

## RELIEF VERSUS REGRET: THE EFFECT OF GENDER AND NEGOTIATING NORM AMBIGUITY ON REACTIONS TO HAVING ONE'S FIRST OFFER ACCEPTED

Laura J. Kray  
*University of California, Berkeley*

Michele J. Gelfand  
*University of Maryland*

We conducted three experiments to examine the relationship between gender and reactions to having one's first offer accepted in negotiations. Building on past research demonstrating that having one's first offer accepted reduces satisfaction through the generation of upward counterfactual thoughts (Galinsky, Seiden, Kim, & Medvec, 2002), we examined whether gender moderates the impact of first offer acceptance on negotiators' emotions. Consistent with the idea that women experience anxiety about negotiating due to the social risks they face at the bargaining table, Experiment 1 demonstrates that women experience more relief after having their first offer accepted than men. Experiment 2 suggests one reason that women experience more relief following a first offer acceptance is that they value the relationship with their partner to a greater extent than do men. Experiment 2 also shows that this gender difference is limited to situations in which behavioral norms regarding negotiating are ambiguous. Consistently, Experiment 3 shows that men and women have comparable reactions to having their first offer accepted when negotiating norm ambiguity is low. Overall, women's emotional reactions to negotiations appear to be more contextually determined than men's.

Negotiating effectively is an important skill in many domains of life in general, and in organizations in particular. A prototypical negotiation is the job negotiation whereby a job candidate and a potential employer agree on the terms of an employment package. Whereas the candidate wants to maximize salary, the employer is motivated to keep costs down. In this context, the rewards for being competitive are high because, in addition to impacting the size of one's paycheck,

---

We are very grateful to the helpful comments of Hannah Riley Bowles and Adam Galinsky. Correspondence concerning this article can be directed to Laura Kray at [kray@haas.berkeley.edu](mailto:kray@haas.berkeley.edu).

a future employer may be impressed by a job candidate who demonstrates negotiating prowess. Thus the stakes of employment negotiations are far-reaching. With this realization in mind, imagine the reaction of a job candidate who is asked to indicate her desired salary and, upon doing so, is immediately told by her future employer, "It's a deal!" A typical reaction to this scenario is dissatisfaction because the eagerness of the employer to accept the deal signals that the candidate could have gotten a higher salary.

In this article, we explore the relationship between how a negotiation unfolds and considerations of how it could have been better or worse. In particular, we examine whether reactions to having one's first offer accepted, as opposed to engaging in a process in which both parties make concessions before arriving at a deal, are moderated by gender. In Experiment 1, we explored whether women were more likely to experience relief following the acceptance of their first offer compared to men. In Experiment 2, we explored whether the differential reaction of men and women to having their first offer accepted reflects their distinct goals in employment negotiations. In Experiment 3, we explored whether women's relief would turn to regret in situations in which the rewards for negotiating competitively were clearly specified. Overall, this set of experiments examines women's heightened sensitivity to contextual factors at the bargaining table.

## COUNTERFACTUALS AND NEGOTIATIONS

Individuals experience regret after having their first offer accepted in negotiations (Galinsky, Seiden, Kim, & Medvec, 2002). To demonstrate this effect, Galinsky and colleagues created a scenario in which an individual seeking to purchase an Oriental rug was asked by a storeowner to make an offer on a particular rug. In one version of the scenario, the protagonist's offer was immediately accepted by the storeowner; in a different version, the two parties exchanged a series of offers and counteroffers before arriving at a deal. In both conditions, the final sale price was held constant. Although negotiators' economic outcomes were identical across conditions, their satisfaction varied dramatically by condition. In particular, negotiators whose offer was immediately accepted were significantly less satisfied with the transaction than those whose offer was accepted after being negotiated, despite the fact that they had achieved identical outcomes.

The immediate acceptance of one's offer made salient the possibility that the protagonist could have gotten a better deal if he or she had refrained from making the first offer. The consideration of this alternate world ("If only I would not have made the first offer, I would have done better") is called *counterfactual thinking* (Kahneman & Miller, 1986; Markman, Gavanski, Sherman, & McMullen, 1993). Counterfactuals are thoughts about "what if" or "if only" and one factor that promotes their generation is the perception that something is atypical or out of the ordinary (Kahneman & Miller, 1986), such as when a negotiation ends abruptly. Imagined worlds can either be better or worse than reality; the former is known as an upward counterfactual, characterized by feelings of regret and disappointment, and the latter is known as a downward counterfactual, characterized by feelings of contentment and relief (Roese, 1994).

To explain the dissatisfaction of having one's first offer accepted in the rug scenario, Galinsky et al. showed that upward counterfactual thoughts mediated the

relationship between the negotiation process and satisfaction. They further demonstrated that the generation of upward counterfactual thoughts predicted how much time negotiators devoted to planning and preparation in a subsequent negotiation. Specifically, the more negotiators were able to identify actions that they could have taken to improve past outcomes, the more time they devoted to preparing for a future negotiation. Lastly, the amount of counterfactual thinking was a better predictor of the amount of preparation than negotiators' satisfaction with the past negotiation. This set of studies makes clear the importance of counterfactual thinking, and the emotional reactions associated with upward counterfactuals, in negotiations.

## GENDER AND NEGOTIATIONS

Experiencing regret after having a first offer accepted requires that negotiators focus on how the negotiation might have unfolded more favorably than it did. An alternate emotional reaction to having one's first offer accepted, which has yet to be explored, is relief that the negotiation was not as painful as expected. If the prospect of negotiating is anxiety provoking, then a quick and easy resolution to the process should be welcomed. Having one's first offer accepted might be particularly appealing for negotiators who are anxious and uncertain about what to expect during the negotiation process and are concerned about the potential social costs of negotiating. We contend that gender is one factor that distinguishes whether negotiators experience relief versus regret following the acceptance of their first offer.

A recent surge in scholarship has solidified the importance of gender in determining negotiation processes and outcomes. Women and men experience the bargaining process differently, have different beliefs and motivations during negotiations, and are treated differently for the exact same behavior by their negotiating counterparts (Kray & Babcock, 2005; Kray & Thompson, 2005). Overall, men tend to behave more competitively and reap better outcomes than women at the bargaining table (Stulmacher & Walters, 1999; Walters, Stulmacher, & Meyer, 1998). Because masculine characteristics tend to be ascribed to effective negotiators, women are more likely to experience *stereotype threat* in negotiations (Kray, Thompson, & Galinsky, 2001). Stereotype threat is a concern and anxiety that arises when individuals are made aware that a negative stereotype about a social group to which they belong is relevant in a given domain (Steele, 1997; Steele & Aronson, 1995). By activating and deactivating stereotype threat within women negotiators, gender differences can be made to appear and disappear.

Given the negative stereotype about women's negotiating ability, it is perhaps not surprising that women are more apprehensive about the prospect of negotiating compared to men (Babcock, Gelfand, Small, & Stayn, 2006; Small, Gelfand, Babcock, & Gettman, 2006). For example, Small et al. asked participants to rate the degree to which they expected that negotiating would be difficult, scary, agonizing, and overbearing, and found that women were much more apprehensive about the prospect of negotiating than men. Similarly, Stevens, Bavetta, and Gist (1993) found that women have less self-efficacy about their employment negotiation ability than men (see also Watson & Hoffman, 1996). Perhaps as a result of this negotiation efficacy gap, Barron (2003) reported that men prefer to prove their

worth during an employment negotiation whereas women prefer to prove their worth on the job.

Each of the above observations supports the robust finding that women are less likely to initiate negotiations than men, both in the laboratory (Small et al., 2006) and the field (Babcock et al., 2006). Such gender differences persist even when women are explicitly cued that payment is negotiable (Small et al., 2006, Study 2). Recent evidence suggests that this distaste for negotiating may be rational, as women do in fact face higher social risks for initiating compensation negotiations, and are penalized by being characterized as less nice and more demanding than men in identical situations (Bowles, Babcock, & Lai, 2007). Women's disinclination to initiate negotiations is likely a result of their distaste for a process that presents more social risks, which should also lead them to prefer to minimize their time at the bargaining table. In three studies, we examine the implications of these differences in a new domain, namely reactions to having one's first offer accepted at the bargaining table.

## EXPERIMENT 1

Our goal for this experiment was to determine whether reactions to having one's first offer accepted in negotiations are moderated by gender. We hypothesized that women would experience a heightened sense of relief after having their first offer accepted in an employment negotiation relative to men. Relief is an emotion associated with downward counterfactuals, or thoughts about how something could have been worse (Roese, 1994).

We examined relief in the context of an employment negotiation, rather than the rug scenario examined by Galinsky et al. (2002), because it is a common negotiation context that is widely recognized to have far-reaching implications. If it is true that women face more social costs than men from negotiating, we would expect that they would be more relieved when their first offers are accepted than men, given that they would have avoided harming the relationship with the other party. In total, we expected women to experience relief when a negotiation is prematurely aborted because it implies less risk of harming the relationship with the other party.

## METHOD

*Overview and Design.* The experiment involved a 2 (negotiation process: first offer accepted vs. concessions) X 2 (gender: male vs. female) mixed-model design.

*Participants.* Participants were 34 undergraduate students enrolled in an introductory organizational behavior course (16 men and 18 women).

*Procedure.* Participants completed this questionnaire as part of a research requirement in an introductory organizational behavior course. The questionnaire was presented at the beginning of an hour-long session that was followed by another unrelated experiment. At the end of the session, participants were thanked and debriefed.

*Negotiation Scenario.* We modified the rug scenario employed by Galinsky et al. (2002) to be about an employment negotiation. Participants were told to imagine they a company has informed them of their desire to make them an offer and the negotiations are about to begin. All participants read the following:

Because you have been investigating various jobs and interviewing at different companies, you know that entry-level jobs such as this one typically have salaries around \$45,000. However, you also know that this is just a ballpark figure. Salaries vary depending on the size of the company, specific job responsibilities, the city in which the job is located, the new employee's internship experiences, the prestige of the educational institutions they have attended, and the availability of other qualified applicants. Unfortunately, you do not have much information about these qualities, and the job you are being offered is quite unique so comparison information is relatively hard to come by. Several days have passed and the negotiation is about to begin. After exchanging pleasantries, you and the HR Rep are ready to get down to business. The HR Rep begins by saying, "We are so delighted at the prospect of bringing you on board here at Company X. I hope that we can reach a deal today that suits both of our needs." The Rep then asks you what it will take in terms of salary to get you to join the company.

*Negotiation Process Manipulation.* In the first offer accepted condition, participants then read, "Given your level of uncertainty regarding the job, you decide to make an initial offer of \$50,000. The HR Rep immediately accepts your offer." In the concessions condition, participants read, "The HR Rep begins by saying 'We are so delighted at the prospect of bringing you on board here at Company X. I hope that we can reach a deal today that suits both of our needs.' The Rep then asks you what it will take in terms of salary to get you to join the company. Given your level of uncertainty regarding the job, you decide to make an initial offer of \$54,000. The Rep states that this is unacceptable and makes a counteroffer of \$46,000. You lower your offer to \$52,000 and the Rep increases the Company's offer to \$48,000. After some additional negotiating and numerous additional counteroffers over a period of 20 minutes, you both finally agree to a salary of \$50,000." After reading the scenario, participants indicated how relieved they were (1 = not relieved; 7 = very relieved).

## RESULTS

*Post-Negotiation Relief.* Consistent with our hypothesis, the Gender X Negotiation Process interaction was significant,  $F(1, 30) = 5.10, p = .03$ . Women were more relieved after having their first offer accepted ( $M = 5.33, SD = 1.12$ ) than when they experienced concessions ( $M = 4.00, SD = 1.22$ ),  $t(16) = 2.41, p = .03$ . By contrast, men were more relieved when they experienced concessions ( $M = 5.29, SD = 2.21$ ) than when they had their first offer accepted ( $M = 4.22, SD = 1.56$ ), although this difference was not statistically significant,  $t(14) = -1.13, p = .28$ . No other effects were significant (see Figure 1).

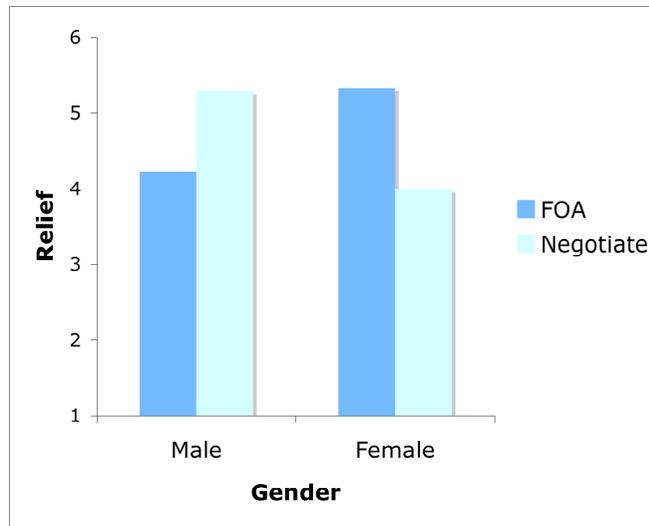


FIGURE 1. Relief as a function of Gender and Negotiation Process (Experiment 1)

## DISCUSSION

Emotional reactions to having one's first offer accepted in a negotiation appear to be moderated by gender. Galinsky et al. (2002) demonstrated that people experience dissatisfaction from having their first offer accepted because it produces upward counterfactuals, or thoughts about how the negotiation could have been better. In this experiment, women actually experienced a heightened sense of relief, an emotion typically associated with downward counterfactual thoughts (Medvec & Savitsky, 1997; Roese, 1994), following the acceptance of their first offer. Although having one's first offer accepted may have signaled to women that they paid an economic cost, it also implied that they succeeded at averting a social cost from negotiating. Because men's reactions were indifferent to the negotiation process, these findings suggest women are more contextually sensitive at the bargaining table. In the next experiment, we examine why this might be so.

## EXPERIMENT 2

In the previous experiment, women experienced more relief following the acceptance of their first offer in an employment negotiation than men. This finding is consistent with the growing body of literature suggesting women find the negotiation process more aversive than men do. In the current experiment, we sought to shed further light on how gender affects reactions to the negotiation process by examining whether men and women adopt different goals in employment negotiations. In addition to economic value, the degree to which negotiators are able to maintain or strengthen their relationship is an important factor in judging the

quality of negotiations. If women care more about preserving the relationship than men do (Gelfand, Major, Raver, Nishii, & O'Brien, 2006), then it follows that they would be more relieved after having their first offer accepted because it suggests negotiators averted a contentious interaction that could harm their relationship. In the current study, we tested this assumption, namely that women care more about relational outcomes relative to men in the employment negotiation context.

#### NEGOTIATING NORM AMBIGUITY: A SITUATIONAL MODERATOR

In addition to examining whether men and women differ in the degree to which they approach employment negotiations with relational goals, the current experiment also examined a potential moderator of this relationship: the degree of ambiguity regarding the appropriateness of negotiating. Although arguably employers benefit from hiring adept negotiators because their skills can be put to good use for the organization over the long-term, in the short-term a competitive bargaining style can be off-putting and even stall the agreement process. Hence, some ambiguity exists about what level of competitiveness is appropriate.

In his seminal work, Mischel (1977) identified situational strength as an important determinant of whether individual differences predict behavior. Strong situations are those in which appropriate behavior is relatively clear and thus render individual differences poor predictors of behavior. In contrast, weak situations require an individual to interpret the situation before deciding how to behave, leaving considerable room for individual differences to influence behavior. Recently Bowles, Babcock, and McGinn (2005) demonstrated that the degree of *structural ambiguity* about a negotiation determined whether gender differences emerged. In particular, situations in which the negotiation parameters were relatively ambiguous produced larger gender differences than those in which the parameters were obvious.

We argue that the degree of ambiguity concerning the appropriateness of negotiating is also a determinant of situational strength. We expected men and women's distinct weighting of relational versus distributive outcomes to be more pronounced in weak situations than in strong situations. With regard to employment negotiations, weak situations should emerge when the competitive norms of job negotiations have not been clarified. In strong situations in which negotiating norms are clear, consensus should emerge among female and male negotiators alike that distributive outcomes are as important as relational outcomes.

The current experiment was designed to test three hypotheses. First, we expected that women would report a greater concern for the relationship than would men. Because we did not expect gender to influence concerns about economic outcomes, women were expected to shoulder more concerns overall than men. Second, we expected that reducing the ambiguity about the appropriateness of negotiating would raise negotiators' economic performance concerns. Finally, we expected that gender differences in negotiators' concerns would only emerge under contexts in which norms for negotiating were ambiguous and that reducing the ambiguity about negotiating norms would eliminate any gender differences in negotiating concerns.

## METHOD

*Overview and Design.* The experiment involved a 2 (negotiating norm ambiguity: high versus low) X 2 (gender: male vs. female) mixed-model design.

*Participants.* Participants were 135 undergraduate students (46 men and 89 women) who were paid \$15 per hour for participation.

*Procedure.* Participants completed this scenario as part of a data collection session involving multiple unrelated surveys. At the end of the session, participants were thanked and debriefed.

*Negotiation Scenario.* Participants were told that the questionnaire concerned employment negotiations and they were asked to imagine that they were negotiating their first job post-graduation. Participants in the low negotiating norm ambiguity condition were given the following additional information:

For students just graduating from college, negotiating their first job offer can be an anxiety-provoking experience. In fact, business students often enroll in a negotiations course in anticipation of their employment negotiations. In addition to wanting to improve their ability to negotiate an attractive employment package, students also recognize that salary negotiations serve as helpful diagnostic tools for employers to assess the skills and abilities of new employees. Because salary negotiations are so important, they provide a revealing measure of personal bargaining styles and enable employers to predict how employees will perform in future negotiations and in other key aspects of their job.

Participants in the high negotiating norm ambiguity condition were not given any separate instructions. All participants were asked to indicate the extent to which they would be concerned with eight issues. Distributive items included ( $\alpha = .75$ ): winning the negotiation, not losing the negotiation, appearing competent, appearing skillful, and being tough. Relational items included ( $\alpha = .73$ ): developing an ongoing relationship with one's employer, developing mutual liking with one's employer, and making one's employer happy. All items were assessed with 9-point scales (endpoints: 1 = "not at all important" and 9 = "extremely important").

## RESULTS

To analyze negotiators' concerns in employment negotiations, we conducted a repeated-measures ANOVA, with type of concern as a within-subject variable and gender and negotiating norm ambiguity as between-subject variables. Two main effects emerged. First, women indicated a higher level of overall concern than men,  $F(1, 131) = 3.77, p = .05$ . Second, overall concerns were higher in the low ambiguity condition compared to the high ambiguity condition,  $F(1, 131) = 2.88, p = .09$ , marginally significant. In addition to these main effects, two interactions emerged.

Consistent with our first hypothesis, the Gender X Type of Concern interaction was statistically significant,  $F(1, 131) = 5.83, p = .02$ . Whereas women's relational concerns ( $M = 7.42, SD = 1.11$ ) were greater than their distributive concerns ( $M = 6.67, SD = 1.26$ ),  $F(1, 88) = 22.53, p = .00$ , the difference in men's relational ( $M = 7.15, SD = 1.33$ ) versus distributive ( $M = 7.02, SD = 1.11$ ) concerns was not statistically

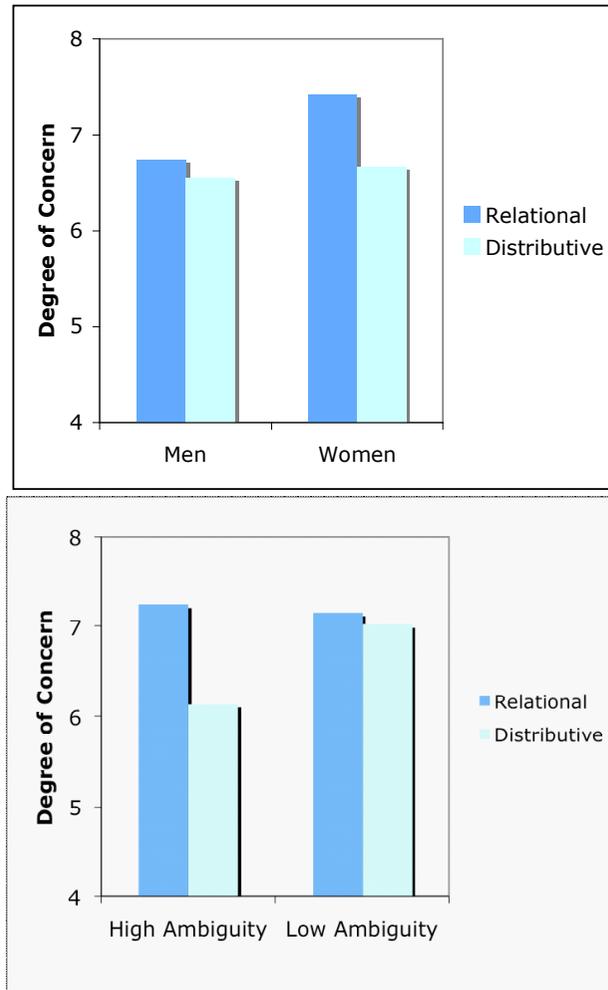


FIGURE 2. Degree of Concern X Gender; Degree of Concern X Negotiating norm ambiguity (Experiment 2)

significant,  $F(1, 45) = .52, p = .48$ . Alternatively, women's relational concerns were greater than those of men,  $F(1, 133) = 8.21, p = .01$ ; however, the difference in the degree to which women and men reported distributive concerns was not statistically significant,  $F(1, 133) = .29, p = .59$ .

Consistent with our second hypothesis, we observed a significant Negotiating Norm Ambiguity X Type of Concern interaction,  $F(1, 133) = 15.93, p = .00$ . For both men and women, distributive concerns were higher in the low ambiguity negotiation ( $M = 7.02, SD = 1.11$ ) than the high ambiguity negotiation ( $M = 6.14, SD = 1.30$ ),  $F(1, 133) = 18.17, p = .00$ ; in contrast, relational concerns did not differ by the ambiguity of the negotiation (high:  $M = 7.24, SD = 1.39$  versus low:  $M = 7.15, SD = 1.33$ ),  $F(1, 133) = .14, p = .71$ . Alternatively, relational concerns were greater than distributive concerns in the high ambiguity negotiation,  $F(1, 59) = 29.65, p = .00$ ; in

contrast, the difference in relational versus distributive concerns was not statistically significant in the low ambiguity negotiation,  $F(1, 133) = .14, p = .71$ .

No other effects were statistically significant.

## DISCUSSION

The purpose of this study was to determine whether men and women differ in their negotiating goals and, if so, to examine whether reducing the ambiguity regarding the appropriateness of negotiating would eliminate these differences. Specifically, we distinguished between two categories of concerns that are relevant to negotiations: distributive versus relational concerns. Whereas distributive concerns pertain to “winning” the negotiation and appearing competent, relational concerns pertain to developing a relationship with one’s partner and pleasing him or her.

Consistent with our hypotheses, women reported caring more about relational outcomes in employment negotiations than men. In fact, women reported caring more about relational outcomes than distributive outcomes. In contrast, men did not report emphasizing one type of concern over the other. Whereas recent theorizing has suggested that women are more relationally oriented in negotiations than men (Gelfand et al., 2006), this research is the first to our knowledge to empirically demonstrate that women report greater concerns about making their bargaining partner happy than men do.

Our findings also illustrate that ambiguity concerning the competitive rewards of the negotiation affected negotiators’ relational and distributive concerns. Whereas under ambiguous conditions, relational concerns were deemed more important than distributive concerns, once the competitive rewards of the negotiation had been clarified, distributive and relational concerns were given equal weight. Clarifying the appropriateness of negotiating in an employment context raised the distributive concerns of both women and men alike.

We had hypothesized a relationship between gender, type of concern, and negotiating norm ambiguity, but failed to observe it. One possible reason for this null finding is simply insufficient statistical power to observe a 3-way interaction. Alternatively, it may be that this relationship would be stronger for basic emotional reactions as opposed to negotiator goals. In the next experiment, we return to an examination of negotiators’ emotional reactions to address this possibility.

## EXPERIMENT 3

In the current experiment, we build on the previous two experiments by examining whether the relationship between gender and emotional reactions to having one’s first offer accepted is moderated by the degree of negotiating norm ambiguity. We varied the process by which negotiators arrived at an employment agreement (i.e., immediate acceptance vs. negotiated acceptance) as in Experiment 1; we also introduced a manipulation of negotiating norm ambiguity consistent with Experiment 2. We argue that reducing the ambiguity concerning negotiating norms makes clear that distributive performance matters, not only for one’s pocketbook but also for how one is likely to be evaluated by a bargaining counterpart. Put

differently, when norms for the appropriateness of negotiation are strong, women should be as concerned as men with illustrating they are effective negotiators and therefore to recognize that something had gone awry when their first offer was accepted. However, in comparatively weaker situations in which it is unclear whether negotiating is appropriate, relational costs were expected to loom larger for women, leading them to be more satisfied and relieved that their first offers were accepted, as found in Experiment 1. Having established gender differences in first offer acceptance, we sought to show how the situation serves as a powerful moderator of gender effects in negotiation.

A final goal of the current experiment was to explore further the process through which gender impacts reactions to negotiations. Because the bargaining table is viewed as a competitive, male-dominated arena, women are likely to disengage from the negotiation process, as evidenced by a weaker set of expectations about how the negotiation process *should* unfold. Likewise, women may anticipate more negativity at the bargaining table than men, which will result in a heightened sense of anxiety (MacLeod & Cropley, 1996). To test these hypotheses, we added measures assessing participants' clarity of expectations, confidence, and anxiety going into the negotiation. Finally, as per Galinsky et al. (2002), we also added a measure of upward counterfactual thoughts. In combination, we were able to examine whether these cognitive and affective variables shed further light on women's reactions to having their first offer accepted.

## METHOD

*Overview and Design.* The experiment involved a 2 (negotiation process: first offer accepted vs. concessions) X 2 (negotiating norm ambiguity: high vs. low) X 2 (gender: male vs. female) mixed-model design.

*Participants.* Participants were 118 MBA students enrolled in a course in negotiations (76 men and 42 women).

*Procedure.* Participants completed an online survey that assessed their beliefs about conflict and negotiation style. Embedded in the survey was a scenario concerning an employment negotiation. Following completion of the survey, participants were thanked. The debriefing occurred as part of a classroom discussion.

*Negotiating Norm Ambiguity Manipulation.* Embedded in the general instructions was the manipulation of negotiating norm ambiguity. Participants in the low ambiguity condition read:

The negotiation on the next page concerns a situation that is personally relevant to MBA students like you. Often students enroll in this course in anticipation of their employment negotiations during the 2nd year of the program. In addition to wanting to improve their ability to negotiate an attractive employment package, students also recognize that salary negotiations serve as helpful diagnostic tools for employers to assess the skills and abilities of new employees. Because salary negotiations are so important, they provide a revealing measure of personal bargaining styles and enable employers to predict how employees will perform in future negotiations and in other key aspects of their job.

Participants in the high ambiguity condition were not given any unique information. The remainder of the vignette was identical to that described in Experiment 1, with one exception. To make the salary figure realistic for our MBA sample, they were told that entry-level salaries were typically around \$95,000 and the final salary agreed upon in all conditions was \$100,000. Otherwise, the description of the first offer accepted and concessions conditions was identical to those described in Experiment 1.

*Pre-Negotiation Self-Assessment.* Following the general scenario introduction, participants responded on 7-point scales (1 = "disagree entirely"; 7 = "agree entirely") to the following two questions: "I am confident in my ability to negotiate effectively," "I am anxious about this negotiation."

On the next screen was the manipulation of negotiation process described previously. After reading the negotiation process manipulation, we assessed participants' reactions by first having them list up to 3 thoughts that would be running through their mind at the end of the meeting. We expanded our measure of positive reactions from Experiment 1 to include 3 items: "I am satisfied with my salary," "I am confident that I negotiated effectively," and "I am relieved that the negotiation is over." Because the items were adequately reliable ( $\alpha = .77$ ), we combined them into one scale. We also included a measure of upward counterfactual thinking, "I regret not asking for a higher salary initially." All items were measured on 7-point scales (1 = "disagree entirely," 7 = "agree entirely").

*Upward Counterfactual Coding.* To analyze the thoughts that participants generated in response to the job negotiation scenario, we created a dichotomous measure that simply indicated whether the thought referred to something specific that the negotiator could have done to improve his or her outcome. We coded each thought and then computed the proportion of thoughts that expressed upward counterfactuals for each participant. An example of a statement that was coded as an upward counterfactual is: "I would list my highest salary as a comparative." An example of a non-counterfactual statement is: "That negotiation seems very structured."

## RESULTS

Table 1 presents the correlations between all study variables.

*Pre-Negotiation Self-Assessment.* We analyzed anxiety and confidence separately with 2-way ANOVAs, including gender and negotiating norm ambiguity as factors. Consistent with expectations, men ( $M = 5.20$ ,  $SD = 1.23$ ) reported being less anxious about the negotiation than women ( $M = 6.02$ ,  $SD = 1.00$ ),  $F(1, 114) = 13.68$ ,  $p < .001$ . In addition, men ( $M = 4.43$ ,  $SD = 1.46$ ) reported being more confident than women in their ability to negotiate effectively ( $M = 3.31$ ,  $SD = 1.49$ ),  $F(1, 114) = 15.55$ ,  $p < .001$ . No other effects were significant.

*Post-Negotiation Assessment.* To analyze post-negotiation reflection measures, we conducted a 3-way ANOVA with gender, negotiating norm ambiguity, and negotiation process as between-subject factors separately for satisfaction and regret.

*Satisfaction.* Two main effects emerged. First, consistent with Galinsky et al. (2002), negotiators who had their first offer accepted ( $M = 3.14$ ,  $SD = 1.23$ ) were less satisfied with their negotiation than negotiators who experienced concessions

TABLE 1. Experiment 3: Intercorrelations Between Pre- and Post-Negotiation Measures

Variable	1	2	3	4
1. Anxious	—	-.34***	.00	.30*
2. Confident		—	-.14	-.03
3. Contentment			—	-.25**
4. Regret			—	-.47***

Note. \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ .

( $M = 4.37$ ,  $SD = 1.23$ ),  $F(1, 110) = 25.61$ ,  $p < .001$ . Second, negotiators in the low ambiguity condition ( $M = 3.41$ ,  $SD = 1.30$ ) were less satisfied with their performance than negotiators in the high ambiguity condition ( $M = 4.10$ ,  $SD = 1.36$ ),  $F(1, 110) = 11.63$ ,  $p = .001$ .

In addition to these main effects, the expected 3-way interaction between gender, negotiating norm ambiguity, and negotiation process emerged,  $F(1, 110) = 4.76$ ,  $p = .03$  (see Figure 3). To better understand the source of this effect, we examined the 2-way and simple effects. Consistent with the results of Experiment 1, the interaction between gender and negotiation process was statistically significant in the high ambiguity condition,  $F(1, 54) = 5.50$ ,  $p = .02$ . Under this condition, men were more satisfied after several rounds of concessions ( $M = 4.86$ ,  $SD = .90$ ) than when their first offer was accepted ( $M = 3.08$ ,  $SD = 1.27$ ); however, the difference in women's satisfaction after experiencing concessions ( $M = 4.58$ ,  $SD = 1.21$ ) versus an immediate acceptance of their offer ( $M = 4.30$ ,  $SD = 1.24$ ) was not statistically significant,  $F(1, 19) = .28$ ,  $p = .60$ . In the low ambiguity condition, the interaction between gender and negotiation process was not statistically significant,  $F(1, 56) = .57$ ,  $p = .46$ .

Breaking down the interaction by negotiating process is also informative. For negotiators whose first offer was accepted, the interaction between gender and norm ambiguity was statistically significant,  $F(1, 55) = 4.83$ ,  $p = .03$ . After having their first offer accepted, women were more satisfied in the high ambiguity condition ( $M = 4.30$ ,  $SD = 1.24$ ) than the low ambiguity condition ( $M = 2.72$ ,  $SD = 1.02$ ),  $F(1, 19) = 10.16$ ,  $p = .005$ ; men's satisfaction after having their first offer accepted was unaffected by the degree of ambiguity concerning behavioral norms ( $M_s = 2.89$  vs.  $3.08$ ),  $F(1, 36) = .27$ ,  $p = .61$ . For negotiators who experienced concessions, the interaction between gender and norm ambiguity was not significant,  $F(1, 55) = .84$ ,  $p = .36$ . When the competitive norms surrounding job negotiations were ambiguous, women were pleased after having their first offer accepted; it was only when the behavioral norms of the negotiation were clear that they were dissatisfied with the negotiation process ending abruptly.

*Regret.* Two main effects emerged. First, consistent with the pattern of upward counterfactual data reported by Galinsky et al. (2002), negotiators whose first offer was immediately accepted ( $M = 6.25$ ,  $SD = .96$ ) reported more regret than negotiators who experienced concessions ( $M = 5.07$ ,  $SD = 1.45$ ),  $F(1, 110) = 22.13$ ,  $p = .00$ . Second, negotiators in the low ambiguity condition ( $M = 5.88$ ,  $SD = 1.28$ ) reported more regret than those in the high ambiguity condition ( $M = 5.43$ ,  $SD = 1.42$ ),  $F(1, 110) = 6.60$ ,  $p = .01$ . This main effect for negotiating norm ambiguity was qualified by a significant interaction with gender,  $F(1, 110) = 3.80$ ,  $p = .05$ . Women experienced more regret in the low ambiguity condition ( $M = 6.29$ ,  $SD = .85$ ) than

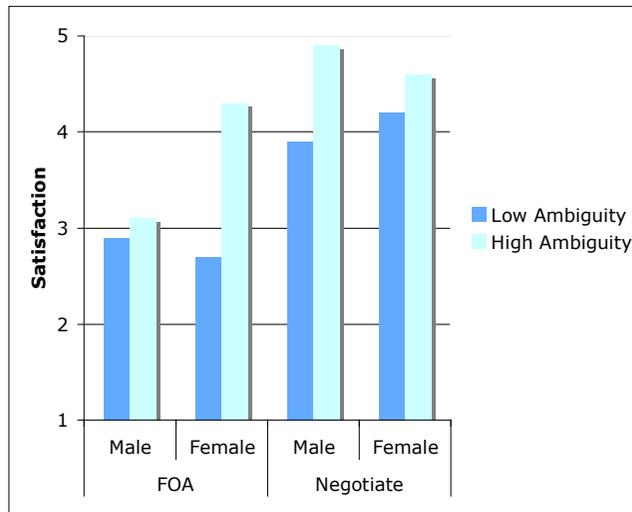


FIGURE 3. Satisfaction as a function of Gender, Negotiation Process, and Negotiating norm ambiguity (Experiment 3)

the high ambiguity condition ( $M = 5.10$ ,  $SD = 1.58$ ),  $F(1, 40) = 9.29$ ,  $p = .004$ ; the difference in regret for men across low ambiguity ( $M = 5.67$ ,  $SD = 1.42$ ) and high ambiguity ( $M = 5.62$ ,  $SD = 1.30$ ) conditions was not significant,  $F(1, 74) = .02$ ,  $p = .89$ . Women's experience of regret was uniquely sensitive to the ambiguity surrounding negotiating norms.

*Exploratory Analyses.* To better understand the significant relationship between pre-negotiation anxiety and post-negotiation regret we examined it by gender.<sup>1</sup> For men, anxiety and regret were positively correlated,  $r(76) = .39$ ,  $p < .001$ . For women, this relationship was not significant overall,  $r(42) = .15$ ,  $p = .36$ . However, when this relationship was further broken down by negotiating norm ambiguity, an interesting pattern emerged whereby the relationship between pre-negotiation anxiety and post-negotiation regret remained constant for men in both the low ambiguity,  $r(39) = .39$ ,  $p = .02$ , and high ambiguity conditions,  $r(37) = .42$ ,  $p = .01$ . For women, however, pre-negotiation anxiety was significantly related to regret in the low ambiguity condition,  $r(21) = .50$ ,  $p = .02$ , but not the high ambiguity condition,  $r(21) = -.08$ ,  $p = .75$ . We also examined the relationship within negotiation process conditions. For men, the relationship between anxiety and regret was significant in both the first offer accepted,  $r(38) = .42$ ,  $p = .01$ , and concessions conditions,  $r(38) = .44$ ,  $p = .01$ . For women, this relationship was not statistically significant in either the first offer accept ( $r(21) = .23$ ,  $p = .32$ ) or concessions conditions,  $r(21) = .07$ ,  $p = .76$ . In sum, only when the competitive rewards of the negotiation were clear did women's pre-negotiation anxiety level predict the degree of regret they felt after the negotiation.

1. Because pre-negotiation expectations and post-negotiation regret were negatively correlated, we broke down this relationship by gender. The relationship was not significant when examined within gender. As such, we did not further analyze this variable.

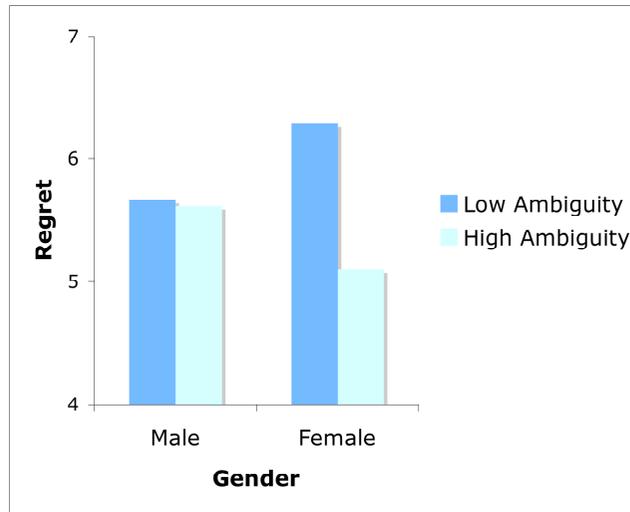


FIGURE 4. Regret as a function of Gender and Negotiating norm ambiguity (Experiment 3)

*Counterfactual Thought Generation.* To analyze the generation of upward counterfactual thoughts, we conducted an ANOVA, with gender, negotiation process, and negotiating norm ambiguity as between-subject factors. Consistent with the pattern of data observed by Galinsky et al. (2002), participants whose first offer was accepted generated more upward counterfactual thoughts ( $M = .59$ ,  $SD = .32$ ) than participants who experienced a series of concessions ( $M = .16$ ,  $SD = .21$ ),  $F(1, 96) = 53.67$ ,  $p = .00$ . In addition to this main effect, we observed a 2-way interaction between gender and negotiating norm ambiguity,  $F(1, 96) = 3.13$ ,  $p = .04$ , one-tailed. Consistent with expectations, women generated more upward counterfactual thoughts in the low ambiguity condition ( $M = .54$ ,  $SD = .35$ ) than the high ambiguity condition ( $M = .27$ ,  $SD = .32$ ),  $F(1, 34) = 5.87$ ,  $p = .02$ ; the difference in men's upward counterfactual generation between the low ambiguity ( $M = .32$ ,  $SD = .31$ ) and high ambiguity conditions ( $M = .38$ ,  $SD = .38$ ) was not statistically significant,  $F(1, 66) = .55$ ,  $p = .46$ .

*Relationship Between Upward Counterfactual Generation and Regret.* To examine whether the generation of upward counterfactual thoughts affected the interactive relationship between negotiating norm ambiguity and gender documented above, we re-analyzed the data while including upward counterfactual generation as a covariate. Upon doing so, the interaction between negotiating norm ambiguity and gender was no longer statistically significant,  $F(1, 95) = 1.67$ ,  $p = .20$ . This finding is consistent with the hypothesis that the generation of thoughts about how a negotiation might have been better accounted for the relationship between negotiating norm ambiguity, gender, and regret.

## DISCUSSION

This experiment further illustrates that whether men and women respond differently to how the negotiation process unfolds depends on the degree of ambiguity concerning behavioral norms. Integrating the results of Experiments 1 and 2, the current experiment demonstrated that having one's first offer accepted elicited different degrees of satisfaction for men versus women under conditions in which behavioral norms were ambiguous. However, when behavioral norms were clear, this difference disappeared.

This study also added a measure of regret, a signpost for upward counterfactual thought. Whereas women experienced more regret when behavioral norms were clear than when they were ambiguous, ambiguity regarding behavioral norms did not affect men's reactions to the negotiation process. One reason for this difference may be that men reported being more confident of their negotiation ability, which may have rendered them less influenced by negotiating norms. We also observed that men's anxiety going into the negotiation predicted their post-negotiation regret, whereas this relationship was only significant for women when behavioral norms were clear. Overall, women's emotional reactions to negotiations appear to be more contextually determined than men's.

Because we included both measures of satisfaction and regret, it is possible to compare the pattern of findings across these two measures. Whereas main effects for gender and negotiation process emerged for both measures, the interactive patterns across the two dependent measures differed. For regret, we observed a 2-way interaction between negotiating norm ambiguity and gender; for satisfaction, this relationship was qualified further by the negotiation process. Although the negative correlation between the two measures was substantial,  $r(118) = -.47$ ,  $p = .00$ , they are clearly independent constructs. We speculate that satisfaction is a far broader construct, involving more than just counterfactual thinking, which may have produced a more complex interaction. In addition, the magnitude of the effect of negotiation process on regret may have rendered it resistant to qualification. The overwhelming sense of regret after having a first offer accepted occurred independent of any effects of gender and negotiating norm ambiguity.

## GENERAL DISCUSSION

Past research has demonstrated that having one's first offer accepted produces the regret associated with upward counterfactuals (Galinsky et al., 2002). The current research qualifies this finding by providing evidence that, at times, men and women respond differently to having their first offers accepted at the bargaining table. In Experiment 1, women experienced a heightened sense of relief relative to men after having their first offer accepted. Experiment 2 demonstrated that men and women have different goals in employment negotiations, with women placing greater emphasis on relational goals than men. This experiment also showed that this difference in priorities is limited to situations in which the behavioral norms for employment negotiations are ambiguous. When norms for negotiating competitively were clear, men and women adopted similar goals. Consistent with these findings, Experiment 3 demonstrated that the relationship between gender

and having one's first offer accepted was qualified by the degree of negotiating norm ambiguity. Although women were relatively satisfied after having their first offer accepted under high ambiguity conditions, women experienced regret when ambiguity about the appropriateness and importance of negotiating was low. Overall, negotiating norm ambiguity differentially affected women and men, with women showing more sensitivity to the clarity of negotiating norms. This set of findings suggests that women's emotional reactions are more attuned to the nuances of the negotiation context than men.

Although the overall pattern of data across experiments is consistent with our theorizing, we do note a discrepancy across experiments. Unlike Experiment 1, where women were actually more relieved after having their first offer accepted than when they negotiated, the interaction observed in Experiment 3 appears to be driven by men's greater satisfaction after negotiating and women's relative indifference to the negotiation process. One possible reason for this discrepancy is the greater age and business experience of the MBA population in Experiment 3 compared to the undergraduates in Experiment 1. Experience may have made it clearer to women in Experiment 3 that having one's first offer accepted is atypical, thereby depressing their overall satisfaction. Nevertheless, given that women were indifferent to having their first offers accepted versus negotiating in the high ambiguity condition, the findings from Experiment 3 support our general argument that the acceptance of a first offer is often more acceptable among women than men.

Conceptually, the current research sheds light on the conditions that trigger stereotype threat for women negotiators. In particular, our manipulation of negotiating norm ambiguity resembles the diagnosticity manipulation used in previous research (Kray et al., 2001; Steele & Aronson, 1995). Kray and colleagues demonstrated that, by emphasizing the diagnostic implications of a negotiation, women performed worse than they otherwise would. We argue that the diagnostic manipulation used in previous research emphasized a norm to negotiate competitively in a manner similar to the current low ambiguity condition. In so doing, it likely raised women's awareness of their anxiety level and perhaps caused them to question whether the negative stereotype about women negotiators was true. Somewhat ironically, when it is plainly clear that behaving competitively matters, women aim to compete in a manner on par with men, yet the stereotype creeps in and undermines them. Future research that more closely links diagnostic negotiations with negotiating norm ambiguity is in order.

A number of interesting questions arising from the current set of findings should be the focus of future research. For example, given that women had heightened regret when the appropriateness of behaving competitively was clear, it remains an open question as to whether they would then act on their regret by trying to improve their preparation in future negotiations with an approach orientation versus further distancing themselves from negotiations with important consequences through an avoidance orientation. The current set of experiments' low ambiguity condition emphasized the importance of negotiating competitively for both maximizing economic outcomes as well as creating positive impressions. Future research that manipulates contextual norms will go a long way toward understanding how behavioral expectations shape the manner in which men and women negotiate. Another contextual variable worth considering is who the negotiation is

for—the employment negotiation context of the current studies put women into a context in which they have been shown to negotiate less competitively than when negotiating on behalf of others (Bowles et al., 2005). This raises the question of whether women advocating on behalf of others would experience regret instead of relief following the acceptance of a first offer. Finally, future research that links the emotional reactions of negotiators to an abrupt negotiation ending to the impressions that others form of them would be worthwhile. Because women are penalized socially for negotiating (Bowles et al., 2007), they may actually experience a boost in perceived likability when their first offer is accepted.

The results of this research also have some interesting practical applications. Failing to negotiate can have important negative consequences for accumulating resources for oneself in organizations. The temporary relief that women experienced in the current set of studies by avoiding the back-and-forth of the negotiation process was very likely a more pleasant emotion than regret. Yet this positive reaction may be short-lived in that it likely reduces the probability that women will seek out opportunities to practice negotiating skills over the course of their careers, creating a self-fulfilling prophecy that they are not good negotiators. Yet this research suggests ambiguity regarding what type of behavior is appropriate and likely to be rewarded is what drives this potentially missed opportunity for women's advancement. Just like unspoken gender stereotypes that can undermine women's performance (Kray et al., 2001), unclear expectations can prevent women from experiencing the silver lining of regret from having a first offer accepted: learning from what might have been.

## REFERENCES

- Babcock, L., Gelfand, M., Small, D., & Stayn, H. (2006). Gender differences in the propensity to initiate negotiations. In D. De Cremer, M. Zeelenberg, & K. Murnighan (Eds.), *Social psychology and economics* (pp. 239-259). Mahwah, NJ: Erlbaum.
- Barron, L. A. (2003). Gender differences in negotiators' beliefs. *Human Relations, 56*, 635-662.
- Bowles, H. R., Babcock, L., & Lai, L. (2007). Social incentives for gender differences in the propensity to initiate negotiation: Sometimes it does hurt to ask. *Organizational Behavior and Human Decision Processes, 103*, 84-103.
- Bowles, H. R., Babcock, L., & McGinn, K. L. (2005). Constraints and triggers: Situational mechanics of gender in negotiation. *Journal of Personality and Social Psychology, 89*, 951-965.
- Curhan, J. R., Elfenbein, H. A., & Xu, H. (2006). What do people value when they negotiate? Mapping the domain of subjective value in negotiation. *Journal of Personality and Social Psychology, 91*, 493-512.
- Galinsky, A. D., Seiden, V. L., Kim, P. H., & Medvec, V. H. (2002). The dissatisfaction of having your first offer accepted: The role of counterfactual thinking in negotiations. *Personality and Social Psychology Bulletin, 28*, 271-283.
- Gelfand, M. J., Major, V. S., Raver, J. L., Nishii, L.H., & O'Brien, K. (2006). Negotiating relationally: The dynamics of the relational self in negotiations. *Academy of Management Review, 31*, 427-451.
- Kray, L. J., Reb, J., Galinsky, A., & Thompson, L. (2004). Stereotype reactance at the bargaining table: The effect of stereotype activation and power on claiming and creating value. *Personality and Social Psychology Bulletin, 30*, 399-411.
- Kray, L. J., & Thompson, L. (2005). Gender stereotypes and negotiation performance:

- A review of theory and research. In B. Staw & R. Kramer (Eds.), *Research in organizational behavior series*, 26, 103-182.
- Kray, L.J., Thompson, L., & Galinsky, A.D. (2001). Battle of the sexes: Stereotype confirmation and reactance in negotiations. *Journal of Personality and Social Psychology*, 80, 942-958.
- MacLeod, A. K., & Cropley, M. L. (1996). Anxiety, depression, and the anticipation of future positive and negative experiences. *Journal of Abnormal Psychology*, 105, 286-289.
- Medvec, V. H., & Savitsky, K. (1997). When doing better means feeling worse: The effects of categorical cutoff points on counterfactual thinking and satisfaction. *Journal of Personality and Social Psychology*, 72, 1284-1296.
- Mischel, W. (1977). The interaction of person and situation. In D. Magnusson & N. S. Endler (Eds.), *Personality at the crossroads: Current issues in interactional psychology* (pp. 333-352). Hillsdale, NJ: Erlbaum.
- Roese, N. J. (1994). The functional basis of counterfactual thinking. *Journal of Personality and Social Psychology*, 66, 805-818.
- Schmader T., & Johns, M. (2003). Converging evidence that stereotype threat reduces working memory capacity. *Journal of Personality and Social Psychology*, 85, 440-452.
- Small, D., Gelfand, M. J., Babcock, L., & Gettman, H. (2006). Who gets to the bargaining table: The influence of gender and framing on the propensity to initiate negotiations. (Manuscript under review)
- Steele, C. M. (1997). A threat in the air: How stereotypes shape intellectual identity and performance. *American Psychologist*, 52, 613-629.
- Steele, C. M., & Aronson, J. (1995). Stereotype threat and the intellectual test performance of African Americans. *Journal of Personality and Social Psychology*, 69, 797-811.
- Stevens, C. K., Bavetta, A. G., & Gist, M. E. (1993). Gender differences in the acquisition of salary negotiation skills: The role of goals, self-efficacy, and perceived control. *Journal of Applied Psychology*, 78, 723-735.
- Stuhlmacher, A. F., & Walters, A. E. (1999). Gender differences in negotiation outcome: A meta-analysis. *Personnel Psychology*, 52, 653-677.
- Walters, A. E., Stuhlmacher, A. F., & Meyer, L. L. (1998). Gender and negotiator competitiveness: A meta-analysis. *Organizational Behavior and Human Decision Processes*, 76, 1-29.
- Watson, C., & Hoffman, L. R. (1996). Managers as negotiators: A test of power versus gender as predictors of feelings, behavior, and outcomes. *Leadership Quarterly*, 7, 63-85.