

How is the Boss's Mood Today? I Want a Raise

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ABSTRACT

Other people's incidental feelings can influence one's decision in a strategic manner. In a sequential game in which proposers moved first by dividing a given pot of cash (keeping 50% or 75% of the pot) and receivers responded by choosing the size of the pot (from \$0 to \$1), proposers were more likely to make an unfair offer (i.e., to keep 75% of the pot) if they were told that receivers had watched a funny sitcom, rather than a movie clip portraying anger, in an unrelated study prior to the game playing. However, when proposers were told that receivers knew proposers had this affective information, the effect dissipated. In other words, a proposer expects a happy receiver to be more accommodating or cooperative than an angry receiver as long as the happy receiver does not realize that the proposer may be trying to benefit from the receiver's current incidental feelings.

Cindy, a teenage girl, hopes her father's favorite football team will win the Sunday game. If it does, she will ask his permission to spend spring break in Florida. John double-checks that Mary's office door is closed and subtly whispers to her personal assistant, "How is the boss's mood today?" After a thumbs-up reply, John decides to go ahead and ask for a raise in salary.

These examples illustrate two main points. First, people seem to believe that incidental affect influences one's judgment and decision making. For instance, Cindy believes that after a "good" football game, her father is more likely to agree to her request to go to Florida. Second, people seem to believe that they can profit from another person's incidental affect only if that person does not realize they are trying to profit from his or her affect; otherwise, the strategy will not work. That is why John whispers to Mary's secretary. If John knows Mary realizes that her own judgment is being clouded by ongoing incidental feelings and that John is trying to benefit from this, the effect may disappear. This article provides direct experimental evidence consistent with these intuitions.

THEORETICAL BACKGROUND

It is well established that integral and incidental affect can influence judgment and decision making (Vohs, Baumeister, & Loewenstein, in press). There is growing consensus that in negotiation settings, positive affect generally increases collaborative behavior, whereas negative affect, and particularly anger, promotes competitiveness or less cooperative behavior (Allred, Mallozzi, Matsui, & Raia, 1997; Baron, 1990;

Carnevale & Isen, 1986; Pillutla & Murnighan, 1996). However, research in this area has usually focused on the intrapersonal effects of emotions (i.e., the impact of one's feelings on one's own decision), paying little attention to the interpersonal effects of emotions (i.e., the impact of other people's feelings on one's own decision). Van Kleef, de Dreu, and Manstead (2004) provided initial evidence for the interpersonal effects of emotions. In a negotiation setting, they showed that after the opponents' purportedly angry, neutral, or happy reaction to a given offer was expressed (e.g., angry opponent: "This offer makes me really angry," p. 61), the decision outcomes changed in systematic ways. Specifically, proposers (i.e., subjects who proposed offers) conceded more if receivers (i.e., subjects who received the offers) were angry than if they were happy; concessions by control subjects were intermediate (see also Sinaceur & Tiedens, 2006).

Incidental Affect

These results show that the other person's integral affect (e.g., the angry feeling generated by a disliked offer) is taken into account during the negotiation process. Because the affective reaction tends to be perceived as the level of satisfaction with the offer being made (or the opponent's threshold of acceptance), it is natural for the proposer to incorporate this affective information in deciding on new offers. But what if the source of affect is incidental, and the proposer is fully aware of that fact? In this case, the angry or happy feelings of the receiver provide no relevant information about the level of his or her satisfaction with the negotiation process or the received offers themselves. Also, the receiver's feelings cannot represent his or her deliberate attempt to convey information about his or her liking (or disliking) of the offer. They simply capture

an affective state triggered by something that incidentally happened prior to or along with the negotiation. Thus, for the receiver's incidental affect to have an influence on the proposer's decision making, the proposer must believe that incidental affect can bias a receiver's decision-making process systematically. The proposer must also infer the intensity, direction, and duration of such an effect. Anecdotal evidence, as in the examples at the beginning of this article, seems to suggest that this is possible. However, the literature is still silent on this issue.

Level of Mutual Knowledge and Hypotheses

Although a proposer may be able to infer how incidental affect will bias a receiver's response and then act accordingly, the proposer may also intuit that an attempt to take advantage of the receiver's incidental feelings may not work once the receiver becomes aware of the proposer's strategy. Therefore, we hypothesized that a proposer will strategically ask more for him- or herself when he or she knows that the receiver has been previously exposed to a source of happy, rather than angry, incidental affect, but we also hypothesized that this effect takes place only when the proposer knows that the receiver is not aware that this information has been provided (the private condition). We expected the effect would dissipate when the proposer knows that the receiver is aware that this information has been provided (the shared condition). In this case, the proposer will not strategically demand more from a happy than from an angry receiver, because the receiver might infer that the proposer is trying to profit from his or her current incidental feelings.

One of our previous examples illustrates this rationale. John (the proposer) is about to ask his boss, Mary (the receiver), for a salary increase. Mary's office door is closed, and John asks Mary's personal assistant about the boss's mood. If the secretary says that the boss is in a great mood, John is likely to ask for that raise. But imagine that after the secretary answers John's question, he notices that Mary's office door was actually open and that Mary overheard their conversation. In this scenario, John will be less likely to ask for the raise, because he may be concerned that Mary will react negatively to his attempt to profit from her incidental positive feelings. The following experiment tested these hypotheses.

METHOD

Sample and Design

One hundred twenty-two students participated in this experiment in exchange for \$10 plus additional performance-based earnings. The experiment had a 2 (matched receiver's affect: happy vs. angry; manipulated within subjects) by 2 (level of mutual knowledge: private vs. shared; manipulated between subjects) mixed design.

Procedure

The experiment adopted a two-study cover story. In "Study 1: Video and Memory," subjects watched approximately 5 min of a film clip on individual laptop computers and then described a story related to the clip (see Andrade, 2005). In "Study 2: Decision Making," a modified version of the ultimatum game was employed. Proposers were asked to propose a division of a given pot. Their choice, the main

dependent variable, was constrained to two divisions only: that they and the receiver would each receive 50% or that they would receive 75% and the receiver would receive 25%. Receivers were asked to choose the size of the pot (from 0 to 10, with each point worth \$0.10 in cash). Although we were primarily interested in proposers' behavior, the experiment used true receivers in order to comply with the lab's policy, avoid participants' suspicion, and make the task more realistic.

Participants were asked to play 7 to 10 rounds of the ultimatum game, depending on the number of participants in the lab. Each student always played the same role, but in each round, a proposer was paired with a different receiver from the other side of the room. All participants were fully aware of the rules of the game. The experimental session was computer based, except for the offers and responses, which were manually written and passed from the proposers' side of the room to the receivers' side of the room. A large partition divided the groups. Proposers were informed that they would not know the receivers' responses (i.e., the size of the pots) until all rounds were over; this prevented proposers from learning from feedback in previous rounds. Thus, any systematic change in proposers' offers can be attributed to the manipulation of affective information about the receivers.

Manipulation of Information About the Receivers' Affect

Before the first round began in Study 2, proposers were informed that proposers and receivers had watched different videos in Study 1. Whereas proposers had viewed neutral scenes of documentaries and then described similar experiences of their own, receivers had been randomly assigned either to view a funny sitcom and then describe the

funniest joke in the sitcom or to view a movie clip depicting anger and then describe a personal story that made them feel as angry as the protagonist in the movie (Andrade & Ariely, 2007). Proposers were also informed that the videos had successfully triggered transient affective states of happiness and anger, respectively. Specific information about the intensity of the affect manipulation was provided—for example, proposers were told that people who view the sitcom and describe its funniest joke on average feel very happy (7 on a 9-point scale) and not angry at all (2 on a 9-point scale). The proposers were not provided with any information about the duration of the effect.

Then, in each round, each proposer was informed about the video watched by his or her matched receiver during Study 1. In general, any given proposer was matched half of the time with a purportedly happy receiver and half of the time with a purportedly angry receiver (within-subjects manipulation of receiver's affect), in a random order. Specifically, at the top of each sheet on which an offer was to be written, the proposer was told (a) that in Study 1, the current matched receiver had been randomly assigned to watch 5 min of the funny sitcom or (b) that in Study 1, the current matched receiver had been randomly assigned to watch 5 min of the angry movie clip. After a given offer was passed on to the receiver, the proposer was asked to report (on the laptop computer) which film clip the current matched receiver had watched in Study 1 (manipulation check).

Manipulation of Level of Mutual Knowledge

Level of mutual knowledge was manipulated between subjects. Approximately half the proposers in the sample were informed at the top of each offer sheet that the

receiver “does not know and will not know that you have this information about him/her” (private condition). The other half were told that the receiver “knows that you have this information about him/her” (shared condition). In short, proposers faced either the private or the shared condition across all rounds.

RESULTS

Manipulation Check

All proposers correctly indicated which film clip the current matched receiver had watched in Study 1.¹

Percentage of Unfair Offers

We hypothesized that throughout the rounds, proposers would on average be more likely to make unfair offers (75%/25%) when matched with a receiver who had watched 5 min of a happy clip in Study 1 than when matched with a receiver who had watched 5 min of an angry clip. However, we expected this effect to be confined to the private condition. A 2 (happy vs. angry receiver) by 2 (private vs. shared condition) analysis of variance (ANOVA) with repeated measures confirmed this prediction, $F(1, 59) = 4.23$, $p_{\text{rep}} = .89$, $\eta_p^2 = .07$ (see Fig. 1). Within the private condition, 52.5% of proposers' offers were unfair when they knew that the matched receiver had watched an angry clip. The

¹ Receivers' actual feelings changed according to their condition in Study 1. A manipulation check (9 = agree completely) showed that those who had watched the funny sitcom agreed more with the statement “Right now, I feel happy” ($M = 6.7$) and less with the statement “Right now, I feel angry” ($M = 1.7$) than did those who had watched the angry film clip ($M = 3.2$ and $M = 5.9$), $F(1, 56) = 58.71$, $p_{\text{rep}} = 1.0$, $d = 2.15$, and $F(1, 56) = 68.6$, $p_{\text{rep}} = 1.0$, $d = 2.03$, respectively.

percentage of unfair offers increased to 69.71% when proposers knew that the matched receiver had watched a happy clip, $t(33) = 3.52$, $p_{\text{rep}} = .91$, $d = 0.47$. Within the shared condition, the impact of the affective information disappeared. The percentage of unfair offers to matched receivers who had watched a happy clip (54.9%) was the same as the percentage of unfair offers to matched receivers who had watched an angry clip (51.7%), $t(26) = 0.70$, $p_{\text{rep}} = .58$, $d = 0.08$. We also checked whether the main result changed over time. The results showed that the round of play did not interact with either the specific affective information, $F(1, 501) = 1.07$, $p_{\text{rep}} = .58$, $\eta_p^2 = .02$, or receiver's knowledge about whether or not the affective information had been provided to the proposer, $F(1, 501) = 0.53$, $p_{\text{rep}} = .25$, $\eta_p^2 = .01$, in influencing proposers' likelihood of making an unfair offer. Also, no three-way interaction was observed, $F(1, 501) = 1.08$, $p_{\text{rep}} = .59$, $\eta_p^2 = .02$.

DISCUSSION AND CONCLUSION

Knowing about another person's incidental feelings may influence one's own decisions in negotiating with that person. Moreover, this effect is moderated by whether or not the other person knows that one has this affective information. In a negotiation setting, people are more likely to attempt to benefit from the other party's incidental feelings when they believe the other party is unaware that they know about those feelings.

In this study, proposers' willingness to use information about other people's affective state and to behave strategically remained stable over time. Such stability may be attributed to behavioral consistency (Andrade & Ariely, 2007), mistakes in affective

forecasting (i.e., durability bias; Gilbert, Pinel, Wilson, Blumberg, & Wheatley, 1998), or the salience of the manipulation (i.e., proposers were explicitly provided with the affective information but were not explicitly told how much time had elapsed between the affect manipulation and receivers' decision time). Further investigation is required to clarify this pattern of stability. Another open question is whether a proposer can indeed profit from using information about a receiver's affect. Because we had receivers in our experiment, we could in principle have computed proposers' dollar earnings.

Unfortunately, however, this was difficult in our setup because receivers could adjust their threshold of acceptance after each offer (i.e., accept more or less depending on past offers), and this dynamic behavior would make the probability of acceptance conditioned on a given offer vary over time. Future research could investigate the economic consequence of attempting to use another person's incidental feelings during a negotiation.

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Figure Captions

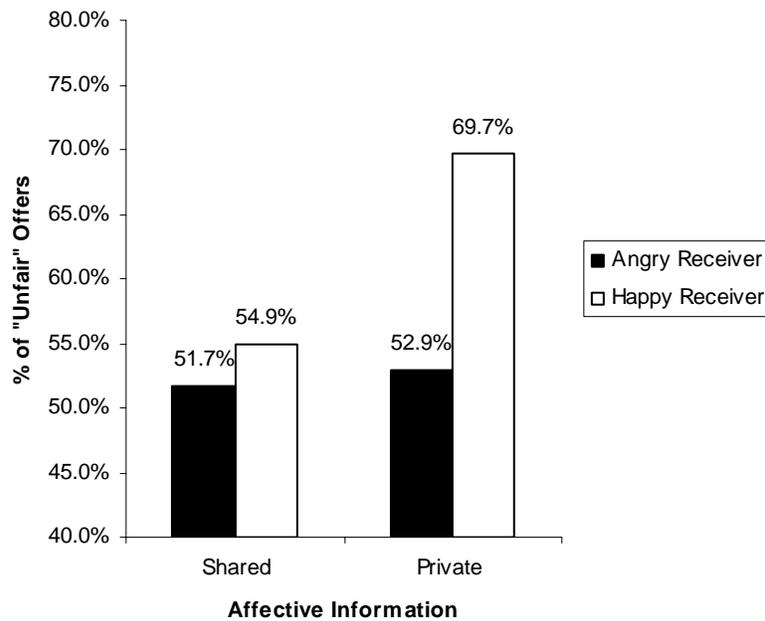


Fig. 1. Percentage of unfair offers as a function of the receiver's purported affect and whether the proposer was told that the receiver knew the proposer had this information (shared condition) or was told that the receiver did not know the proposer had this information (private condition).