negotiation and conflict management research

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Goals in Negotiation Revisited: The Impact of Goal Setting and Implicit Negotiation Beliefs

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Abstract

In two studies, we investigated whether learning goals, which focus attention on task strategies rather than outcomes, affect negotiator behavior and results differently than performance goals. In Study 1, negotiators with learning goals had lower rates of impasse and were judged to be most cooperative. Study 2 replicated these results using a different task and also compared the impact of learning and performance goals to dispositional goal orientation. We found that implicit negotiation beliefs, derived from theories of dispositional goal orientation, were associated with value claiming and interacted with goal type such that the relationship was strongest in the learning goal condition. In addition, negotiators with learning goals developed greater understanding about their counterpart's interests and created more integrative deals. These results show that negotiated outcomes are influenced by both goal type and the extent to which negotiators view their skills as malleable.

Imagine conducting an important negotiation without having first considered how you might maximize your potential gains. You would have ignored what is considered a crucial element in the negotiation planning and execution process because goals are considered the focus that powers a negotiation strategy (Lewicki, Saunders, & Barry, 2011). This advice seems to be supported by prior research. For example, meta-analytic results indicate that negotiators with specific and challenging goals achieve higher profit than negotiators with vague or no goals (Zetik & Stuhlmacher, 2002). As we will explain, however, research also finds that negotiator goals can have undesirable consequences in terms of how outcomes are perceived (e.g., Galinsky, Mussweiler, & Medvec, 2002) and how negotiators act and behave (e.g., Polzer & Neale, 1995). A goal, therefore, can lead to favorable outcomes in some situations but have a counterproductive impact on others.

In this article, we explore why goal setting in negotiation has been associated with both positive and negative consequences and present an alternative goal type rooted in goal-setting theory. We contend that part of the reason for the mixed results is that prior research has focused exclusively on narrow types of goals—specifically, the dichotomous comparison of specific and challenging outcome goals versus a do-your-best condition. A growing body of work has documented the finding that when task complexity is high, goals that focus attention on an outcome result in lower performance than simply trying to do one's best (e.g., Kanfer & Ackerman, 1989; Winters & Latham, 1996). Thus, focusing on an outcome can be distracting when a task is relatively uncertain and requires learning and adaptability. Goal-setting researchers have responded by focusing on goal type; in particular, a type of goal that draws attention to learning about the task at hand rather than focusing on an outcome (Winters & Latham, 1996). These

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types of goals have been called learning goals, and several studies have shown that they lead to superior outcomes on complex tasks than goals focusing on outcomes (e.g., Cianci, Klein, & Seijts, 2010; Seijts, Latham, Tasa, & Latham, 2004). The two experiments reported here extend research and theory by first demonstrating the impact of learning goals on negotiation and, second, by comparing learning goals with other types of goals.

We also extend the literature on goals in negotiation by exploring both the context-specific goals discussed above and dispositional goal orientation. Research on goals generally stems from one of two distinct traditions. First, in the goal-setting tradition (e.g., Locke & Latham, 1990), goals are explicit and known before undertaking the relevant task. Examples include goals of trying to attain a quarterly sales target or attempting to sell a piece of property for a certain price. Research generally supports the effectiveness of such goals on performance and outcomes. In the second tradition, which is rooted in educational psychology (e.g., Dweck & Leggett, 1988), goals are not assigned in advance and instead are motivated by one's dispositional goal orientation. Research in each tradition has tended to operate independently, and this has led to confusion regarding the meaning and interpretation of effects attributable to goals. To illustrate, Seijts et al. (2004) observed:

> Goal orientation researchers seldom, if ever, take into account findings from goal setting theory. This is because goal orientation is usually measured as a trait, and a person's rating on this trait is correlated with his or her subsequent performance. In other studies, goal orientation is treated as an induced mind-set. Individuals are urged to focus either on how well they are performing a task, or on the acquisition of knowledge needed to perform the task effectively. But no specific challenging goal is set in either goal orientation condition. (p. 229)

We will show that this observation also applies to the negotiation literature dealing with goals and compare the two perspectives in our second study.

The main purpose of this article is to extend contemporary goal-setting theory to the context of negotiation (Study 1) and to begin reconciling the situational and dispositional bodies of literature with the literature on negotiation (Study 2). To test our hypotheses, we investigated whether the type of goal assigned to a negotiator influences his or her ability to create and claim value. To elaborate briefly, value creation and value claiming stem from the fundamental distinction in negotiation between distributive and integrative bargaining (Pruitt, 1981). Distributive bargaining involves the allocation of limited resources between parties with conflicting interests and is best exemplified by, but not limited to, a context in which a single issue is being negotiated along a single dimension in a one-off market transaction. In these situations, each negotiator is attempting to claim as much value as possible in a zero-sum game in which one's gains come at the direct and equivalent expense of the other. Integrative negotiations, on the other hand, involve the allocation of limited resources through the creation and trade-off of multiple issues between parties with conflicting yet sometimes compatible interests (Bazerman & Neale, 1992). In integrative situations, negotiators can create value as well as claim it (Thompson, Wang, & Gunia, 2010). Distributive and integrative approaches are in fact not entirely separable because efforts to create value can result in more value to claim. Lax and Sebenius noted the tension between the two when they stated, "No matter how much creative problem solving enlarges the pie, it must still be divided; value that has been created must be claimed" (1986, p. 33).

In Study 1, we link differences in negotiator goal type to value claiming, differences in the levels of negotiated impasse, and the levels of competitive and cooperative behavior. In Study 2, we build on Study 1 by comparing the difference between assigned learning and performance goals with individual differences in goal orientation. Study 2 also examines differences in value creation attributable to goal type. We will show that these two forms of goals are distinct and relate to negotiator behavior and outcomes in different ways. We begin with a review of goal-setting research in negotiation.

Goal Effects in Negotiation

Goal-setting theory (Locke & Latham, 1990) postulates that for an individual with goal commitment, the setting of specific and challenging goals results in higher task performance than the setting of nonspecific goals. This proposition has received support in hundreds of empirical studies (Latham, Locke, & Fassina, 2002; Locke & Latham, 2002) in a wide range of settings. Goals relate to performance via their effects on an individual's choice of direction, the amount of effort they expend, and the extent to which they persist in the face of obstacles. Researchers have shown that these behavioral processes can lead to both positive and negative consequences in negotiation. Individuals with specific and challenging goals (also referred to as target points or aspirations in the negotiation literature) generally outperform counterparts with vague and less challenging goals (Huber & Neale, 1987; Neale & Bazerman, 1985; Northcraft, Neale, & Earley, 1994). Focusing on one's goals or target points has also been shown to reduce the susceptibility of negotiators to be influenced by anchors, or first offers, made by their negotiation counterpart (Galinsky & Mussweiler, 2001). Thus, in distributive situations, goals appear to focus attention on one's own perspective, reduce the likelihood that information favoring one's counterpart will be considered, and increase the amount of value claimed.

Zetik and Stuhlmacher (2002) used meta-analysis to synthesize research on the relationship between negotiator goals and negotiated outcomes. Strong support was found for the hypothesis that negotiators with specific and challenging goals achieve higher individual profits than counterparts with vague and less challenging goals. This main effect for goals and negotiated outcomes in terms of value claimed was found regardless of whether the goal was coded as optimal versus suboptimal or whether the goal was coded as a goal versus a no-goal comparison. Results for goal difficulty were consistent with goal-setting theory, such that goals of higher levels of difficulty were more significantly related to negotiated outcomes than goals of less difficulty. These results are in general consistent with the predictions of goal-setting theory (Locke & Latham, 1990).

Regarding undesirable consequences, Polzer and Neale (1995), for example, found that negotiators with specific and challenging goals who were presented with additional information during a negotiation underperformed relative to negotiators with do-your-best goals. Research has also shown that when integrative potential exists, outcome goals tend to inhibit the potential for joint gains created by the parties (Huber & Neale, 1987). Neale and Bazerman (1985) used a multitransaction market simulation with integrative potential and found that when considering joint profit between dyads as a performance outcome, negotiators with the most difficult goal had the lowest level of performance. Even in distributive negotiations, performance goals can have drawbacks. Galinsky et al. (2002) found that although negotiators in a distributive context who focused on their target price (or goal) did outperform negotiators who focused on their lower bound, they were also less satisfied with their superior outcomes. Negotiation behavior can also be adversely influenced by performance goals. Larrick, Heath, and Wu (2009) found that on a repetitive negotiation task, participants with outcome goals adopted riskier initial strategies than participants in a do-your-best condition.

Zetik and Stuhlmacher (2002) also noted, however, that caution was warranted before generalizing these results to all negotiations. They argued that we need to know more about the relationship between goals and additional outcomes relevant to the field of negotiation, such as whether negotiators reach a deal or impasse, and whether goals influence problem solving or flexibility. Next, we show how the current article builds on these arguments, beginning with the distinction between learning and performance goals.

Learning Goals versus Performance Goals

In 1989, Kanfer and Ackerman discovered that setting-specific goals can negatively affect outcomes on complex tasks. Using an air traffic controller simulation, they found that when individuals lack the

requisite knowledge and skills to perform a task, they perform better in a do-your-best goal condition than in a performance goal condition. They concluded that performance goals can be distracting in tasks where performance requires adaptability and the processing of new information. Winters and Latham (1996) replicated this finding on a complex scheduling task. However, they added another goal condition, which they called learning goals, and found that on a complex task requiring knowledge acquisition, higher performance was achieved in the learning goal condition relative to the do-your-best and performance goal conditions.

Although they differ in focus, performance goals and learning goals should both be specific and challenging for an individual (Winters & Latham, 1996). Performance goals (or outcome goals) focus on the achievement of specific tasks according to certain standards of proficiency (Locke & Latham, 1990). Put simply, performance goals are geared toward the attainment of a future outcome, such as number of units sold, achieving a high score on a test, or paying a certain price for a negotiated item. Learning goals, on the other hand, focus more on the context-specific strategies that lead to successful performance by drawing attention to the task-specific behaviors, information, and strategies needed to perform well. To illustrate, Seijts et al. (2004) instructed participants in a complex business simulation to either adopt a performance goal (achieve 21 percent market share) or adopt a learning goal (identify and implement six or more strategies to achieve market share). Participants in the learning goal condition attained significantly more market share than participants in the performance goal condition and those told to simply "do their best." Thus, in complex situations, learning goals can improve outcomes, whereas in straightforward tasks, performance goals will suffice (Seijts & Latham, 2005).

The extent to which these findings from the goal-setting literature extend to negotiation situations has yet to be explored. Negotiation situations are very often complex and uncertain. At the most fundamental level, negotiators must be adaptable because each situation is unique and the strategies that have been successful in prior situations may not transfer directly to new situations (Stevens & Gist, 1997). Much of the complexity of any negotiation is grounded in the interdependent nature of the endeavor. To perform well, a negotiator must consider not only his or her own perspective but the perspective of his or her counterpart. Underlying each side's perspective is the notion of interests, defined by Fisher, Ury, and Patton (1991) as the desires or concerns that explain why a negotiator wants a particular outcome. Although it is not always possible, reconciling interests between parties is a hallmark of successful negotiation (e.g., Pruitt, 1981; Thompson & Hrebec, 1996).

Because the purpose of a learning goal in the goal-setting tradition is to draw attention to task-specific strategies and behaviors, we initially conceptualize learning goals in negotiation as goals that draw attention to the discovery of a counterpart's interests and the strategies that can be employed to help uncover those interests. Learning goals do not reveal the exact strategies required to perform a task; rather, they direct attention to the discovery process and redirect focus away from outcomes. In contrast, we conceptualize a performance goal as one that draws a negotiator's attention to the attainment of a specific outcome or negotiated settlement.

In Study 1, we examine how goal type affects negotiation process and outcomes. First, we examine the effect of goal type on whether or not negotiators are able to come to agreement. Despite recognition by negotiation scholars that impasses occur regularly, questions about the causes and impact of impasses have received only limited empirical attention (O'Connor & Arnold, 2001; White & Neale, 1994). Although research shows that a negotiator's prior impasses increase the likelihood of future impasses (O'Connor, Arnold, & Burris, 2005), it remains unknown whether different types of goals also affect impasse rates. Although two studies have shown that goals relate to higher impasse rates (Brett, Pinkley, & Jackofsky, 1996; White & Neale, 1994), it should be noted that the performance goal condition was compared to a do-your-best condition and not a learning goal condition. According to goal-setting theory, performance goals direct attention toward a specific target and heighten persistence. Although persistence can lead to many positive outcomes, in a negotiation, this behavior could create short sightedness and competitiveness (Galinsky et al., 2002), which can threaten a counterpart's

likelihood of agreeing to a deal. Therefore, we expect performance goals to be more highly related to impasse rates.

Hypothesis 1: Negotiators in a performance goal condition are more likely to achieve impasse than negotiators in a learning goal condition.

In their meta-analysis, Zetik and Stuhlmacher (2002) found strong support for the relationship between goals and individual profit. Moderator analysis showed that the positive relationship between performance goals and outcomes was found on tasks that were both integrative and distributive in nature. Thus, prior research supports the assertion that performance goals contribute positively to value claiming, at least in comparison with vague or do-your-best goals. Assuming negotiators do not impasse, we also expect performance goals to be associated with greater value claiming relative to learning goals because the latter draws the negotiator's attention away from outcomes, such as profit, and toward strategies or behaviors of information discovery that may only indirectly impact value claiming.

***Hypothesis 2*:** Negotiators in a performance goal condition will claim more value than negotiators in a learning goal condition.

According to Winters and Latham (1996), "A learning goal gives individuals the specific assignment to develop strategies to accomplish a task…" (p. 237). The purpose of the learning goal is to direct attention to task processes in terms of strategy development and away from task outcome achievement. In past research, learning goals have been experimentally manipulated using instructions that draw attention to behaviors that correlate with task performance, such as "identify as many effective shortcuts as possible" (Winters & Latham, 1996, p. 241) or "identify strategies that lead to market share" (Seijts et al., 2004, p. 232). The shortcuts or strategies that lead to improved performance were not provided and had to be discovered by participants.

The attention to process and the discovery of the other party's interests in a learning goal context will, however, make it more likely that a negotiator with a learning goal will create more value than in a performance goal condition. Specifically, learning goals will result in additional value being uncovered and added to the sum value of the final deal. Negotiation scholars generally define the efficiency frontier (or Pareto optimality) as the point at which any one party cannot claim more value unless it is taken from the other party (Raiffa, 1982). Our rationale for the effect of learning goals on negotiators' encroachment on the efficiency frontier is that value creation in negotiation often follows from the discovery of a counterpart's interests or preference weights on multiple issues, which facilitates subsequent fractionation of issues, discovery of common ground, generation of creative solutions, and trade-offs, in which low-priority issues are exchanged for high-priority issues. Learning goals should motivate negotiators to (a) acquire knowledge related to their counterpart's interests, preferences, and desired outcomes from the negotiation process, (b) understand how such knowledge can affect their counterpart's decision-making during the negotiation process, and (c) develop strategies, processes, and procedures that can use the acquired knowledge to facilitate successful settlements.

***Hypothesis 3*:** Negotiators in a learning goal condition will create more value than negotiators in a performance goal condition.

Different negotiation goals are also likely to affect differences in the degree of cooperative and competitive behavior on the part of the person striving to attain his or her goals. Competitive behaviors include withholding information, making small concessions, and appearing firmly committed to a stated position. On the other hand, cooperative behaviors include the open sharing of information about priorities, asking questions and reciprocating the exchange of information, and the appearance of flexibility (Lax & Sebenius, 1986; Thompson, 2001).

We expect that negotiators assigned performance goals will be perceived to behave more competitively relative to negotiators with learning goals. Since a performance goal focuses attention on the attainment of a specific, performance-related target, most negotiators in this situation will adopt more competitive

or risky (e.g., Larrick et al., 2009) tactics. Thus, negotiators with performance goals will behave in a manner that is more consistent with the perception of a *fixed-pie* than with the perception that value can be created. In contrast, we expect that negotiators assigned learning goals will behave more cooperatively. Negotiation-specific learning goals, as we view them, draw attention to the interests of one's counterparts and the strategies for uncovering those interests. Therefore, negotiators with learning goals should behave in a manner that is perceived by their counterparts to be more cooperative. If these expectations are valid, then negotiators who are negotiating against someone with a learning goal are likely to perceive that person's behavior differently than if that person had a performance goal. Therefore, we propose the following two-part hypothesis:

***Hypothesis 4*:** Negotiators in a performance goal condition will be perceived by their counterparts to be (a) more competitive and (b) less cooperative than negotiators in a learning goal condition.

Study 1: Method

Participants and Design

All participants were enrolled in one of eight sections of a 6-week undergraduate negotiation skills course. The 460 enrolled students were all required to perform the negotiation simulation used in the study. However, those who agreed to participate in the study in exchange for course credit did their negotiation in a decision-making laboratory rather than a class tutorial. Seventy-eight percent ($N = 274$) of the students chose to participate in the experiment. The study took place during week five of the experiential course, and topics covered prior to the experiment include distributive negotiations, integrative negotiations, deception, ethics, and conflict handling.

The study used a between-subjects design with two experimental goal-setting conditions (learning/performing) and a control condition (do-your-best). Participants within each condition were also randomly assigned the tasks of making either the first offer or second offer as a means to randomize any potential anchoring effects. All participants were randomly assigned into pairs and study conditions.

Experimental Task and Procedures

The negotiation exercise used in Study 1 is called *Texoil* (Goldberg, 1998). The exercise is based upon a fictional petroleum refining company named Texoil and its negotiation over the purchase of a family-owned and operated gas station operating as a Texoil franchise. Participants assumed the role of either the Texoil representative or the station owner. The confidential role instructions for the Texoil representative revealed, among other things, that they were not authorized to pay more than $500K for the station, that the station owners had been very good owners, and that the corporation was increasing its efforts to acquire stations across the country. The confidential role instructions for the station owner revealed that they were selling the station for entirely personal reasons. One of the owners was burned out and had received medical advice to take some time off. In addition, the husband and wife owners were hoping to fulfill their life's dream—a 2-year around-the-world cruise on their own boat. The best alternative that appears available to the station owners is an offer from another petroleum company of $400K, which is an insufficient amount to cover expenses for the 2-year boat trip.

The primary pedagogical lesson of the *Texoil* exercise stems from the fact that there appears to be a negative bargaining zone, or in other words, the least amount the seller will accept is greater than the highest amount the buyer will pay. The station owners estimate their expenses for the boat trip to be $413K and are also convinced that a $75K savings fund is required to support them upon their return. However, because they must pay capital gains taxes on the sale of the station, they have calculated that a minimum sale price of $553K is required. The possibility of creating value in this exercise hinges on the

fact that the owners derive their reservation or resistance point by including $75K savings fund in their sales price. Therefore, it is possible for the two sides to treat the savings fund as a separate issue, thereby creating a situation where there is overlap between the bottom line limits of each party. For example, it is possible for the Texoil representative to offer the owner a job upon the couple's return. We explain the financial elements of the exercise in more detail below in the *Methods* section.

Participants in the role of the Texoil representative were provided with one of three goal-setting instructions (i.e., learning goal, performance goal, or do-your-best goal) in combination with instructions indicating that they were either to wait for or to make the first offer. The station owners were instructed to either wait for or make the first offer. Upon receiving their respective role instructions, each participant completed a prenegotiation questionnaire. Following this, all participants met with their assigned counterparts to attempt to negotiate the sale of the gas station. Each pair was given up to 40 minutes to negotiate a deal and all participants completed a postnegotiation questionnaire.

Experimental Conditions

Goal-setting conditions

Goal setting was manipulated by asking participants to read prenegotiation instructions regarding their assigned roles. Specifically, each participant in the role of the Texoil representative in the learning goal condition read the following text:

> The most important outcome of this negotiation is to maximize the long-run value of the deal from Texoil's perspective. Everyone who negotiates on Texoil's behalf is reminded that setting difficult yet attainable goals maximizes performance. Therefore, your goal for the upcoming negotiation is to learn as much as you can about the Station Owner's interests. Thinking about strategies to help do this will be useful. Thus, you should try to develop at least 3 or 4 strategies for uncovering the Station Owner's interests.

Each participant in the role of the Texoil representative in the performance goal condition read the following text:

> The most important outcome of this negotiation is to maximize the long-run value of the deal from Texoil's perspective. Everyone who negotiates on Texoil's behalf is reminded that setting difficult yet attainable goals maximizes performance. Therefore, your goal for the upcoming negotiation is to pay less than $445,000 for the station.

Texoil representatives in the do-your-best goal condition read the following:

> The most important outcome of this negotiation is to maximize the long-run value of the deal from Texoil's perspective. Therefore, your *goal* for the upcoming negotiation is to do-your-best to maximize the long-run value of the deal.

Measures

Performance

Following the exercise, participants were asked to indicate, in writing, whether or not they reached a deal. They were also asked to summarize the key issues they agreed on, or in the case of an impasse, to summarize the last offers for both parties. Negotiators were asked to do this independently, and the deals were compared to examine the extent to which parties agreed on the terms of the outcome. There were no substantive differences in the reported outcomes between parties, so we used the station owner's materials to code the negotiation outcomes.

Impasse rates were dichotomously coded based on whether or not a deal was agreed upon by both parties. For the dyads that reached a deal, the selling price of the station represents the distributive fixed-pie element of the negotiation outcome.

Perceived cooperative and competitive behavior

Each participant rated his or her counterpart in terms of his or her cooperative and competitive behavior. The two questions were as follows: "To what extent did your counterpart behave cooperatively?" and "to what extent did your counterpart behave competitively?" Scale scores could range from 1 (not at all) to 7 (a great deal).

Manipulation checks

Goal-setting researchers typically assess goal commitment and goal specificity to verify that participants have taken their goals seriously and understood the goal. *Goal commitment* was measured prior to the negotiation using a 5-item scale created by Klein, Wesson, Hollenbeck, Wright, and DeShon (2001). A sample item is "it's hard for me to take this goal seriously" (reverse coded; $\alpha = .79$). *Goal specificity* was assessed using three items taken from Seijts et al. (2004). A sample item is "I was uncertain about the goal I was trying to attain" (reverse coded; $\alpha = .81$). We also assessed goal difficulty because Zetik and Stuhlmacher (2002) found it to moderate goal to performance relationships. *Goal difficulty* was assessed with two items taken from Winters and Latham (1996). A sample item is "I believe the overall goal assigned at the beginning was difficult." The Cronbach's alpha was .84. Scale scores for all three manipulation checks could range from 1 (strongly disagree) to 7 (strongly agree).

Results: Study 1

Manipulation Checks

For goal commitment, a univariate analysis of variance between the learning goal and performance goal conditions indicated no significant differences, $F(1, 94) = .31$, $p = .58$. For the goal specificity scale, the mean scores were highest for the performance goal condition ($M = 4.70$, $SD = 1.66$) as compared to the learning goal ($M = 4.39$, $SD = 1.31$) and the abstract do-your-best goal conditions ($M = 4.12$, $SD = 1.54$). However, an ANOVA indicated no significant differences across the three goal-setting conditions, $F(2, 134) = 1.49$, $p = .23$.

For goal difficulty, an ANOVA indicated significant differences across the three goal-setting conditions, $F(2, 134) = 4.50$, $p = .013$. Planned contrasts showed that the perceived difficulty of the performance goal ($M = 4.96$, $SD = 1.63$) was significantly higher than in the do-your-best condition, $M = 3.92$, $SD = 1.83$; $t(87) = 2.81$, $p = .006$, and the learning goal condition at the .10 level of significance, $M = 4.39$, $SD = 1.41$; $t(94) = 1.81$, $p = .075$. There was no significant difference in perceived difficulty between those in the learning goal and the do-your-best goal conditions.

Hypothesis Tests

Before we tested our hypotheses, we examined whether the order of the opening offers had any impact. We found that there were no differences on any of the study variables reported below due to a negotiator making either the first or second offer. We also found that several dyads (13%) agreed to terms beyond the limits of their role, and these cases were evenly split across conditions. Excluding these cases had no effect on any of the study's conclusions.

Impasse rates

Our first hypothesis predicted that impasse rates would be lower in learning goal versus performance goal dyads. The impasse rates, by condition, are as follows: learning goal (26%), performance goal (44%), and do-your-best goal (25%). An omnibus test shows that there are significant differences, χ^2 ($n = 135$, $df = 4$) $= 11.28$, $p < .01$. A test of the difference between the learning goal condition and the

performance goal condition was significant at the .10 level, χ^2 (n = 95, df = 1) = 2.70, p = .094, lending modest support for Hypothesis 1.

Performance

The high number of impasses raises a concern about how best to conceptualize performance. On the one hand, we could treat the impasses as outliers, ignore them in the analysis, and focus only on completed deals. On the other hand, with each negotiator being aware of the consequences of no deal, an impasse is equivalent to an outcome matching one's point of indifference (e.g., $500,000 for the Texoil rep and $400,000 for the station owners). Because each approach has merit, we chose to report both in our results for the hypothesis test concerned with performance.

Our second hypothesis was that negotiators assigned a specific, challenging performance goal would claim more value than negotiators assigned either a learning goal or a do-your-best goal. In the cases where both sides reached a deal, an ANOVA on the station selling price indicated significant differences across the three conditions, $F(2, 61) = 7.65$, $p < .001$, $\eta^2 = .20$. Planned comparisons revealed that, as expected, the participants in the performance goal condition (M = 464.26, SD = 31.66) paid a lower price for the station than participants in the learning goal, M = 487.42, SD = 24.29; $t(40) = 2.61$, p = .013, and do-your-best goal conditions, M = 490.50, SD = 13.53; $t(44) = 3.59$, $p < .001$, supporting Hypothesis 2.

When the impasse results are coded according to their indifference points, we must then examine results separately for each role. For Texoil reps, an ANOVA on the station selling price remained significantly different across the three conditions, $F(2, 104) = 3.57$, p = .03, η^2 = .06. These results were also similar using subgroup comparisons, with participants in the performance goal condition (M = 480.88, SD = 29.16) paying a lower price than participants in the learning goal, M = 492.53, SD = 19.55; $t(73) = 2.07$, p = .04, and do-your-best goal conditions, M = 492.84, SD = 12.17; $t(73) = 2.42$, p = .019. The same pattern held for station owners, who received less for their station when their counterpart had a performance goal, $F(2, 104) = 4.70$, p = .011, η^2 = .08. The comparisons by condition are as follows: performance goal (M = 434.37, SD = 39.71) versus do-your-best, M = 464.72, SD = 42.65; $t(73) = 3.17$, p = .002, and versus learning goal, M = 451.91, SD = 47.38; $t(73) = 1.74$, p = .086.

We also performed exploratory analysis on the deals for evidence of value creation. As described above, negotiators could bridge their apparent differences by reducing the station owners' perceived need for financial saving upon their return. Therefore, we coded the deals according to whether or not they included a clause promising the station owners future remuneration. The omnibus chi-square test revealed significant differences across the conditions, χ^2 (n = 65, df = 2) = 11.79, $p < .001$. Sixty-eight percent of the learning goal condition deals included a promise of future remuneration, whereas 17% of the deals in the performance goal condition included such a clause. Although these results provide initial evidence that learning goals can encourage value creation, the value creation measure is crude and requires further investigation before we can claim support for hypothesis three.

Goal type and negotiator behavior

There were no significant differences in perceived competitive behavior between participants with performance goals (M = 5.18, SD = 1.24) and participants with learning goals, M = 5.08, SD = 1.25; $t(94) = 0.10$, $p > .05$. Regarding perceived cooperative behavior, participants in the learning goal condition (M = 5.80, SD = 1.01) were judged to be more cooperative than participants in the performance goal condition, M = 5.28, SD = 1.46; $t(94) = 3.80$, $p < .05$. These results fail to support Hypothesis 4a but support Hypothesis 4b.

Study 1 Discussion

The results of Study 1 highlight the strengths and weaknesses of traditional performance goals in negotiation. Consistent with goal-setting theory and prior research in negotiation, negotiators with performance

goals claimed more value than those with learning goals or do-your-best goals. However, performance goal negotiators were also judged to be less cooperative and had a higher rate of impasse. Similarly, although negotiators with learning goals claimed less value, they were more likely to negotiate a settlement that incorporated future benefits for both sides and were considered to be more cooperative than performance goal negotiators. Therefore, Study 1 shows that with respect to the classic dilemma between value claiming and value creating (Lax & Sebenius, 1986), learning goals may turn a negotiator's attention away from claiming and more toward creating.

Our goal in Study 2 was to extend these findings in several ways. In particular, we use a different negotiation simulation, a more extensive learning goal manipulation, and we compare the influence of goals in the goal-setting tradition with recent work drawn from the goal orientation tradition (e.g., Kray & Haselhuhn, 2007). First, the negotiation task in the first study was one that appears distributive but in fact contains integrative potential. Therefore, we sought to replicate the findings using a negotiation task in which both parties were aware in advance that there were multiple issues to be negotiated. As we describe below, the negotiation in Study 2 can be characterized as (a) quantitative, such that negotiators need to discover preferences on a fixed range, (b) structured, in that only specific, preset offers can be made, and (c) multi-issue, including distributive, integrative, and mutual issues. A limitation of the first study is that our measure of value creation was based only on whether deals included future remuneration for the station owners. The quantitative scoring system used in the second simulation allows us to examine value creation in a more fine-grained manner.

In addition, participants with learning goals in the first study perceived the goal to be somewhat less difficult than participants with performance goals. Latham, Seijts, and Crim (2008) experimentally varied learning goal difficulty level and found that higher levels of perceived difficulty were associated with higher performance. Therefore, we sought to increase the difficulty of the learning goal instructions to more closely match that of the performance goal condition. We did so by asking participants to formulate three to five task-specific strategies that would help them learn about their counterpart's needs, priorities, and interests.

Finally, we also sought to compare and contrast the work of goal-setting and goal orientation scholars within the context of negotiation. Research in the goal orientation tradition has its origins in the work of Dweck and Leggett (1988), who found that children have two different orientations toward demonstrating their abilities. Those who believe ability is fixed are described as entity theorists having a performance goal orientation, and those who believe ability is malleable are described as incremental theorists having a learning goal orientation (VandeWalle & Cummings, 1997). Kray and Haselhuhn (2007) examined the impact of these beliefs, which they called implicit negotiation beliefs, on negotiator performance. In a series of studies, they found that incremental theorists tended to claim more value and behave in a more integrative manner than those with entity beliefs. These results are consistent with the pattern found in other domains of organizational research, which has found, for example, that people with a learning goal orientation seek more feedback (VandeWalle & Cummings, 1997), have superior sales performance (VandeWalle, Brown, Cron, & Slocum, 1999), and perceive less tension in the face of negative feedback (Cianci et al., 2010) than those with a performance goal orientation.

Although implicit negotiation beliefs have been shown to influence negotiated outcomes, it should be noted that these beliefs are not synonymous with setting-specific and challenging goals. To illustrate, Seijts et al. (2004) examined the joint effect of dispositional goal orientation and assigned learning and performance goals on individual performance on a complex decision-making task. In addition to the positive impact of assigned learning goals, they found that one's dispositional goal orientation interacted with the type of goal that was set. When a performance goal was set, goal orientation was unrelated to task performance. This is consistent with research showing that performance goals can detract from one's ability to master complex tasks (e.g., Kanfer & Ackerman, 1989). However, when a learning goal was set, there was a significant positive correlation between learning goal orientation and task performance,

pointing to an interaction between goal type and goal orientation. The authors argued that this pattern is consistent with theory proposing that strong situations can moderate the effect of personality variables (Adler & Weiss, 1988). In particular, performance goals reduce the expression of learning goal orientation because they provide very strong cues regarding task performance. In contrast, an assigned learning goal should facilitate the expression of learning goal orientation because both align with learning and discovery.

We expect that this pattern of relationships will hold in an integrative negotiation situation. Consistent with Kray and Haselhuhn (2007), we expect implicit negotiation beliefs to be positively associated with negotiation process and outcomes. However, we also expect that implicit negotiation beliefs will interact with goal type, such that the relationship between implicit negotiation beliefs and performance is strongest in a learning goal condition and weakest in a performance goal condition.

***Hypothesis 5*:** (a) Implicit incrementalist negotiation beliefs will be positively associated with performance, and (b) goal-setting condition will moderate the relationship between implicit negotiation beliefs and performance.

Finally, we propose that learning goals will increase the likelihood that negotiators develop a more accurate picture of their counterpart's interests; that is, they will learn more than participants in the other goal conditions. In contrast, we do not expect a positive relationship between implicit negotiation beliefs and learning about a counterpart's interest because implicit negotiation beliefs address the malleability of one's own abilities and not one's counterpart's abilities.

***Hypothesis 6*:** Learning goals will be positively associated with accurate representations of the counterpart's interests on the negotiation issues.

Study 2: Method

Participants and Design

A total of 134 first-year MBA students participated in Study 2. Each participant was enrolled in a core course in organizational behavior, and the negotiation exercise was a course requirement. Students who chose to participate in the research, by completing pre- and postnegotiation surveys, received extra course credit. Ninety-one percent agreed to participate. The study included the same goal-setting conditions as Study 1, and the number of dyads by goal condition was as follows: learning goal (22), performance goal (22), and do-your-best goal (23).

Negotiation Task and Procedures

The negotiation exercise used in Study 2 is an employment negotiation between a job candidate and a recruiter called *New Recruit* (Neale, 1997). The exercise included eight issues, four of which were integrative (signing bonus, moving and benefits coverage, and vacation time), two were distributive (salary and start date), and two were perfectly compatible (location and job assignment). Negotiator preferences were quantified in a payoff table with variable ranges and options for each issue. For both roles, the maximum number of points attainable was 13,200 and the minimum number was −8,400.

Upon receiving their respective role instructions, participants completed a prenegotiation questionnaire. Then all participants were given time to prepare, with those in the role of the job candidate also receiving their goal-setting instructions (i.e., learning goal, performance goal, or do-your-best). No additional instructions were given to participants in the recruiter role. Each dyad was given up to 40 minutes to negotiate an employment contract, and afterward everyone completed a postnegotiation questionnaire.

Experimental Conditions

Goal setting was manipulated by asking participants in the role of the job candidate to read prenegotiation instructions regarding their assigned roles. It should be noted that the learning goal manipulation was revised in this study to bring the degree of difficulty up to a level that is equivalent to a performance goal condition. After reading the initial instructions, each participant in the *learning goal* condition read the following text:

> A vast amount of research shows that setting difficult yet attainable goals maximizes performance. When working on a complex task, like negotiation, a goal that focuses your attention on mastering the task can be helpful. With this type of goal, you should focus on the skills and strategies necessary to perform well, rather than focusing on an outcome. Experts sometimes describe this as "working smarter, not harder." Examples of strategies include (a) understanding the needs and priorities of a counterpart, (b) asking questions to gain an understanding of those needs and priorities, and (c) creatively developing alternatives that satisfy the interests of both sides. Therefore, in the upcoming negotiation your goal is to formulate 3–5 task-specific objectives and actually implement a strategy for using them when you negotiate. Begin thinking about how you can actually do some of these things and write some of them down in the spaces below.

Each participant in the *performance goal* condition read the following text:

> A vast amount of research shows that setting difficult yet attainable goals maximizes performance. Based on the past experience of others who have played the role of the job candidate, a difficult yet attainable goal is 7200 points. Therefore, in the upcoming negotiation your goal is to obtain at least 7200 points. Any less would reflect poorly on your perceptions of the job.

Each participant in the do-your-best condition was simply told to try to get as many points as possible.

Measures

Implicit Negotiation Beliefs were assessed in the prenegotiation questionnaire with a seven-item scale created by Kray and Haselhuhn (2007). A sample item is "Good negotiators are born that way," and scale scores could range from 1 (very strongly agree) to 7 (very strongly disagree). The coefficient alpha for the scale was .79, and to ease interpretability, we also reverse coded the scale so that higher scores reflected an incrementalist learning goal orientation.

Following the exercise, participants were asked to indicate, in writing, whether or not they reached a deal and the outcomes they achieved on the eight issues on which they agreed. These deals were quantifiable, resulting in point totals for the job candidate, the recruiter, and joint profit created within the dyad. Because negotiators in the job candidate's role received the specific goal instructions, we used the job candidate's point total as an indicator of value claiming. We examined the joint profit accumulated between the two parties as an indicator of value creation. Measures of perceived cooperation, perceived competitiveness, and manipulation checks were assessed using the same scales and procedures as Study 1. The coefficient alpha scores for the manipulation check items were as follows: goal commitment ($\alpha = .86$), goal specificity ($\alpha = .75$), and goal difficulty ($\alpha = .81$).

A measure of negotiator *learning* was assessed in the postnegotiation questionnaire. Participants were presented with a list of the eight negotiable issues and asked to rank order them according to how important they believed the issues were to their counterpart. They were asked to rate an item "1" for most important and "8" for least important. Because a negotiator who learned more about his or her counterpart's interests should be more accurate in this assessment, we created an accuracy score by summing the absolute differences between each ranked item and the true score rank for that item. For example, if the true rank of the two distributive issues was 1 and 5, and a participant ranked them 2 and 7, the accuracy

score would be (2−1) + (7−5) = 3. We created accuracy scores for the two distributive issues (range = 8), the two compatible issues (range = 9), and four integrative issues (range = 19).

Results: Study 2

Manipulation Checks

One participant did not complete the manipulation check survey; otherwise, there are no missing data. A univariate analysis of variance on goal commitment between the learning goal and performance goal conditions indicated no significant differences, $F(1, 40) = 0.05$, $p > .05$. For the goal specificity scale, an ANOVA indicated no significant differences across the three conditions, $F(2, 61) = 1.08$, $p = .34$. For goal difficulty, an ANOVA indicated no significant differences across the experimental conditions, $F(2, 61) = 2.07$, $p > .05$, and the planned contrast between the performance goal ($M = 4.50$, $SD = 1.38$) and learning goal condition was insignificant, $M = 4.47$, $SD = 1.13$; $t(41) = 0.06$, $p = .95$. Therefore, the level of difficulty learning goals was now perceived to be equivalent to that of performance goals.

Hypothesis Tests

Impasse rates

In the second study, we sought to replicate the impasse rate findings from Study 1. However, only two of the 67 dyads did not reach a deal (one each in the performance goal and do-your-best conditions). These two cases were removed from subsequent analyses.

Performance

In a replication of the Hypotheses 2 and 3 tests from Study 1, we examined the differences between performance and learning goals on value claiming and creating. Results for negotiation performance are presented in Table 1. An ANOVA on the job candidate's points indicated significant differences across the three conditions at the .10 level of significance, $F(2, 62) = 2.47$, $p = .093$, $\eta^2 = .08$. However, the results for value claiming were in the opposite direction from Study 1. Planned contrasts revealed that the participants in the performance goal condition claimed significantly less value than participants in the learning goal condition, $t(41) = 2.11$, $p = .045$. To examine whether participants with performance goals

Table 1
Means and Standard Deviations for Study 2 Variables and Results

	Learning goal		Performance goal		Do-your-best	
	M	*SD*	*M*	*SD*	*M*	*SD*
Performance						
Candidate points	6047.62	1883.51	4704.54	2482.22	5004.55	1775.01
Recruiter points	4666.67	1642.35	4413.64	2506.62	4768.18	2653.19
Joint total	10714.29	1624.28	9118.18	2182.75	9772.73	2144.57
Behavior						
Behave competitively	5.29	1.19	5.24	1.33	5.32	1.46
Behave cooperatively	5.10	1.17	4.14	1.42	4.55	1.62
Accuracy measures						
Distributive issue accuracy	2.26	1.73	3.10	2.72	2.77	2.18
Compatible issue accuracy	3.69	2.15	4.50	2.79	3.54	2.27
Integrative issue accuracy	5.57	2.46	8.25	4.51	9.72	4.21

Note. Candidate role was the experimental condition.

claimed more value only on the two distributive issues, we coded each of those issues on a 1–5 scale and averaged them to create a variable representing distributive performance. An ANOVA on this measure of performance was not statistically significant, $F(2,62) = 2.35$, $p = .104$, $\eta^2 = .07$, and the mean scores by goal condition were as follows: learning goal (3.38, $SD = 0.80$), performance goal (3.05, $SD = 0.72$), and do-your-best (2.81, $SD = 1.01$).

To examine value creation, we used the measure of joint profit within a dyad as the dependent variable. Supporting the hypothesis, joint profit was higher in the learning goal condition than in the performance goal and do-your-best conditions, $F(2,62) = 3.43$, $p = .039$, $\eta^2 = .10$. The planned comparison between the learning goal and performance goal conditions was also statistically significant, $t(41) = 2.71$, $p = .01$.

Goal type and perceptions of negotiator behavior

As shown in Table 1, participants in the learning goal condition were judged to be more cooperative than participants in the performance goal condition, $t(41) = 2.23$, $p = .031$. There were no differences between participants in the goal conditions on perceived competitive behavior, $t(41) = 0.12$, $p = .90$. These results mirror the results from Study 1, which found learning goal negotiators to be perceived as more cooperative but not less competitive.

Implicit negotiation beliefs

Hypothesis 5 states that a negotiator's implicit beliefs about negotiation would relate to performance, and this relationship would be moderated by goal type. The correlations between the implicit beliefs of the job candidate and performance are presented in Table 2. Across all job candidates, implicit incrementalist beliefs were positively associated with the number of points they claimed for themselves ($r = .35$, $p < .01$) but not with points for the dyad ($r = .19$, $p > .10$). These results partially support Hypothesis 5a.

Because the relationship between value creation and implicit beliefs was statistically insignificant, we further explored the goal type by implicit beliefs interaction for value claiming only. As expected, the relationship between implicit negotiation beliefs and value claiming was not statistically significant in the performance goal condition ($r = .17$, $p > .10$). However, the relationship was significant at the $p < .10$ level in the do-your-best condition ($r = .38$, $p < .10$) and significant at more conventional levels in the learning goal condition ($r = .55$, $p < .01$). Although these results are supportive of the hypothesis, we tested the interaction hypothesis with a more stringent test using hierarchical regression. The results are shown in Table 3. Using procedures described by Aiken and West (1991), we dummy coded the goal conditions and centered the job candidate's implicit negotiation beliefs score. As expected, the interaction terms between goal condition and implicit beliefs predicted a statistically significant difference in job candidate points, as indicated by the 4% increase in variance predicted on the dependent variable, supporting Hypothesis 5b.

Table 2
Correlations Between Implicit Negotiation Beliefs of the Job Candidate and Dependent Variables—Study 2

	Candidate points		Joint points	
	r	*p*	*r*	*p*
Full sample	.35	.004	.19	.14
Learning goal	.55	.01	.30	.19
Performance goal	.17	.44	.21	.35
Do-your-best	.38	.08	.01	.96

Note. The sample size for the full sample is 65. The sample sizes for each goal condition are 21 (learning), 22 (performance), and 22 (do-your-best).

Table 3
Regression Results for the Effects of Goal Condition and Job Candidate's Implicit Beliefs on Job Candidates Points—Study 2

	Job candidate points	
	Step 1	Step 2
Step 1		
D1	.27*	.26*
D2	−.05	−.06
Implicit beliefs	.33**	.19
Step 2		
D1 × implicit beliefs		.22*
D2 × implicit beliefs		−.08
ΔR^2		.04*
R^2	.18**	.22*

Note. D1 and D2 represent dummy codes for goal conditions, and standardized regression weights are presented.
*$p < .05$. **$p < .01$.

Negotiator learning

Finally, we expected job candidates with learning goals to be more accurate about their counterpart's interests than those with performance goals. Table 1 shows the accuracy scores by goal condition. We found no significant differences on the accuracy of the distributive, $t(41) = -1.18$, $p = .244$, or the compatible, $t(41) = -1.05$, $p = .30$, issues. However, negotiators with learning goals were more accurate on their rating of the integrative issues, $t(41) = -2.37$, $p = .022$, than negotiators with performance goals. We also examined the correlations between implicit negotiation beliefs and negotiator learning and found none of the correlations to be statistically significant (range = −.11 to .12). These results supported Hypothesis 6.

General Discussion

This research has significant implications for both the literature on goal setting and the literature on negotiation. There is mounting evidence that performance goals, which focus on a specific target or outcome, lead to suboptimal performance on complex tasks. Although negotiators with performance goals claimed more value in the first study, they had higher impasse rates and lower rates of finding a creative solution. On the multi-issue simulation used in the second study, performance goals had the lowest level of performance on both value claiming and value creating. Therefore, we conclude that arguments regarding the superior outcomes of performance goals (e.g., Zetik & Stuhlmacher, 2002) need to be interpreted in light of potential boundary conditions. When a negotiation is clearly distributive, empirical results support the value claiming potential of performance goals (e.g., Galinsky & Mussweiler, 2001). Consistent with that line of research, the Texoil representatives in Study 1 who had performance goals claimed more value—likely because they framed the situation as distributive and acted less cooperatively. Unfortunately, this focus on claiming was associated with greater impasse rates and less integrative outcomes. In contrast, the adoption of learning goals led to different results for negotiators in both studies.

In both studies, we found that the applicability of learning goals extends beyond individually-focused tasks like scheduling and computer simulations (i.e., Seijts et al., 2004; Winters & Latham, 1996). By design, the purpose of a learning goal is to draw attention away from outcomes, which can be distracting when the task is complex, and focus attention on the acquisition of knowledge and strategies that ultimately lead to performance. In Study 1, we drew learning goal negotiator's attention to the discovery of their counterparts' interests because experts agree this is a fundamental part of successful negotiation. In Study 2, we increased the difficulty level of the learning goal by providing more examples and asking par-

ticipants to develop more strategies. The results appear to be effective. We acknowledge, however, that other types of learning goals could have been used. For example, one approach would be to have participants focus on mastery of generalizable integrative skills, such as asking questions, active listening, and so on (i.e., Gist, Stevens, & Bavetta, 1991; Stevens & Gist, 1997). Quite possibly, learning goals that focus on personal development and skill mastery would influence negotiation process and outcome differently than learning goals that focus on one's counterpart and the task at hand to discover context-specific strategies (e.g., Bereby-Meyer, Moran, & Unger-Aviram, 2004). Additional research on this issue is clearly warranted.

The distinction between learning goals in the goal-setting tradition and those in the goal orientation tradition is also a noteworthy aspect of the research. The positive correlation between implicit negotiation beliefs and value claiming partially corroborates previous research (e.g., Kray & Haselhuhn, 2007). By examining these relationships under different goal conditions, we were able to see how implicit negotiation beliefs and goal type interact. When a negotiator had a performance goal, the relationship between implicit negotiation beliefs and outcomes was attenuated. However, when a negotiator had a learning goal, the relationship between implicit negotiation beliefs and outcomes was highly significant. These results mirror the pattern of findings reported by Seijts et al. (2004) on a completely different task in which individuals were working by themselves rather than with a counterpart. A reasonable conclusion to draw from this is that while learning goals generally lead to positive outcomes, these results are even stronger when a negotiator believes that their negotiation skills are malleable.

It should be noted, though, that in Study 2, implicit negotiation beliefs were only associated with value claiming, whereas learning goals were associated with both value claiming and value creation. In addition, implicit negotiation beliefs were uncorrelated with the degree to which negotiators learned about their counterpart's underlying interests. Learning goals, on the other hand, increased the likelihood that a negotiator would learn about the integrative elements of their counterpart's perspective, and this difference in learning might explain why performance outcomes were better on average in the learning goal conditions.

This study also has implications for the debate regarding the harmful versus beneficial effects of goal setting. Critics (e.g., Ordonez, Schweitzer, Galinsky, & Bazerman, 2009) and advocates (e.g., Locke & Latham, 2009) agree that there are areas where goal setting deserves further exploration and that those explorations should be data driven. In both studies, we included a do-your-best condition, which allows us to examine whether or not goals produce superior outcomes to those working with vague or no goals. In Study 1, do-your-best negotiators claimed less value than those with performance goals but had impasse and value-claiming rates that were similar to those with learning goals. In Study 2, do-your-best negotiators claimed and created less value than learning goal negotiators but were not statistically different from performance goal negotiators on both dimensions. These results show that in negotiation, goal *type* matters. On an interdependent task, where cultivating relationships often has important longterm reputation and financial implications (Tinsley, O'Connor, & Sullivan, 2002), learning goals may provide added benefits.

This study extends prior research linking goals and impasses (i.e., Winters & Latham, 1996) by illustrating that a negotiator can still pursue a specific goal and not increase the likelihood of impasse. It appears that goal setting, per se, does not cause negotiators to walk away from the table. Rather, it is the type of goal being pursued that has an influence on this process. Although our data cannot pinpoint the precise behaviors that determine impasse decisions, we did find that negotiators with learning goals were perceived by their counterparts to be the most cooperative. By focusing attention on their counterpart's interests they may have asked more questions geared toward understanding and incorporating those interests. If the efforts to uncover a counterpart's interest are perceived as cooperative, it is more likely that those behaviors will lead to information sharing and trading off issues. Additional research is required, however, to explain the mediating mechanisms that link learning goals with superior negotiation outcomes.

A practical question that emerges from this research is whether learning goals are more appropriate in different types of negotiation situations. In the first study, there was an apparent negative bargaining zone that required a creative solution, and the parties had a solid prior relationship, whereas in Study 2, the number of issues was given, the ranges and limits were fixed, and the parties had no prior bargaining history. On the first task, which requires information sharing and creativity, learning goal negotiators were much more likely to find a creative solution than performance goal negotiators (68% vs. 17%), and they also had lower rates of impasse. Considering these differences, we suggest that learning goals are advisable in at least two situations: (a) where an impasse may be costly (i.e., a negotiator's best alternative to agreement is far worse than what stands to be gained through negotiation), and (b) the situation appears distributive but the possibility of adding additional issues appears possible. Additionally, adopting performance goals in a complex, multi-issue negotiation may be counterproductive.

A noteworthy aspect of this research was the fact that only one negotiator in each dyad received specific goal instructions. A limitation of this design is that with the exception of perceived cooperation and competitiveness, we know little about the effects of a negotiator's goals on their counterpart and that counterpart's subsequent behavior. That a person's outcomes can be so strongly affected by the goals of someone they are negotiating with speaks to the power of goals. Additional research is needed to clarify the differences in negotiation behavior between dyads where at least one negotiator has specific goals. We suggest a more fine-grained analysis of the behaviors deemed to be integrative (i.e., information sharing) and those deemed to be distributive (i.e., using aggressive offers).

Future work should also examine the effects of goal types on the adoption of negotiator frames (Pinkley & Northcraft, 1994). Prior work has linked performance goals with loss frames (e.g., Larrick et al., 2009), which in turn has been shown to influence the adoption of conflict frames that are more win-oriented and task-oriented (Schweitzer & DeChurch, 2001). It is quite possible that learning goals lead negotiators to adopt conflict frames that are more gain-oriented, leading to less competitive behavior. Additionally, further research is required to study the effects of performance goals and learning goals on negotiator performance and negotiation outcomes over time and in different types of negotiation situations.

Freshman and Guthrie (2009) recently described the *goal-setting paradox* as the empirical observation that negotiators who set higher goals tend to experience lower levels of satisfaction and subjective outcomes. In light of our findings, it appears that negotiators face a second goal-setting paradox. The adoption and pursuit of performance goals increase the likelihood of value claiming in zero-sum or distributive situations, whereas the adoption and pursuit of learning goals increases the likelihood of value claiming and creating when the situation has integrative potential. Therefore, the common advice to negotiators that they set high goals early on needs to be better contextualized. Performance goals have benefits in purely distributive situations (e.g., Galinsky et al., 2002). However, when the issues to be negotiated are vague and uncertain and require more information, learning goals may be more advantageous.

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