an angry as opposed to a happy opponent, but that high-power negotiators would be unaffected by the other's emotional state.

Method

Participants and Design

Study 4 was conducted with employees from five different companies located in the Netherlands: a large multinational consultancy firm, a travel agency, an insurance company, a translation bureau, and a large multinational banking firm. The HR managers of these companies were contacted and asked to distribute the questionnaires among the employees via e-mail. Respondents participated in the study on a voluntary basis. They completed the questionnaires anonymously, and were assured that their individual responses would remain confidential. The sample consisted of 100 respondents: 57 from the

consultancy firm (response rate 34%), six from the travel agency (response rate 67%), 19 from the insurance company (88%), 9 from the translation agency (90%), and nine from the banking company (43%). Seven participants failed to complete the questionnaire and had to be excluded due to missing data. The final sample consisted of 93 respondents: 55 men and 38 women, with an average age of 32.4 years. The participants' experience in their current jobs ranged from 1 to 30 years, with an average of 5 years. The number of people directly reporting to them varied from 0 to 46, with an average of 3. The design was a 2 (opponent's emotion: anger vs. happiness) by 2 (participant's legitimate power: high vs. low) factorial, with concession intention as the major dependent variable.

Procedure

The procedure was similar to the one used in Study 3. However, in contrast to Study 3 participants did not 'overhear' a conversation between their opponent and someone else indicating that the opponent was angry or happy. Instead, the opponent directly expressed the emotion to the participant.

Negotiation Task Participants were presented with a scenario that featured a negotiation in an organisational context. They were asked to take their role seriously, and to respond as if they were actually in the situation. In the scenario, they were charged with the task of buying new office chairs for their department. It was explained that the chairs would cost between EUR5 000 and 15 000 (roughly equivalent to US$6 000 to 18 000), depending on durability and comfort. They were further instructed to try to buy the best possible chairs for the department.

Power Manipulation Legitimate power was manipulated by varying the participant's position within the organisation. After the general situation had been sketched, half the participants read that they 'had worked for the company for a long time as Senior Manager', and that they were highly experienced and 'influential within the organisation' (high-power condition). The other half read that they had only worked for the company 'for a short period of time as a Junior Trainee', and that they were neither very experienced nor influential (low-power condition). Subsequently, participants were asked to imagine that they had sent an e-mail to the financial manager of the department asking for a EUR14 000 budget for the office chairs.

Manipulation of the Opponent's Emotion Participants were then presented with the reply from the financial manager. In the angry-opponent condition they received the following e-mail: 'I understand that you value quality and durability, but our budget is not sufficient for such a large investment. Frankly, I have to say that your proposal makes me really angry, it irritates me quite a bit. I suggest that you critically reconsider your needs and make a new proposal'. In the happy-opponent condition participants read the following reply: 'I understand that you value quality and durability, but our budget is not sufficient for such a large investment. Nevertheless I am happy with your proposal, and I have a good feeling about this issue. I suggest that you critically reconsider your needs and make a new proposal'. Participants were then asked to indicate to what extent they would reduce their demands in their next proposal (see below).

Dependent Variables

The main dependent variable was the participant's self-reported intention to concede, which was measured by three items ('How much would you concede to the other in this situation?'; 'To what

degree would you comply with the other's wishes?'; 'How much would you give in to the financial manager?'; 1 = *not at all* to 7 = *very much*). These three items were combined into a single index of the participant's *concession intention* ($\alpha = 0.90$).

The emotion manipulation was checked using four 7-point scale items, two measuring perceived anger ($r = 0.80$) and two measuring perceived happiness ($r = 0.80$), which were similar to the ones used in the previous studies. The manipulation of the participant's power was checked by five items from the experienced power scale used in Study 1 (items 1 to 4 and item 9; see Appendix) plus one additional item that was tailored to the scenario described in Study 4 ('I have a powerful position within the organisation'; 1 = *totally disagree* to 7 = *totally agree*). These six items were averaged into an index of the participant's experienced power ($\alpha = 0.89$).

Results

Manipulation Checks

Emotion Check Main effects of the emotion manipulation on the perceived anger and perceived happiness scales indicated that the emotion manipulation was successful. Participants in the angry-opponent condition reported having perceived more anger than did those in the happy opponent condition ($M = 5.97$ and $SD = 1.22$ vs. $M = 2.05$ and $SD = 1.23$, respectively), $F(1, 89) = 227.96$, $p < 0.001$ ($\eta^2 = 0.72$), and those in the happy condition perceived more happiness than those in the angry condition ($M = 4.34$ and $SD = 1.59$ vs. $M = 1.29$ and $SD = 0.67$, respectively), $F(1, 89) = 137.02$, $p < 0.001$ ($\eta^2 = 0.61$). There was no main effect of power, and no interaction (Fs < 1.38, *ns.*).

Power Check A significant main effect of the power manipulation on the power index revealed that participants in the high-power condition felt more powerful ($M = 5.23$, $SD = 0.99$) than did those in the low-power condition ($M = 2.48$, $SD = 0.88$), $F(1, 89) = 195.83$, $p < 0.001$ ($\eta^2 = 0.69$). There was no main effect of the opponent's emotion and no interaction (both Fs < 1.52, *ns*).

Concession Intention

A main effect of power on concession intention indicated that participants with high power were less inclined to concede to the other than were those with low power ($M = 2.85$ and $SD = 1.29$ vs. $M = 3.72$ and $SD = 1.14$, respectively), $F(1, 89) = 11.07$, $p < 0.001$ ($\eta^2 = 0.11$). The main effect of the opponent's emotion did not reach statistical significance ($F < 1$, *ns*). However, as in Studies 1 to 3, there was a significant interaction between emotion and power, $F(1, 89) = 4.03$, $p < 0.05$ ($\eta^2 = 0.04$). Simple-effects analyses revealed that participants with low power were more inclined to concede to an angry opponent than to a happy one ($M = 4.03$, $SD = 1.00$ and $M = 3.36$, $SD = 1.20$, respectively), $F(1, 89) = 4.51$, $p < 0.04$ ($\eta^2 = 0.09$), whereas those with high power did not differ as a function of the opponent's emotion ($M = 2.70$, $SD = 1.35$ and $M = 3.03$, $SD = 1.23$, respectively), $F(1, 89) < 1$, *ns* (see Figure 4).

STUDY 5

The results of Study 4 are fully consistent with those of Studies 1 to 3. Apparently, legitimate power has a moderating influence on the interpersonal effects of anger and happiness, similar to that of power

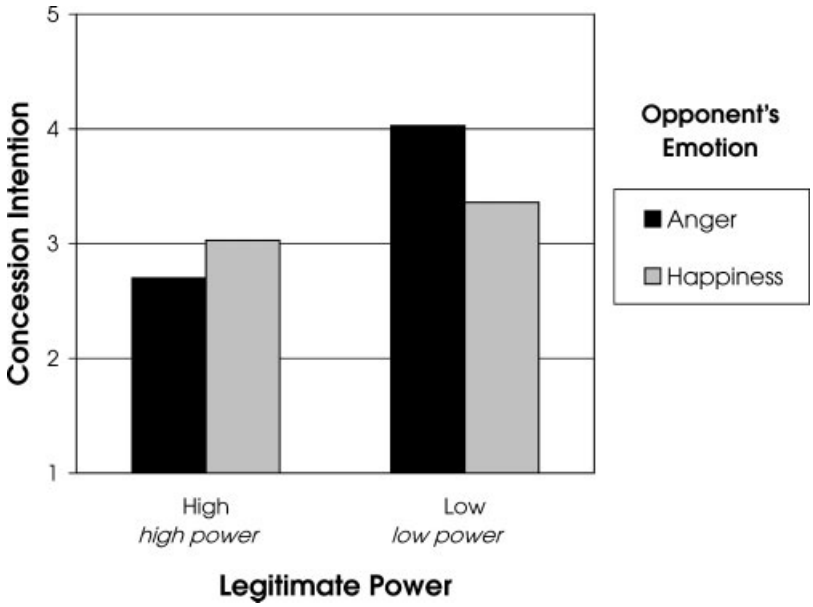

Figure 4. Concession intentions as a function of the opponent's emotion and the respondent's legitimate power (Study 4)

derived from alternatives. The purpose of Study 5 was to increase confidence in the generalisability of our findings still further by investigating the moderating effect of yet another power source: support from top management. In organisations, and in life in general, the availability of support enhances individuals' sense of power because it enables them to form coalitions with others in order to get their way and assures them that they do not stand alone in the conflict (Beersma & De Dreu, 2002; Kravitz & Iwaniszek, 1984). Manipulating power in this way, we predicted that participants experiencing low levels of support (low power) would concede more to an angry opponent than to a happy one, whereas those enjoying strong support (high power) would not be affected by their counterpart's emotions.

Method

Participants and Design

Participants were 60 middle-level managers of a major Italian banking company (31 men and 29 women, with an average age of 41), who participated in the study as part of a seminar on organisational development. The design was a 2 (opponent's emotion: anger vs. happiness) by 2 (support from top management: strong vs. weak) full factorial, with concessions as the major dependent variable.

Procedure

As in Studies 3 and 4, participants were presented with a negotiation scenario, and were asked to take their role seriously and to respond as if they were in a similar situation. They were given the role of a

project manager in charge of developing a training program for employees of their organisation. Half the participants were told that they had full support from top management (strong-support/high power condition), whereas the other half were told that top management was rather unsupportive (weak-support/low power condition). Subsequently, it was explained that participants had to negotiate the allocation of budget and personnel hours with the manager of one of the participating departments. Participants read that they wanted the other to contribute 10% of the departmental budget, and approximately 300 hours of labour, whereas the other was willing to contribute only 4% of the budget and 100 hours of labour. Participants then learned that they had decided to propose 9% and 270 hours, and that they had e-mailed this offer to the head of department. Having read this history, participants were asked to imagine that they had accidentally seen an e-mail message sent by the head of department to one of his colleagues.

Participants in the angry-opponent conditions were then presented with the following e-mail message: 'D., we recently spoke about the new training program that is being developed. I am still discussing some lingering issues with the project manager. I will not bother you with all the details right now, but I can tell you that I am pretty angry about the latest offer I received. I'm really fed up with the negotiations, and I would like to hear your opinion. Do you have time for lunch?' Participants in the happy-opponent conditions read the following text: 'D., we recently spoke about the new training program that is being developed. I am still discussing some lingering issues with the project manager. I will not bother you with all the details right now, but I can tell you that I am pretty happy about the latest offer I received. I feel really good about the negotiations, and I would like to hear your opinion. Do you have time for lunch?' After reading this information, participants were asked to write down the offer they would propose to the head of department at the next meeting.

Dependent Variables

The key dependent variable consisted of participants' concessions regarding the percentage of budget and the number of hours to be allocated by the head of department. Participants were also asked one question to check the success of the support manipulation ('My plans concerning the training program are supported by top management', 1 = *definitely not* to 5 = *definitely*). The emotion manipulation was checked in the same way as in Study 3.

Results

Manipulation Checks

Emotion Check ANOVA showed that participants in the angry-opponent conditions rated the opponent as angrier than did those in the happy opponent condition ($M = 3.83$ and $SD = 0.99$ vs. $M = 1.33$ and $SD = 0.80$, respectively), $F(1, 56) = 114.13$, $p < 0.001$ ($\eta^2 = 0.67$), and that those in the happy condition rated the opponent as happier than did those in the angry condition ($M = 4.27$ and $SD = 1.02$ vs. $M = 2.67$ and $SD = 1.09$, respectively), $F(1, 56) = 35.14$, $p < 0.001$ ($\eta^2 = 0.39$). There was no effect of the support manipulation on the emotion check, and no interaction (Fs < 1, *ns*).

Support Check A significant main effect of the support manipulation on the support check indicated that the manipulation was successful. Participants in the strong-support conditions reported having more support from top management ($M = 4.70$, $SD = 0.54$) than did those in the weak-support

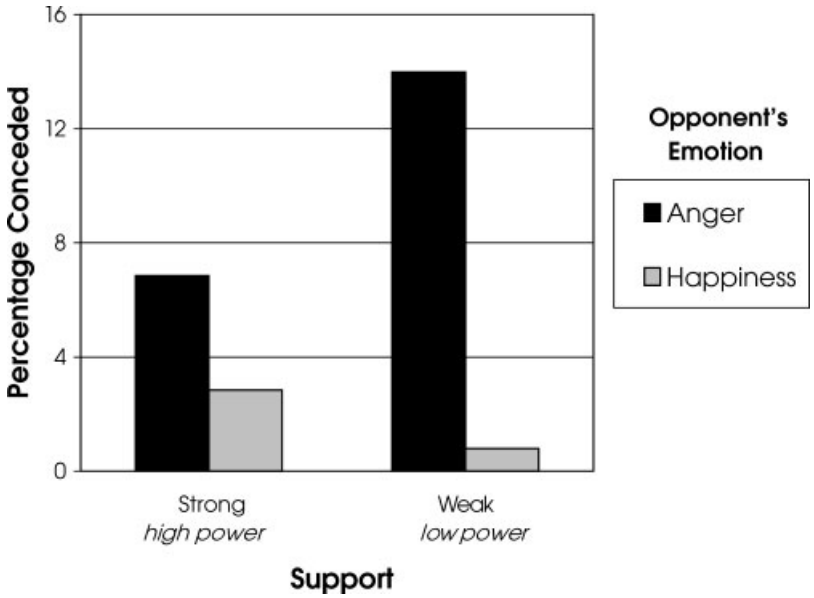

Figure 5. Percentage conceded as a function of the opponent's emotion and managerial support (Study 5)

conditions ($M = 2.03$, $SD = 0.77$), $F(1, 56) = 253.11$, $p < 0.001$ ($\eta^2 = 0.82$). There was no effect of the emotion manipulation on the support check, and no interaction (Fs < 1, *ns*).

Concessions

To create a single index of concession magnitude, participants' final demands regarding budget and time were converted into an index revealing the percentage conceded on both issues. The resulting two percentages were then averaged into an index of the participant's overall concession magnitude. ANOVA revealed a significant main effect of the opponent's emotion on participants' concessions: Participants with an angry opponent made larger concessions than did those with a happy opponent ($M = 10.42$ and $SD = 9.54$ vs. $M = 1.82$ and $SD = 4.67$), $F(1, 56) = 21.71$, $p < 0.001$ ($\eta^2 = 0.28$). The main effect of support did not reach statistical significance, $F(1, 56) = 1.91$, *ns*. However, we did find the expected interaction between emotion and support, $F(1, 56) = 6.18$, $p < 0.02$ ($\eta^2 = 0.10$). As predicted, simple-effects analyses revealed that participants who experienced only weak managerial support (low power) conceded more to an angry opponent than to a happy one ($M = 13.99$ and $SD = 11.05$ vs. $M = 0.80$ and $SD = 2.18$, respectively), $F(1, 56) = 25.53$, $p < 0.001$ ($\eta^2 = 0.42$), whereas those who enjoyed strong support (high power) were unaffected by their opponent's emotions ($M = 6.85$ and $SD = 6.26$ vs. $M = 2.84$ and $SD = 6.18$, respectively), $F(1, 56) = 2.36$, *ns* (see Figure 5).

GENERAL DISCUSSION

We began this article with a quote from Richard Holbrooke about an emotional outburst at the negotiation table by Ratko Mladic. The results of the present research indicate how effective Mladic's

emotional reaction must have been. Replicating previous research (see Van Kleef et al., 2004a, b), we have shown that negotiators make larger concessions and lower demands when their counterpart displays anger rather than happiness. We also replicated previous work showing that high-power negotiators make smaller concessions than low-power negotiators (e.g. De Dreu, 1995; Pinkley, 1995). More important, we have demonstrated that power and emotion interact to influence negotiation behaviour. Participants with low power were strongly affected by their opponent's emotions, whereas those with high power were unaffected. This finding generalised across five different studies in which we used a range of methods (laboratory experiment, field simulation, scenario studies); a variety of participants (students, general population, managers), in two countries (The Netherlands and Italy); and different operationalisations of power (BATNA, number of alternatives, legitimate power, managerial support).

Interestingly, the main effect of power had a greater impact than the main effect of emotion in three of the five studies (Studies 1, 2 and 4). In the other two studies (Studies 3 and 5), on the other hand, emotion had a stronger impact. The relative impact of these main effects probably depends on the relative strength of the manipulations, which may have varied across experiments. It is important to note, however, that the observed interaction pattern is identical across studies. In all five studies we see that low-power negotiators were strongly influenced by their counterpart's emotional state, whereas high-power negotiators were immune to the other's emotion. In general, low-power negotiators with an angry opponent were most likely to make large concessions. It seems safe to conclude that the moderating influence of power on the interpersonal effects of anger and happiness in negotiations generalises beyond specific contexts and samples. Furthermore, it appears that different types of power are consistently related to negotiation behaviour, and moderate the interpersonal effects of emotions on concessions in similar ways.[1] Below we consider some of the implications of these findings, as well as discussing possible limitations of our approach and suggesting avenues for future research.

The present research adds to the growing number of reports indicating that power differentials have a number of affective, cognitive, motivational, and behavioural consequences in social interactions. Among other things, previous research has focused on the role of power in related areas such as person perception, impression formation, expectancy (dis)confirmation, and social information processing (see Fiske & Dépret, 1996, for an overview). The present results extend this line of enquiry to the emotion domain by pointing to the important role of power in determining individuals' responses to other's emotions. The conclusion that negotiators only act on their opponent's emotions if they have (relatively) low (rather than high) power constitutes an important contribution to the literature on the role of power in social interaction. Power not only influences how people perceive others and form impressions about them; it also determines whether they take others' emotions into account.

Previous research has shown that although negotiators make large concessions to angry opponents, they also tend to develop highly unfavourable impressions of them (Van Kleef et al., 2004a) and to be unwilling to engage in future interaction with them (Van Kleef et al., 2004b). An obvious practical implication of the present findings is therefore that negotiators should take their relative power into account when deciding whether or not to employ anger as a tactical gambit, as Mladic did in the opening quote from Holbrooke. If one is the more powerful party, it may be highly effective to display anger.

[1]We computed correlations between the experienced power scales and concession indices in Studies 1, 3 and 4 (in Studies 2 and 5 experienced power was not measured). In Study 1, the correlations between experienced power and relative power on the one hand and points conceded on the other were -0.38 and -0.49, respectively. In Study 3, the correlation between experienced power and price offered was -0.36. In Study 4, we found a correlation of -0.46 between experienced power and concession intention. The strong resemblance of these correlations suggests that our different operationalisations of power had very similar effects.

In this case, one's improved negotiation outcomes may well outweigh the potentially detrimental long-term effects of the negative impression one makes on the opponent. If one is the less powerful party, on the other hand, it may not be wise to express anger. In this case, one would risk making a highly unfavourable impression without receiving the payoff that powerful negotiators get for displaying anger.

Interestingly, research suggests that power and anger may sometimes go hand in hand. For example, research by Tiedens (2001) shows that expressions of anger can lead to status conferral, indicating that individuals who display anger may be perceived as more powerful than individuals who don't. Further, research by Galinsky et al. (2003) indicates that those with power tend to feel less constrained by their social environment and to be more likely to act on their desires, suggesting that they may also be more likely to express anger when they feel it. This research suggests that the interactive effects of power and emotions may become quite complex in particular situations. Future research is needed to shed more light on the interplay between power and emotion in social interaction.

Although the present research did not focus explicitly on the role of information processing, the moderating influence of power on the interpersonal effects of anger and happiness is consistent with the motivated information processing model of negotiation (De Dreu & Carnevale, 2003; De Dreu & Van Kleef, 2004; Van Kleef et al., 2004b). According to this model, negotiators may be more or less likely to search for and process new information about the negotiation situation and the opponent depending on their epistemic motivation, which may be influenced by variables such as dispositional need for cognitive closure, time pressure, fatigue, environmental noise and power. Consistent with this model we found that negotiators with high power were less influenced by their counterpart's emotions than were negotiators with low power. However, we have no direct evidence for the mediating role of information processing. The scenario methodology is not particularly well suited to the measurement of information processing, and self-report measures of information processing are susceptible to a variety of distortions and methodological problems. Future research could look specifically at the ways in which power undermines information processing in negotiations and insulates negotiators from the emotions of their counterparts. One way of doing this would be by manipulating information processing motivation (e.g. by making negotiators accountable) in addition to manipulating power and emotion. We would predict that both low- and high-power negotiators would be influenced by their counterpart's emotions when information processing motivation is high, but that the pattern observed in the present research would be found when processing motivation is free to vary. Alternatively, future research could manipulate information processing *ability* (e.g. by inducing cognitive load) and show that the interaction between power and emotion only obtains when information processing ability is high.

Another issue concerns the 'cognitive' nature of the emotion manipulation that was used in the present experiments. The fact that we used verbal manipulations of emotion raises the question of whether our findings generalise to settings in which emotions are communicated in a different manner (e.g. nonverbally). One could argue that the effects would be different if people were presented with behavioural instead of cognitive emotion cues. This possibility cannot be ruled out on the basis of the present data. However, previous research has documented similar effects of anger and happiness regardless of whether a verbal (Van Kleef et al., 2004a, b) or nonverbal (Sinaceur & Tiedens, in press) manipulation was used. We are therefore reasonably confident about the external validity of our findings, although future research is needed to explore this issue in greater depth.

To conclude, the present research demonstrates that the interpersonal effects of emotions in negotiations are moderated by power. In each of five studies, low-power negotiators made larger concessions to an angry opponent than to a happy one, whereas high-power negotiators were unaffected by their opponent's emotions. These findings are consistent with the motivated information processing model of negotiation (De Dreu & Carnevale, 2003; De Dreu & Van Kleef,

2004; Van Kleef et al., 2004b), and they have important implications for our understanding of the dynamics of conflict and negotiation, the interpersonal effects of emotions, and the role of power in social interaction.

ACKNOWLEDGMENTS

We thank Richard Bourhis, Astrid Homan, and three anonymous reviewers for their valuable comments on a previous version of this article.

REFERENCES

Allred, K. G., Mallozzi, J. S., Matsui, F., & Raia, C. P. (1997). The influence of anger and compassion on negotiation performance. *Organizational Behavior and Human Decision Processes, 70*, 175–187.

Bacharach, S., & Lawler, E. (1981). *Bargaining: Power, tactics, and outcomes*. San Francisco: Jossey-Bass.

Baron, R. A. (1990). Environmentally induced positive affect: Its impact on self-efficacy, task performance, negotiation, and conflict. *Journal of Applied Social Psychology, 20*, 368–384.

Barry, B., Fulmer, I. S., & Van Kleef, G. A. (2004). I laughed, I cried, I settled: The role of emotion in negotiation. In M. J. Gelfand, & J. M. Brett (Eds.), *The handbook of negotiation and culture* (pp. 71–94). Stanford, CA: Stanford University Press.

Beersma, B., & De Dreu, C. K. W. (2002). Integrative and distributive negotiation in small groups: Effects of task structure, decision rule, and social motive. *Organizational Behavior and Human Decision Processes, 87*, 227–252.

Cacioppo, J. T., & Gardner, W. L. (1999). Emotion. *Annual Review of Psychology, 50*, 191–214.

Carnevale, P. J., & Isen, A. M. (1986). The influence of positive affect and visual access on the discovery ofo integrative solutions in bilateral negotiation. *Organizational Behavior and Human Decision Processes, 37*, 1–13.

Chaiken, S., & Trope, Y. (Eds.). (1999). *Dual-process theories in social psychology.* New York: Guilford Press.

De Dreu, C. K. W. (1995). Coercive power and concession making in bilateral negotiation. *Journal of Conflict Resolution, 39*, 646–670.

De Dreu, C. K. W., & Carnevale, P. J. (2003). Motivational bases of information processing and strategy in conflict and negotiation. In M. P. Zanna (Ed.), *Advances in experimental social psychology* (Vol. 35, pp. 235–291). New York: Academic Press.

De Dreu, C. K. W., & Van Kleef, G. A. (2004). The influence of power on the information search, impression formation, and demands in negotiation. *Journal of Experimental Social Psychology, 40,* 303–319.

De Dreu, C. K. W., & Van Lange, P. A. M. (1995). The impact of social value orientations on negotiator cognition and behaviour. *Personality and Social Psychology Bulletin, 21*, 1178–1188.

Donahue, W. A. (1978). An empirical framework for examining negotiation processes and outcomes. *Communication Monographs, 45*, 247–257.

Ekman, P. (1993). Facial expression and emotion. *American Psychologist, 48*, 384–392.

Fischer, R., & Ury, W. (1981). *Getting to yes: Negotiating agreement without giving in*. Boston: Houghton Mifflin.

Fiske, S. T. (1993). Controlling other people: The impact of power on stereotyping. *American Psychologist, 48*, 621–628.

Fiske, S. T., & Dépret, E. (1996). Control, interdependence, and power: Understanding social cognition in its social context. In W. Stroebe & M. Hewstone (Eds.), *European review of social psychology* (Vol. 7, pp. 31–61). Chichester, UK: Wiley.

Forgas, J. P. (1998). On feeling good and getting your way: Mood effects on negotiator cognition and bargaining strategies. *Journal of Personality and Social Psychology, 74*, 565–577.

French, J., & Raven, B. (1959). The bases of social power. In D. Cartwright (Ed.), *Studies in social power* (pp. 150–167). Ann Arbor, MI: Institute for Social Research.

Galinsky, A. D., Gruenfeld, D. H., & Magee, J. C. (2003). From power to action. *Journal of Personality and Social Psychology, 85*, 453–466.
Giebels, E., De Dreu, C. K. W., & Van de Vliert, E. (2000). Interdependence in negotiation: Effects of exit options and social motive on distributive and integrative negotiation. *European Journal of Social Psychology, 30*, 255–272.
Gold, G. J., & Raven, B. H. (1992). Interpersonal influence strategies in the Churchill-Roosevelt bases-for-destroyers exchange. *Journal of Social Behavior and Personality, 7*, 245–272.
Hilty, J. A., & Carnevale, P. J. (1993). Black-hat/white-hat strategy in bilateral negotiation. *Organizational Behavior and Human Decision Processes, 55*, 444–469.
Holbrooke, R. (1999). *To end a war.* New York: Modern Library.
Kelley, H. H., & Thibaut, J. (1978). *Interpersonal relations: A theory of interdependence*. New York: Academic Press.
Keltner, D., Gruenfeld, D. H., & Anderson, C. (2003). Power, approach, and inhibition. *Psychological Review, 110*, 265–284.
Keltner, D., & Haidt, J. (1999). Social functions of emotions at four levels of analysis. *Cognition and Emotion, 13*, 505–521.
Kim, P. H. (1997). Strategic timing in group negotiations: The implications of forced entry and forced exit for negotiators with unequal power. *Organizational Behavior and Human Decision Processes, 71*, 263–286.
Kravitz, D. A., & Iwaniszek, J. (1984). Number of coalitions and resources as sources of power in coalition bargaining. *Journal of Personality and Social Psychology, 47*, 534–548.
Kruglanski, A. W. (1989). *Lay epistemics and human knowledge: Cognitive and motivational bases*. New York: Plenum.
Kruglanski, A. W., & Webster, D. M. (1996). Motivated closing of the mind: ''Seizing'' and ''freezing''. *Psychological Review, 103*, 263–283.
Lawler, E. J. (1992). Power processes in bargaining. *Sociological Quarterly, 33*, 17–34.
Lee, F., & Tiedens, L. Z. (2002). Is it lonely at the top? The independence and interdependence of power holders. In B. M. Staw, & R. I. Sutton (Eds.), *Research in organizational behavior* (Vol. 23, pp. 43–92). New York: JAI Press.
Morris, M. W., & Keltner, D. (2000). How emotions work: An analysis of the social functions of emotional expression in negotiations. *Research in Organizational Behavior, 22*, 1–50.
Petty, R. E., & Cacioppo, J. T. (1986). The elaboration likelihood model of persuasion. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 19, pp. 123–205). New York: Academic Press.
Pillutla, M. M., & Murnighan, J. K. (1996). Unfairness, anger, and spite: Emotional rejections of ultimatum offers. *Organizational Behavior and Human Decision Processes, 68*, 208–224.
Pinkley, R. L. (1995). Impact of knowledge regarding alternatives to settlement in dyadic negotiations: Whose knowledge counts? *Journal of Applied Psychology, 80*, 403–417.
Pinkley, R. L, Neale, M. A., & Bennett, R. J. (1994). The impact of alternatives to settlement in dyadic negotiation. *Organizational Behavior and Human Decision Processes, 57*, 97–116.
Podsakoff, P. M., & Schriescheim, C. A. (1985). Field studies of French and Raven's bases of power: Critique, reanalysis, and suggestions for future research. *Psychological Bulletin, 97*, 387–411.
Pruitt, D. G., & Carnevale, P. J. (1993). *Negotiation in social conflict*. Buckingham, England: Open University Press.
Rawwas, M. Y. A., Vitell, S. J., & Barnes, J. H. (1997). Management of conflict using individual power sources: A retailers' perspective. *Journal of Business Research, 40*, 49–64.
Sinaceur, M., & Tiedens, L. Z. (in press). Get mad and get more than even: When and why anger expression is effective in negotiation. *Journal of Experimental Social Psychology.*
Thibaut, J., & Gruder, C. L. (1969). Formation of contractual agreements between parties of unequal power. *Journal of Personality and Social Psychology, 11*, 59–65.
Tiedens, L. Z. (2001). Anger and advancement versus sadness and subjugation: The effect of negative emotion expressions on social status conferral. *Journal of Personality and Social Psychology, 80*, 86–94.
Tripp, T. M., & Sondak, H. (1992). An evaluation of dependent variables in experimental negotiation studies: Impasse rates and Pareto efficiency. *Organizational Behavior and Human Decision Processes, 51*, 273–295.
Van Kleef, G. A., De Dreu. C. K. W., & Manstead, A. S. R. (2004a). The interpersonal effects of anger and happiness in negotiations. *Journal of Personality and Social Psychology, 86*, 57–76.
Van Kleef, G. A., De Dreu. C. K. W., & Manstead, A. S. R. (2004b). The interpersonal effects of emotions in negotiations: A motivated information processing approach. *Journal of Personality and Social Psychology, 87*, 510–528.

APPENDIX

Items Used to Measure Experienced Power and Relative Power

Experienced Power (all items: 1 = totally disagree to 7 = totally agree)

1. During the negotiation I felt that I depended on the buyer (reverse scored)
2. I felt that I had a strong negotiation position
3. During the negotiation I felt that I needed the buyer to make a good deal (reverse scored)
4. I felt powerful in the negotiation
5. I felt that I needed the buyer badly to earn an acceptable amount of points (reverse scored)
6. During the negotiation I did not feel dependent on the buyer
7. The fact that I had an alternative offer made me feel relaxed
8. The fact that I had an alternative offer gave me a sense of power in the negotiation
9. During the negotiation, I felt that I was in control of the situation

Relative Power (all items: 1 = definitely the other to 7 = definitely myself)

1. Who do you think had the strongest position in the negotiation?
2. Who do you feel had most influence on the course of the negotiation?
3. Who do you feel had the most power in the negotiation?
4. Who do you think had the best basis to negotiate?
5. Who do you feel had the best negotiation position?
6. Who do you feel was most in control of the situation?
7. Who do you feel was the most powerful person in the negotiation?
8. Who do you think was most dependent on the other during the negotiation?
9. Who do you feel needed the other most during the negotiation?