Overcoming Initial Anchors: The Effect of Negotiators' Dispositional Control Beliefs

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Abstract

Applying a multi-issue integrative negotiation scenario, we explored the relationship between negotiators' internal–external (I–E) locus of control orientations, initial offers, and final negotiation outcomes. Focusing on the noninitiating party, we found that the degree to which initial offer recipients were internally versus externally oriented moderated the extent to which their final outcome was influenced by the initial offer they received. In comparison to externally oriented initial offer recipients, internally oriented recipients were less influenced by the proposed initial offer and managed to obtain more self favorable negotiation outcomes. This outcome advantage was due to the fact, that independent of the I–E orientation of the other negotiating party, internally oriented recipients reached agreements with higher total joint pie than externally oriented recipients and also managed to maintain a fair share of the pie.

In negotiation, opening offers affect negotiated agreements. Across various negotiation settings, negotiators' outcomes are monotonically related to initial offer values (Chertkoff & Conley, 1967; Liebert, Smith, Hill, & Keiffer, 1968; Magee, Galinsky, & Gruenfeld, 2007; Moran & Ritov, 2002; Rubin & Brown, 1975; Yukl, 1974). The initial offer

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establishes a cognitive anchor which typically remains in effect even after modifications of subsequent offers (Galinsky & Mussweiler, 2001; Janiszewski & Uy, 2008), and even when individuals gain experience and negotiate for several negotiation sessions (Ritov, 1996).

Recent work has focused on identifying situations and personality characteristics that lead people to initiate negotiation, create self favorable initial offers, and consequently reach favorable agreements (e.g., Galinsky, Leonardelli, Okhuysen, & Mussweiler, 2005; Small, Gelfand, Babcock, & Gettman, 2007). Individuals primed to recall situations in which they were in control over others were more likely than people who recalled situations in which others had control over them to initiate negotiation with self favorable offers which led them to favorable agreements (Magee et al., 2007). These individuals took control over the interaction by initiating the negotiation.

While knowledge about initiators is growing, almost no research has explored the factors and process by which recipients might be able to reduce the initial offer anchoring effect. One exception is the study by Galinsky and Mussweiler (2001) in which guiding recipients to actively consider their counterpart's perspective was found to decrease the initial offer anchoring effect. Specifically, encouraging recipients to consider information that was inconsistent with the implications of the first offer (such as their opponent's reservation price, or their own target price) reduced the anchoring effect of the initial offer and enabled recipients to negate their disadvantage.

In the present study, we examine whether chronic individual differences may predict which recipients are more or less likely to overcome the initial offer anchoring effect, without being guided or primed to do so. We specifically focus on a particularly relevant individual difference—namely, locus of control orientation. The Internal–External (I–E) Locus of Control scale measures the extent to which individuals perceive the main causes of events in life as dependent on their own behavior and control versus on external forces. Internally oriented people believe that their destiny is controlled by their own actions, whereas externally oriented people believe that their destiny is dependent on fate or on other people (Lefcourt, 1966, 1992; Rotter, 1966).

We propose that the I–E orientation of initial offer recipients may be a key factor impacting the extent to which the initial offer proposed to them by their negotiating opponents affects their final outcome. Since initial offers are typically unfavorable to their recipients (more favorable to their proposers), anchoring on these offers is usually disadvantageous to the recipients (e.g., Galinsky & Mussweiler, 2001). Consequently, minimizing the initial offer effect should enable recipients to improve their final negotiation outcomes. To be more specific, our key notion is that when receiving an initial offer, recipients who believe they have control over life events and outcomes (i.e., internally oriented recipients), may be better able to overcome or minimize the effect of a disadvantageous initial offer. This in turn may enable them to reach better final negotiation outcomes, compared to recipients who believe that life events and outcomes are controlled by external forces (i.e., externally oriented recipients), and thus anchor on the disadvantageous initial offer they receive.

Locus of Control in Negotiation

Previous research suggests that I–E orientation affects negotiators' expectations, behaviors, and outcomes (Bigoness, 1976; Ford, 1983; Phares, 1965; Seeman, 1963; Seeman and Evans, 1962; Stolte, 1983). These studies generally suggest that internally oriented negotiators are more effective than externally oriented ones. Internally oriented individuals are more oriented toward task accomplishment as they seek to actively influence their destiny rather than provide external reason for accepting it (Phares, 1965; Seeman, 1963; Seeman and Evans, 1962). In negotiations, this task accomplishment and willingness to influence ones outcomes, translates to higher demanding opening offers (Bigoness, 1976), and more competitive reservation prices (Ford, 1983). Moreover, internally oriented individuals were found to achieve more self favorable negotiation outcomes within a negotiation network, independent of variations in positional power (Stolte, 1983).

These early findings provide the general notion that negotiators' I–E orientation impacts negotiation. The present study, however, extends previous work in several ways. First, we primarily focus on initial offer *recipients* and systematically examine their ability to overcome the initial offer anchoring effect as a function of their I–E orientation. Second, while past research on the trait has primarily focused on distributive negotiation settings, in the current study we employ a multi-issue integrative negotiation setting. This distinction between the distributive (value claiming) versus the integrative (value creating) dimensions, is a key distinction within the negotiation literature. Distributive negotiation refers to the division of a fixed pie of resources, where one side's gains are the other side's losses. Integrative negotiation, in contrast, is about reconciling the interests of both parties, and creating higher joint benefit (Pruitt, 1983; Thompson, 2009; Walton & McKersie, 1965).

Employing a multi-issue integrative negotiation setting enables us to identify the extent to which I–E orientation affects negotiators' ability not only to claim value but also to create value—i.e., to expand the joint pie. While previous work on I–E orientation in negotiations focused on the advantage of internal negotiators in distributive negotiations (e.g., Bigoness, 1976; Ford, 1983; Stolte, 1983), there is other work that implies that an internal orientation may be advantageous in integrative settings as well. Tseng (1970), for example, found internal individuals to show more cooperativeness and a greater ability to work with others. Another example is a study by Bobbitt (1967) that employed the prisoner's dilemma game, and found that internal individuals who were paired with different types of opponents (cooperators vs. competitors) managed to adopt competitive or cooperative strategies in ways that bolstered their negotiation outcomes (e.g., Bobbitt, 1967; Wall, 1977). Since reaching favorable outcomes in integrative negotiation settings requires the art of appropriately employing competitive as well as cooperative negotiation strategies, this finding suggests that an internal orientation might be advantageous for integrative negotiations as well.

Research Questions and Hypotheses

The primary questions in this research are whether internal recipients can minimize or overcome the effect of the initial offer anchor and whether this is worthwhile for them?

Since internally oriented people generally believe that they have control over their life events and outcomes (Lefcourt, 1966, 1992; Rotter, 1966), we maintain that when internally oriented negotiators receive an opening negotiation offer, they are more likely than externally oriented negotiators to regain control over the negotiation. As mentioned above, internally oriented individuals typically seek to actively influence their outcomes rather than provide external reason for accepting them (Seeman, 1963). Phares (1965) and Seeman and Evans (1962) found internals to show more initiative in their efforts to obtain their goals. Similarly, findings by Strickland (1970) and Biondo & Mac-Donald (1971) indicate that internals display greater resistance to influence than do externals. Lefcourt (1966) found that externals were highly responsive to external definitions of the task while internals were not.

From the perspective of the recipient, an initial offer proposed by the opponent constitutes an external event. Externally oriented negotiators, are likely to rely upon this external event to determine the range of readily potential agreements. Internal negotiators, on the other hand, are less likely to rely as heavily on the external event of the proposed initial offer, by seeking ways to overcome its disadvantageous influence. Thus, our first hypothesis is:

> ***H1*:** Recipient's I–E orientation moderates the positive relation between the initial offer value and the negotiated agreement. Specifically, we predict that the correlation between values of initial offers and final outcomes from the recipient's perspective will be stronger for externally oriented recipients than for internally oriented ones.

Since initial offers are typically unfavorable to their recipient (e.g., Galinsky & Mussweiler, 2001), minimizing the effect of initial offer on final outcome should be in the recipient's interest. Consequently, our second hypothesis is:

> ***H2*:** Internally oriented initial offer recipients reach more self-favorable outcomes than externally oriented recipients.

Reaching more self favorable outcomes in a multi-issue integrative negotiation can be achieved by enlarging the joint pie, by claiming a larger portion of the pie, or by a combination of both. In the present study we will explore all these possibilities. Thus, assuming that we find internal recipients to reach more self favorable outcomes, the second question we will address is: How do internally oriented recipients accomplish this outcome advantage—by increasing the pie (creating value), taking a larger portion of the pie (claiming value), or both?

Finally, we note that when initiating negotiation is spontaneous, neither party is formally guided to propose the initial offer (for example see, De Dreu, Giacomantonio, Shalvi, & Sligte, 2009; De Dreu & Van Kleef, 2004). Under such circumstances, individual differences, such as I–E orientations, may play a role in determining which party initiates. Consequently, I–E orientation and negotiation initiation are likely to be entangled, thus limiting the ability to distinguish between effects of initial offers and I–E orientations. To overcome this potential confounding, in the present experiment, we employed a predetermined initiation procedure, in which the party who makes the initial offer is randomly predetermined by a coin flip. This random choice of the initiator

enabled us to control for inherent individual differences between initiators and recipients. Controlling for potential individual differences in initiating tendencies is crucial for enabling us to specifically assess how variations in recipients' I–E orientations may impact initial offer anchoring effects.

Method

Participants and Procedure

One hundred and thirty management and industrial engineering undergraduate students at Ben Gurion University participated in the study as part of a course requirement. Participants were randomly paired, assigned to be representatives of company ''A'' or ''B'', and asked to engage in a three-issue negotiation between the two companies (adapted from Bazerman, Magliozzi, & Neale, 1985). For each dyad, a coin flip conducted by the experimenter determined which party proposed the initial offer.

As part of their instruction sheet, participants also received ''individual'' payoff schedules specifying nine ranked settlement options for each of the three issues, and indicating the profit they would obtain for settling on each of these options (see Appendix A). These profit schedules were provided to participants as private information—i.e., each negotiator received her or his profit schedule only and was not given any information about the opponents' profit schedules. As can be seen in Appendix A, each negotiator could reach an individual outcome ranging between 0 and 8,000 points. As in Bazerman et al. (1985), among the three issues to be negotiated, issues F and D were ''logrolling'' issues, and issue R was a distributive issue. An optimal equitable agreement could be reached when parties made efficient trade offs (i.e., ''logrolled'') by agreeing on transaction terms of 1-5-9 (for issues D-R-F respectively). This agreement would afford each of the parties a gain of \$5,200 (i.e., a joint gain of \$10,400). In contrast, a simple equitable compromise agreement (5-5-5), equally splitting the difference on all three issues, would afford each party a gain of only \$4,000 (i.e., a joint gain of \$8,000).

Participants filled out a negotiation report. This report included specifying the initial offer (who proposed the offer and the terms that were proposed across all three issues) and the final outcome (whether agreement was reached, and if so, the terms agreed upon across all issues).

I–E Locus of Control Orientation

We used the original version of the Internal–External Locus of Control scale (Rotter, 1966). The questionnaire includes 23 forced choice items in addition to 6 filter questions. Participants are asked to choose one out of two alternative statements, labeled ''A'' and ''B'', with which they most strongly agree. Each pair of items includes an internal and an external statement. For example, choose: (A) many of the unhappy things in people's life are partly due to bad luck, or (B) people's misfortunes result from the mistakes they make. And similarly, (A) many times we might as well decide what to do by flipping a coin or, (B) in my case getting what I want has little or nothing to do with luck. Choosing option ''A'' represents an external orientation whereas choosing option

"B" represents an internal orientation. The I–E Locus of Control orientation scale is computed by summing the 23 items (after reverse scored items are recoded). The scale ranges between 0 (Internal orientation) to 23 (External orientation). Lefcourt (1991) reports a Cronbach's alpha of .70 and a test retest reliability of .72 after 1 month. The reliability in the current experiment was similar ($\alpha = .77$).

Participants completed the I–E Locus of Control Orientation scale (Rotter, 1966) in a separate session with a week between the two sessions. The order of these sessions was counterbalanced between dyads, and no significant order effects were found. Participants were classified as internally versus externally oriented based on a median split ($Mdn = 11$).[1] This resulted in a 2 (Initiator's orientation: Internal vs. External) × 2 (Recipient's orientation: Internal vs. External) between dyads design. Out of the 130 participants, 10 did not complete the I–E orientation questionnaire and were therefore excluded from further analyzes. Of the remaining 60 negotiating dyads, three reached an impasse and were therefore also excluded from the analyzes (see Tripp & Sondak, 1992).[2] After excluding these dyads, cell size ranged between 12 and 16.

Results

For each participant (initiators and recipients) we computed the personal value of the initial offer to be the sum of the participant's values associated with the three issues offered in the first proposal. Similarly, the final individual outcome was computed to be the sum of the individual's values across the three issues agreed upon. Initial and final pies were computed by adding the initiator's and recipient's offer values. Similarly, the initial and final proportions of the joint pie were computed to be proportion of the individual's (initiator or recipient) initial (final) value of the initial (final) pie (See Table 1 for means and *SD*s).

Before turning to the main research questions that focus on the negotiation outcomes of initial offer recipients, we tested and indeed found support for previously documented findings regarding effects of initiators' I–E on the initial offers that they propose.

Past research (Bigoness, 1976) in distributive negotiation settings has found that internally oriented negotiators make more self favorable initial offers. In such settings, a self favorable offer to one party is by definition less favorable to the other party. In contrast, in integrative negotiation settings, self favorable offers may be a consequence of creating a larger pie (i.e., proposing offers with higher joint value) or of claiming a lar-

[1]To enable easier interpretation of the dyadic results, and particularly of the interactions that include both negotiators' orientations, we chose to report analyzes that include median split I–E locus of control orientation instead of reporting those that include the continuous internal and external locus of control orientation scales. Importantly, however, we note that parallel MANOVAs that included the two continuous variables yielded the same pattern of results as is reported hereby.

[2]Two of the dyads reaching impasse were composed of an internal initiator and an external recipient, the remaining impasse dyads were composed of two externals (initiator and recipient). A chi-square analysis revealed no significant effects for I–E orientation dyad composition on impasse rates.

Table 1
Mean (SD) Initial Offers and Negotiated Agreements as a Function of Negotiator's I–E Orientation

Recipient's I–E orientation	Initiator's I–E orientation	Initiators' 1st value	Recipients' 1st value	1st joint value	Initiators' final value	Recipients' final value	Final joint outcome	Recipients' final proportion
Internal	Internal	6,725 (1,577)	1,612 (1,924)	8,337 (840)	4,275 (589)	4,475 (650)	8,750 (1,015)	.51 (.04)
	External	6,266 (1,692)	1,734 (1,665)	8,000 (227)	4,353 (742)	4,187 (890)	8,540 (894)	.49 (.08)
External	Internal	7,100 (1,313)	1,172 (1,864)	8,272 (863)	4,954 (1,473)	3,291 (1,494)	8,245 (928)	.40 (.17)
	External	6,293 (2,121)	1,587 (2,212)	7,880 (529)	3,753 (1,252)	4,207 (1,519)	7,960 (809)	.52 (.17)

ger portion of the pie. Our analyzes of the initial offers revealed that in terms of the joint value, internally oriented initiators proposed higher initial offer pies (M = 8,311.11, SD = 834.05) than external initiators, (M = 7,940.00, SD = 419.85), $t(55) = 2.15$, $p < .05$. The proportion of the initial pie claimed by the initiators was not affected by initiator's I–E; internal initiators claimed similar portions of the pie (M = .84, SD = .20) as did external initiators, (M = .79, SD = .23), $t(55) = .77$, *ns.* Taken together, these results suggest that the impact of initiator's I–E orientation on the initial offer stems mainly from varying the size of the pie, and not from varying the portion that is claimed.

With regard to initiators' final outcome, replicating previous findings (Stolte, 1983), we found that internal initiators generally reached more self favorable final outcomes (M = 4,551.85, SD = 1,072.87) than external initiators, (M = 4,053.33, SD = 1,056.26), $t(55) = 1.77$, $p < .05$ (one-tailed). We continue to examine the claiming versus creating value aspects of this finding later on, when we report about the dyadic negotiation outcomes. We turn next to our focal question concerning the noninitiators.

Do Internal Recipients Overcome the Initial Offer Anchor and is it Worthwhile?

Addressing the main question of the current research, we first assessed the correlations between the initial offer and final agreement values from the recipients' perspective. In line with our first hypothesis (H1), while the correlation between the initial offer and the final agreement was significant for externally oriented recipients, $r = .42$, $p < .05$, it was not significant for internally oriented recipients, $r = .14$, *ns.* Thus, as predicted, internal recipients were less affected than external ones by the initial offer they received.

To determine the joint effect of the initial offer value and the two negotiators I–E orientations, we conducted an ANOVA predicting the recipients' final outcome (as the DV) from their own I–E orientation, the initiator's I–E orientation, the interaction between the two parties' I–E orientations, the initial offer value from the recipient's perspective, and the interaction between the initial offer and the recipient's I–E orientation. Replicating previous findings on initial offer anchors (Galinsky & Mussweiler, 2001; Moran & Ritov, 2002) results of this ANOVA revealed that recipients' final outcome was significantly affected by the initial offer value, $F(1, 56) = 5.74$, $p < .05$, $\eta^2 = .10$. As predicted (H2), however, it was also significantly affected by recipients' I–E orientation. Internally oriented recipients achieved more self favorable final outcomes (M = 4,335.49, SD = 776.12) compared to externally oriented ones (M = 3,819.23, SD = 1,548.42), $F(1, 56) = 7.91$, $p < .01$, $\eta^2 = .13$. Importantly, and again supporting H1, the interaction effect between the initial offer value and the recipients' I–E orientation was significant, $F(1, 56) = 4.93$, $p < .05$, $\eta^2 = .09$. As can be seen in Figure 1, the correlation between the initial offer and final outcome was significant for externally oriented recipients but not for internally oriented ones. Finally, we note that initiator's I–E orientation had no significant effects on the recipient's final outcome. Neither the main effect for initiators' I–E orientation, $F(1, 56) = .68$, *ns*, nor

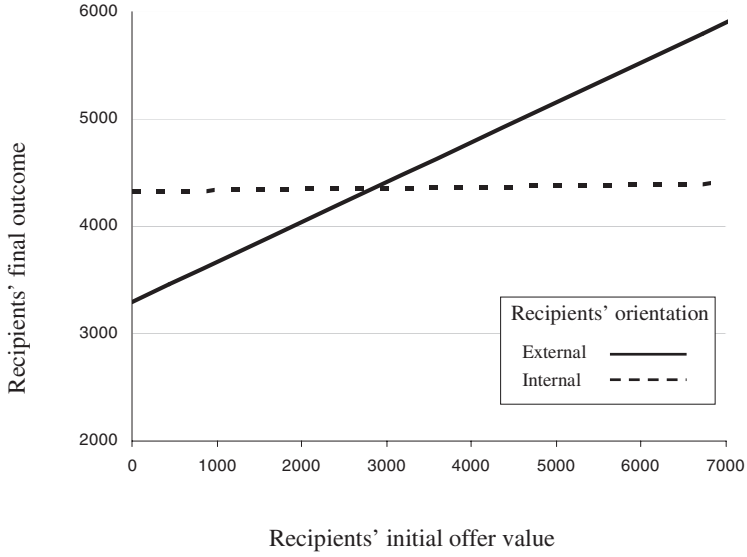

Figure 1. Recipients' final outcomes as a function of the value of the initial offer for them.

the interaction between the initiators' and recipients' orientations, $F(1, 56) = 3.36$, $p = .07$, were significant.[3]

How do Internally Oriented Recipients Increase Their Final Agreements?

The previously reported results show that as hypothesized (H2), internally orientated initial offer recipients managed to increase their final negotiated agreements. Thus, we next turned to assess whether they accomplished this increase in their final outcomes by enlarging the pie (joint outcome), taking a larger proportion of the pie, or both.

We began by exploring the final joint pie, testing whether the negotiators' I–E orientations affected the joint value obtained by the parties, controlling for the joint value of the initial offer. We conducted an ANOVA predicting final joint pie from both parties' (initiators' and recipients') I–E orientations as between dyad factors, and with initial offer joint pie as a covariate. Replicating past results (Moran & Ritov, 2002; Ritov, 1996), the initial pie predicted the final pie, $F(1, 56) = 12.19$, $p < .001$, $\eta^2 = .19$. Importantly, however, beyond that effect, recipient's I–E orientation exerted a significant effect on the final joint outcome, $F(1, 56) = 4.74$, $p < .05$, $\eta^2 = .08$. Dyads with internally orientated recipients reached higher joint outcomes ($M = 8{,}648$, $SD = 949.00$) compared

[3]The *SD*'s of the external recipients' final values are somewhat higher compared with those of the internal ones. While the ANOVA test is a robust one, we verified that this difference in variance does not violate the homogeneity of variances assumption. The Levene test was not significant assuring that indeed the assumption was not violated (a significant Levene value indicates a violation of the assumption).

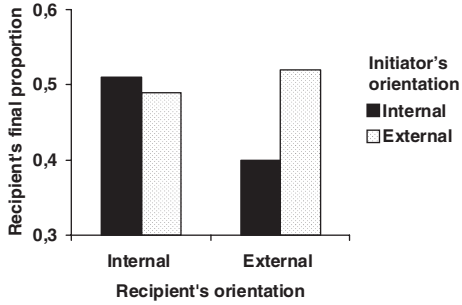

Figure 2. Recipient's final proportion as a function of negotiators' I–E orientations.

to dyads with externally oriented recipients (M = 8,081, SD = 855.11). Neither initiator's orientation, $F(1, 56) = .01$, *ns*, nor the interaction between the initiator's and recipient's orientations $F(1, 56) = .01$, *ns*, affected the final joint pie.

We continued to assess whether in addition to increasing the pie, internally oriented recipients also claim a larger proportion of it. This was tested in an ANOVA predicting the recipient's final proportion of the joint pie from both parties' (initiators' and recipients') I–E orientations as between dyad factors, and with the recipient's proportion of the initial joint pie as a covariate.[4] Results revealed that the proportions in the final agreement were significantly affected by the proportions in the initial offer, $F(1, 56) = 5.32$, $p < .05$, $\eta^2 = .09$. Neither initiator's orientation, $F(1, 56) = 1.06$, *ns*, nor the recipient's orientation, $F(1, 56) = 1.74$, *ns*, were significant. The interaction between the two parties' orientations, however, was significant, $F(1, 56) = 4.79$, $p < .05$, $\eta^2 = .08$. As can be seen in Figure 2, for internally orientated recipients, the initiator's orientation did not affect the recipient's final proportion; they received a similar proportion of the final pie whether negotiating with internally oriented initiators (M = .51, SD = .04) or with externally oriented ones (M = .49, SD = .08), $F(1, 56) = .27$, *ns*. Externally oriented recipients on the other hand, received a lower proportion of the final pie only when negotiating with internally oriented initiators (M = .40, SD = .17), but not when negotiating with externally oriented initiators (M = .52, SD = .17), $F(1, 56) = 5.70$, $p < .05$. Thus, controlling for the initial offer that is proposed, internally oriented recipients manage to claim close to 50% of the final pie, independent of whether their opponent (i.e., the initiator) is internally or externally oriented. External recipients' proportions, on the other hand, significantly depend on the I–E orientation of their opponent. They manage to maintain a fair share (close to 50%) of the pie only when they negotiate with externally oriented opponents. When negotiating with internally oriented opponents, their proportions decrease.

[4]Since the proportion of the pie that each party receives is a mirror image of the proportion the other party receives, focusing on the final proportion of one party (namely, the recipient) is sufficient.

Discussion

Initial offers impact negotiated agreements. The initial offer influences the negotiation that follows by setting the expectations of both parties as well as serving as a point of reference influencing the subsequent negotiation and agreement (Galinsky & Mussweiler, 2001; Moran & Ritov, 2002; Northcraft & Neale, 1987; Ritov, 1996). The current work focuses on the way individuals with different I–E orientations react to and handle with this initial anchor. To our knowledge, this work is novel with respect to two main aspects: First, we focus on initial offer recipients. Second, we study the impact of negotiators' I–E orientation in an integrative (rather then distributive) setting, thus enabling us to assess the degree to which internally versus externally oriented negotiators reach favorable agreements in terms of expanding the joint pie, as well as self claiming large portions of it.

Replicating past findings (Bigoness, 1976; Stolte, 1983) we find that internally oriented negotiators reach better agreements than externally oriented ones. We also find support for previous findings (Bigoness, 1976) that internally oriented initiators tend to provide more self favorable initial offers, and we extend this notion by showing that in integrative negotiation settings the self favorable initial offers are primarily driven by internal initiators' proposing initial offers with higher joint value compared to externally oriented initiators. We return to this issue later when discussing the influence of negotiator's I–E orientation on the joint pie.

Beyond these findings, our research provides initial insight into the impact of initial offer recipient's I–E orientation on the negotiation outcomes. As predicted (H1), we found that internally oriented recipients (in comparison to externally oriented ones) were less influenced by the initial offer they received. They managed to overcome the initial offer anchor and consequently reached more self favorable final outcomes. This finding adds to previous work by Galinsky and Mussweiler (2001), who found that guiding initial offer recipients to consider information that was inconsistent with the implications of the first offer (such as their opponent's reservation price, or their own target price) reduced the anchoring effect of the initial offer, and enabled recipients' to negate their disadvantage. In the present study we show that chronic individual differences can be a significant determinant of whether noninitiating negotiators will manage to overcome the initial offer anchoring effect, without being guided or primed to do so.

Our results further suggest that the internal recipients' favorable outcomes were obtained by both value creating and value claiming. Controlling for the initial offer they received, internally oriented recipients reached agreements with higher joint value, while also maintaining their fair share of it. The superiority of internally oriented initial offer proposers in integrative negotiations is also evident in our results. When analyzing the initial offers, we found that internal proposers proposed initial offers with larger pies than did external ones. Interestingly, we also found that when controlling for these initial offers, while the I–E of the recipients significantly predicted the final pie, the I–E of the proposers did not. Taken together these findings seem to imply that internally oriented initiators create value and expand the pie primarily by means of the initial

offer that they propose. Initial offer recipients, on the other hand, who do not contribute to the formation of the initial offer, seem to have an impact on the final pie, independent of the initial offer they receive. This pattern of results seems to imply that internal initiators create value at the outset of the negotiation, and internal recipients create value during the remaining negotiation process.

We note that since in the present research we did not collect process data, our ability to gain more insight into the underlying processes that may explain how and why internal negotiators manage to excel in integrative negotiations, and particularly how initial offer recipients, which are the focus of this research, manage to create and claim more value, is limited. Some previous research however, sheds light on plausible explanations and provides suggestions for avenues that may be worth further testing in future research. Tseng's (1970), findings, for example, suggest that the greater ability to create value, may at least partly be due to internally oriented negotiators being more cooperative and a having a better ability to work with others compared to external negotiators. Other work (e.g., Bobbitt, 1967; Wall, 1977) suggests that internal negotiators may be better than external ones in their ability to appropriately adjust and employ competitive and cooperative negotiation strategies. Appropriately alternating between these two strategies, can indeed be helpful for integrative negotiations, and help negotiators to create joint value and at the same time also claim a fair portion of that value for themselves.

An additional result that although peripheral to the main focus of the present article is worthy of discussion is the interaction between the initiators' and recipients' I–E orientations that was found with regard to the proportional division of the final pie between the two parties. While we did not predict this interaction we find it interesting, as it indicates that there may be different behavioral patterns as a function of the specific I–E dyadic composition. Moreover, given that negotiation is dyadic and outcomes are inter-dependent, it is not surprising that the effects of being the initiator or of having a specific individual characteristic depend on the characteristics of the other party. Observing the pattern of this interaction reveals that the only condition in which the outcomes were unequal was when the initiator was internal and the recipient was external. In all other cases both parties managed to claim about 50% of the final pie. Thus, the disadvantage of not initiating the negotiation (i.e., of receiving rather than proposing the first offer) in terms of relative outcomes is most apparent for negotiators who are external that are negotiating with initial offer proposers that are internal. In this condition the internal initiators seem to successfully take control over the negotiation. This result suggests that the extent to which making (receiving) the initial offer affects the relative outcomes to the advantage (disadvantage) of the proposer (recipient) may depend, to a large extent, on issues of control. Internal initiating negotiators are more likely than external ones to attempt to maintain control throughout the negotiation. Moreover, they are more likely to succeed in doing so when their opponent is external rather than internal. The internal recipients, as indicated by our findings, manage to regain control and overcome the initial offer anchor, even when their opponent, who initiated, is internal.

In the current research, we did not manipulate the feeling of control but rather measured it. In the past, researchers have raised questions and pointed to the limitations of conducting research on the impact of personality traits on negotiation behavior and outcome (Bazerman, Curhan, Moore, & Valley, 2000). Indeed, trying to identify personality characteristics that impact negotiation as a whole, without linking them to relevant stages or types of behavior, may be a task not worth pursuing. However, as proposed by Lewicki and Litterer (1985): ''more 'contingency-type' models are necessary to replace the simple cause-effect models used so frequently in the past. We need models that connect personality variables with particular components and/or stages of negotiation'' (1985, p. 277; for a similar approach see Barry & Friedman, 1998). Following this recommendation we focused on the opening stage of negotiation (the initial offer that is proposed) and based on theoretical grounds we linked it with a particular personality trait that is likely to be related to it—recipient's I–E orientation. In line with Elfenbein, Curhan, Eisenkraft, Shirako, and Baccaro (2007), our findings suggest that individual differences probably do matter in negotiations, but in subtle ways and impacting specific stages. Thus, we posit that future research on individual differences in negotiations may indeed be a worthy route, if it is more fine-tuned, and focuses on the different parties, stages, contexts (e.g., integrative vs. distributive), and components.

Practical Implications

Our results suggest that not initiating negotiation may be less disadvantageous if negotiators feel that they can control their outcomes. From a practical point of view, this suggests that manipulating noninitiating negotiators feelings of control may help them manage to overcome the initial offer anchoring effect. Indeed, recent work indicates that manipulating individuals' feelings of control is possible and can impact negotiation behavior and outcomes. People who recalled situations in which they had control over others were more likely to initiate negotiation and achieve favorable agreements than people who recalled situations in which other people had control over them (Magee et al., 2007). Our findings suggest that manipulating initial offer recipients' feeling of control should help them overcome the initial offer anchoring effect.

Addressing the (dis)advantages of going first and initiating, Thompson (2009) mentions that going first is not always a favorable course of action. For example, when there is a knowledge asymmetry and one knows very little about the other preferences, it is recommended to wait and see what the other has to offer. Similarly, each of us is sometimes faced with an initial offer proposed to him or her. During a job negotiation, the employer may be the first to propose the contract terms, when entering a store the seller may propose an initial price for an item, and so on. Based on our findings, we suggest that there are ways to mitigate the impact of an unfavorable initial offer that is provided to us. Receiving an initial offer should not necessarily be detrimental to the recipient's negotiated agreement—at least when this person is feeling in control. Experimentally testing whether manipulating the feeling of control among initial offer recipients improves ones ability to overcome the initial offer anchor seems like a worthy route for future research.

Conclusion

The present research validates the importance of linking relevant personality traits with specific stages of negotiation to predict negotiation outcomes. It contributes to the literature pertaining to the impact of individual differences on negotiation by demonstrating the interplay between the initial offer that is proposed and a personality trait that is theoretically related to that early stage—namely, I–E locus of control. Focusing on the party that receives the initial offer, our results suggest that while externally oriented recipients are significantly influenced by the initial offer that is proposed to them, internally oriented recipients are not. The latter seem to manage to overcome the initial offer anchor, and consequently reach more favorable final outcomes, by means of creating more value (i.e., expanding the joint pie), while also maintaining their own fair distributive share. Receiving an initial offer does not necessarily mean facing an unchangeable unfavorable anchor—at least not if you believe that you are in control.

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Appendix A

Integrative negotiation Profit schedules (adapted from Bazerman et al., 1985)

''Party A'' Profit schedule ($)

Ranked options	Issue D	Issue R	Issue F
1	0	0	0
2	200	300	500
3	400	600	1,000
4	600	900	1,500
5	800	1,200	2,000
6	1,000	1,500	2,500
7	1,200	1,800	3,000
8	1,400	2,100	3,500
9	1,600	2,400	4,000

''Party B'' Profit schedule ($)

Ranked options	Issue D	Issue R	Issue F
1	4,000	2,400	1,600
2	3,500	2,100	1,400
3	3,000	1,800	1,200
4	2,500	1,500	1,000
5	2,000	1,200	800
6	1,500	900	600
7	1,000	600	400
8	500	300	200
9	0	0	0

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