



Power and its Effect on Negotiation Outcomes; The Moderating Role of Creativity

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Abstract

Power is a valuable asset in negotiations; Often those high in power end up with a larger share of the pie. Given creativity's role as an essential 21st century skill and its relation with negotiation outcomes, we propose that it has influence on the negotiation, leading to more joint overall negotiation outcomes. In this study, we are mostly interested in whether or not creativity influences the effect of power on negotiation outcomes. We additionally investigate the mediating role of problem-solving in this relationship. We conducted a negotiation experiment ($N = 152$) where participants played a negotiation game in dyads. Power (high versus low) was manipulated within dyads of negotiators and creativity (high versus low) was manipulated between dyads. Results show that those high in power ended up with higher gains/ negotiation outcomes. Contrary to our expectations, no evidence for the moderating effect of creativity on this relationship was found. Furthermore, problem-solving did not mediate the moderated effect of creativity on power. We conclude that situational power has an impact on negotiation outcomes. However, the moderating role of creativity and the mediating role of problem-solving in this relationship should be further explored. We discuss the theoretical and practical implications of the results.

Keywords: power, creativity, negotiation outcomes, Best Alternative to a Negotiated Agreement

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It is commonly accepted that possessing power leads to opportunities for people to achieve what they want. Those who feel powerful show an orientation towards seeking rewards (Keltner et al., 2003) and goals (Chen et al., 2001; Guinote, 2007; Keltner et al., 2003) and usually do well in receiving them. This often is the case in negotiations as well (e.g., Bacharach & Lawler, 1981), where they end up with better outcomes. Yet, in an ideal scenario, should not everyone win and receive a fair share instead of just one individual?

This more equal distribution of outcomes is what one would call a win-win outcome and what the Cambridge dictionary defines as a situation or results “that is good for everyone who is involved”. Theoretical frameworks of negotiation usually stress the importance of these sorts of outcomes (Falcão, 2012) as well as finding a solution that allows both parties to achieve outcomes superior to a compromise (Pruitt, 1981; Thompson & Bazerman, 1988).

Negotiation is defined as the “interactive process between interdependent parties in an attempt to produce a joint gain” (Keough, 2017, p.1). This makes negotiating a way to manage the inevitable interdependence between individuals engaging in negotiation (Mills, 2019).

Negotiation outcomes are possible results of negotiations, such as a win-win or a win-lose situation (Michel, 2007). In this study, points received after a negotiation game will define the negotiation outcome.

As discussed above, power, as the asymmetric control over valuable resources in social relations (Emerson, 1962; Fiske, 2010; Keltner et al., 2003; Magee & Galinsky, 2008, Pfeffer & Salancik, 1978), has been identified as an important antecedent of negotiation outcomes (Kim et al., 2005). In this study, we define power as the Best Alternative to a Negotiated Agreement (BATNA; Ury & Fisher, 1981), that is, the negotiator’s possession of alternative solutions that enable them to leave the negotiation table without having to face

detrimental outcomes. Consulting current literature, it becomes apparent that not many studies have examined the effect of high vs. low negotiation power on negotiation outcomes.

To arrive at good negotiation outcomes, problems have to be solved effectively (Kelman, 1996). One way to do so is trying to think outside the box and adopt a creative approach (Wilson & Thompson, 2014). Creativity is the ability to produce novel and useful ideas (Amabile, 1983, Sternberg & Lubart, 1999). It can bring about optimal solutions for issues and problems at hand (Carter, 2020). When thinking creatively and outside the box, previously unnoticed options can be discovered, and attention shifts from winning in the negotiation to arriving at a creative and more balanced solution for the outcome. Given its potential to stimulate solution-focused approaches and its positive relation with joint gains in dyads (Kurtzberg, 1998; Schei, 2013; Wilson & Thompson, 2014), we propose it as a moderator of the relationship between power and negotiation outcomes.

This research aims to further contribute to the negotiation literature, by exploring the effects of negotiation power on negotiation outcomes, while taking into account the moderating role of creativity as a contextual variable in the relationship between negotiation power and negotiation outcome. Furthermore, we investigate whether the adoption of problem-solving as a mediator plays into the beforehand mentioned relationship. For a visual representation of the full theoretical model, see Figure 1.

Effects of Power (on Negotiation)

Possessing power comes with many benefits and consequently has been positively linked to freedom from external forces, as well as control over resources (Galinsky et al., 2015). It is inversely related to stress, as shown by Sherman and colleagues (2012) in their studies on leadership and can cause untypical behavior in those it is targeted at (Dahl, 1957; Kipnis, 1976). In the workplace, more power translates into better financial rewards and stronger job security, as well as more effective job performance and higher ability to execute influence (Magee & Galinsky, 2008).

On the contrary, scholars still did not reach a consensus on how power influences negotiation and its outcomes (Van Knippenberg et al., 2001). Yet, past research suggests that negotiators in a high-power role affect negotiation outcomes more significantly than negotiators in a low-power role (Allred et al., 1997; Anderson & Thompson, 2004). When power asymmetries are present, those with higher power are not only more likely to have their interests addressed but are also more likely to be favored in the distribution of outcomes (Van Kleef et al., 2006; Wolfe & McGinn, 2005).

Research has shown that having a strong alternative typically provides more power than having a weak alternative or no alternative at all (Pinkey et al., 1994). Multiple alternatives have been shown to provide more power than having a single alternative (Schaerer et al., 2016). A strong BATNA, therefore, increases one's overall power and decreases dependence on counterparts (Lee & Tiedens, 2001; Pinkley, 1995; Thibaut & Gruder, 1969). Those with more alternatives can claim a bigger piece of the resource pie and arrive at better outcomes (Pinkley et al., 1994). We conclude that those with a high BATNA are likely to be equipped with a safety net and therefore can push their own needs and strive for maximization of their own gains without suffering consequences. Having a high BATNA gives those who hold it the power to walk away (Hewlin, 2017), since in case of no agreement a higher BATNA still will leave them the winners. Allowing them to be more persistent in pursuing their preferred outcomes. This idea of persistency and drive is supported by the overall positive association between power and self-serving behavior (DeCelles et al., 2012) as well as the power-approach theory (Keltner et al., 2003), pointing out that those high in power display approach tendencies, pay attention to rewards and are less influenced by situations and their surroundings. Whereas low power is associated with inhibited behavior (Keltner et al., 2003). Overall high-power negotiators showed to force more and concede less, as compared with low-power negotiators (Allred et al., 1997; Anderson & Thompson, 2004; Van Kleef et al., 2006). Thus maximizing their own outcomes at the expense of the powerless.

Findings by Fousiani et al. (2021) show that individuals with high power seem less willing to take the needs and desires of the powerless into account. Additionally, they are less inclined to display empathy and do not seem to be affected by the emotions of their counterparts (Fousiani, 2020). From this, one can conclude that high-power individuals engage in a more self-serving way and, therefore would be more interested to pursue a maximization of their own outcomes in a negotiation. In order to stay clear of undesirable outcomes or to attain valued outcomes, the powerless must rely on others (Keltner et al., 2003). As a means to avoid those unwelcomed outcomes, they pay close attention to the powerful and take them more into consideration than vice versa (Fiske, 1993; Fiske & Dépret, 1996). Whereas the powerless must rely on others in order to stay clear of undesirable outcomes or to attain valued outcomes (Keltner et al., 2003).

Based on the above, the following is hypothesized:

Hypothesis 1. High power negotiators, as opposed to low power negotiators, will achieve higher negotiation outcomes/gains.

The Moderating Role of Creativity

In regards to the above explained win-win situations, the question of the structuralists paradox - How can weaker parties negotiate with stronger parties and still get something out of it? - arises (Zartmann, 2007). We propose creativity, in its role as a contextual variable, aiding in providing an answer for this paradox.

In its function as an umbrella term, creativity accommodates sub-categories such as novelty, originality, uniqueness, feasibility, applicability, practicality, usefulness, and innovation. Creativity, more specifically, is composed of fluency, flexibility, and originality (Guilford, 1950).

Power and creativity are related in a way so that those high in power create creative ideas that are less influenced by salient examples (Galinski et al., 2008). Additionally, those high, as opposed to those low, in power have been shown to engage in more creative thinking

when creativity clears the way for contextual goals (Gervais et al., 2013). Thereby adopting a rather global approach to problem-solving (Förster, 2009).

Across three experiments Sligte and colleagues (2011) have shown that when positions of power are not stable, those low in power are not only more flexible thinkers but also less avoidant and process information more globally. This was especially the case when creativity was relevant to power. Despite our study having stable power distributions, we assume those low in power to approach the negotiation issues in a broader sense and carry along the powerful. Findings by Sligte and colleagues (2011) show that those with high power displayed the greatest creativity in conditions where they could maintain or increase their power. Ogilvie and Simms (2009) moreover showed that individuals trained to think creatively (in our case primed with creativity) produce not only more integrative solutions but also solutions conceptualized as mutually beneficial for all involved in the negotiation.

Given that they are less influenced by situations (Galinsky et al., 2008), those high in power are assumed to not be concerned about thinking outside the box, whereas thinking outside the box is vital for those in the low power role. Since they have nothing to lose, creative thinking gives those low in power the chance to arrive at a better outcome than before. Instead of hesitating to communicate their interest to the high-power party (Fiske, 1993; Keltner & Robinson, 1997), those low in power are suggested to get creative.

High creativity previously has been positively linked to internal locus control in students (Singh Latter et al., 2014), suggesting that those in the high creativity condition will have been motivated to arrive at a good outcome, given their belief that success is based on their own hard work.

Given that the negotiation is an interaction within the dyad, this striving for a good outcome and engaging in creative thinking will influence the dyad as a whole, resulting in reduced distance between the two parties.

The ability of negotiators to create alternatives inherently has been linked to successful negotiations (Thompson, 2005; Wilson & Thompson, 2014) and can be seen as a cooperative aspect of negotiation known as integrative (Raiffa, 1982).

Surprisingly, negotiators often fail to realize that a win-win solution is possible (Wilson & Thompson, 2014) because they fail to discover the full integrative potential of a task and think their interests are completely opposing (Thompson & Hastie, 1990).

In fact, in tasks where opposing parties' interests are fully compatible, half of the negotiators fail to realize an alignment of interests and 20% do not manage to arrive at the best outcome (Thompson & Hrebec, 1996). Key elements of win-win outcomes, such as not engaging in criticism and judgment (Wilson & Johnson, 2014), are also prescriptions of creative idea generation (Wilson & Thompson, 2014). The link between individual idea generation and the search for alternative agreements in a negotiation (Pruitt, 1998), as well as general support for the relation between creative thinking and integrative agreements (Pruitt, 1998), supports the argument of creativity as potentially playing a moderating role with integrative negotiation being linked to the relative efficiency of the agreement (Lax & Sebenius, 1986; Raiffa, 1982). In this sense, creativity is hypothesized to bring the outcomes of the low and high power participants closer together so that they end up with a more even outcome distribution (as opposed to an imbalance distribution of points with the high power person scoring significantly higher than the low power person).

Hypothesis 2. Creativity will moderate the effect of power on negotiation outcomes such that negotiators, when in the high creativity condition, will achieve more joint negotiation outcomes.

The Mediating Role of Problem Solving

Recent literature has shed light on negotiations and the way they are perceived and established by negotiators themselves (Bazerman et al., 2000). This trend will be investigated further by exploring negotiation strategies used by negotiators and putting them into relation

with the outcomes of the negotiation. Based on the Dual Concern Theory (De Dreu et al., 2001), people may use several strategies when involved in conflict, namely forcing, problem-solving, accommodating, compromising, and avoiding. According to the Dual Concern Theory, conflict management is a function of high and low concern for self, combined with high or low concern for others (Pruitt & Rubin, 1986). In this study focus will lie on problem-solving, since solving problems and dealing with obstacles is inherent to a negotiation (Kesting & Smolinski, 2007). Especially in game theory, where negotiations are modeled as games, the cooperative aspect of problem-solving is pointed out (Kesting & Smolinski, 2007), with problem-solving portraying a way to identify win-win situations (Fisher & Ury, 1981) and avoid inefficiencies (Raiffa, 1982). That might be regarded as a reason for why “creative problem-solving task” often is used as a synonym for negotiation (Wilson & Thompson, 2014, p.360).

Those who engage in problem solving are said to aim for an agreement satisfying the aspirations of both parties as much as possible (De Dreu et al., 2001). Therefore, problem-solving can be seen as a collaborative rather than a competitive form of behavior. This means that its rather constructive nature enables negotiators to maintain their relationship.

Classic negotiation research posits that a significant obstacle for effective negotiation is the lack of insights into the relations between negotiable issues (Raiffa, 1982). This is related to the positive relation of the number of alternatives considered in a negotiation and the quality of the negotiation agreement or outcome (Hyder et al., 2000; Pruitt & Lewis, 1975; Weingart & Brett, 1993). From this follows that negotiators often not only fail to explore and examine options but also prematurely settle on suboptimal outcomes. Similarly, research found that power can also lead to a more collaborative focused approach. The powerful are said to feel personally responsible for the negotiation outcomes (Chen et al., 2001, Overbeck & Park, 2001). This suggests they see themselves as accountable to solve the negotiation task. Those in low power positions ask more diagnostic questions (De Dreu & Van Kleef, 2004),

which can be seen as an approach to solve problems. Especially when primed with creativity, powerless are assumed to think more outside the box and problem-solve more in order to arrive at favorable outcomes. Given that negotiation is a partner task, as inherent to its definition, this is assumed to transfer to the powerholders. Looking at the effect creativity has on conflict management, findings are oppositional (Rietzschel & Ritter, 2018), which makes problem solving an interesting mediator.

Given the link between creativity and problem solving (Vidal, 2006), we hypothesize that high as well as low power negotiators will problem-solve more when in the high creativity condition, which then, in turn, leads to greater joint gains. Consequently, problem-solving will moderate the mediated relationship of creativity on power and negotiation outcomes.

Hypothesis 3. Moderated mediation hypothesis: A moderated effect of creativity on power will be mediated by problem-solving. Such that both high and low power negotiators will problem-solve more when in the high creativity condition and they will in turn have more joint gains.

Methods

Participants

The original dataset of participants taking part in this cross-sectional field study consisted of 160 participants (80 dyads). All participants were of British nationality. However, after removing four dyads because at least one of them indicated that they did not answer the questions honestly, the final sample consisted of 76 dyads ($N = 152$, 77 females, 75 males). The average age of female participants was 35.52 ($SD = 10.75$), and the mean age of the males was 38.29 ($SD = 10.22$). The sample consisted of six students (3.9%), 136 employees (89.5%), eight people who are either self-employed or a freelancer (5.3%), one person that is currently not working/looking for work (.7%), as well as one retiree (.7%). The majority of participants had a university degree as the highest form of education (63.2%, 96

participants), followed by a master's degree (17.1%, 26 participants) and a High School diploma (13.2%, 20 participants). Out of the remaining, 5.3% (8 participants) have completed a Ph.D., and 1.3% had “other” forms of education (2 participants). A total of 72 participants (47.2%) occupied a managerial role at their current job. Participants were recruited via the online research and survey website Prolific academic. For their participation in the 30min experiment, participants were compensated with a payment of 2.5 British pounds. This converts to around 2.93 euros (fxexchangerate.com).

Research Design and Procedure

The interactive experiment design function SMATRIQUS within the program QUALTRICS was used for designing the experiment. Participants were randomly matched with a partner, with whom they had to complete a role-play negotiation task, inspired by the one Van Kleef and colleagues included in their set of experiments in 2006 (van Kleef et al., 2006). In a real-life resembling situation, participants were asked to act as colleagues who would like to take time off during the same weeks in summer. The policy of the company they were pretending to work for, states that the holiday period is between 1st of July and 15th of September and the duration of possible leaves ranges from 9 to 14 days, with 14 days in a row as a maximum. The problem, serving as a starting point for the negotiation task, was that both colleagues in the dyad wished to take 14 days off during the first and second week of July. Given that the holidays of one colleague cannot overlap with those of another, and it is not possible for both parties to take off 14 days in the time frame they wish to. Since both taking off 14 days in a row would delay several projects, they had to come to an agreement. This agreement had to be in line with the company requirements. The exact topics dyads had to negotiate about were time and duration of their summer leave. A negotiator could only take 14 days off when their counterpart agreed to take less days off. An agreement was reached only when both agreed on the exact period and the exact duration of their holidays.

As a first step, dyads were asked to come up with ideas on how to resolve the issues individually. Then they had to share their ideas with each other and discuss their ideas and proposed solutions. Based on the discussion with their colleague, each member of the dyad was then asked to propose a possible solution for the negotiated topics and send it to their colleague. Once the negotiation task was completed, the dyads were presented with a payoff schedule for each of the issues. The payoff schedules showed a fixed set of alternatives proposed by their boss. The aim was to discuss the options and together agree on one option for both topics. Outcomes of both negotiation issues to the schedule had to be transferred to the options in the payoff schedule. Payoff schedules differed between the high and low power conditions. (See Appendix C for the exact payoff schedules).

After dyads had completed the negotiation, each participant was asked to fill in a short questionnaire. Manipulation checks for power and creativity followed. Additionally, participants were asked to provide the following demographics: age, gender identity, nationality, profession, whether they occupy a managerial role at their current workplace, and highest form of achieved education. After completion of both the negotiation task and the survey, participants were debriefed and provided with information regarding what the study was about. They were provided with the option to reach out to the main investigators in the case that they would like to receive more information. In this study, self- as well as other-collected data was collected and analyzed. The collected data was treated with confidentiality and not shared with third parties. The language of communication was English, survey questions were assessed in English as well.

Measures

Negotiation Power (BATNA Manipulation)

Power was manipulated within dyads via BATNA (Ury & Fisher, 1981), meaning that each dyad consisted of one high and one low power participant. Participants' BATNAs were manipulated via negotiation instructions. In the attractive BATNA conditions (high power),

participants learned that in case they do not come to an agreement with their counterpart, their boss would prioritize their wishes over those of their colleagues. In the unattractive BATNA condition (low power), participants learned that in case they arrive at no agreement, their counterpart will get granted the time and duration of summer leave they wished for because they have a large family and are rather inflexible regarding holidays. High as well as low power participants, therefore, were aware of their position in the negotiation. The exact way power was manipulated can be found in Appendix A.

Four manipulation check items for power were included in the final survey part of the study. Using a scale ranging from 1-7 (1 = *not at all true*, 7 = *absolutely true*, $\alpha = .86$), participants had to indicate to what extent the following statements applied to them: “I was in an advantageous position compared to my colleague.”, “I was in a better negotiation position than my colleague.”, “My colleague was in a better negotiation position than me.” (score-reversed item), “My colleague was in a disadvantageous position compared to me.”.

Creativity (Creativity Manipulation)

Creativity was manipulated between dyads, meaning that dyads as a whole were either assigned to creativity or the control condition. After being presented with the instructions for the negotiation task and the explanation of the issue at hand (both wanting holidays during the same period and as long as possible and this not being feasible), those in the creativity condition were asked to individually brainstorm and think about as many ideas as possible to resolve the topics of disagreement and write them down. They specifically were asked to think out-of-the-box and come up with new, wild, or seemingly unfeasible ideas, not criticize their own ideas and to combine their ideas to build on them and create new ones. Those in the low-creativity condition simply were requested to individually come up with one possible solution for the issues at hand and then think about as many American food-chains existing in Europe as they could and write them down as well. In both conditions, participants had 6 minutes to come up with possible (creative) solutions for the issues at hand. As a next step,

dyads had to discuss their ideas and proposed solutions with each other. The ideas each participant generated were not sent to their colleague, yet they themselves were able to see them on the screen during the discussion. In line with Osborn's brainstorming rules (1953), which were specifically developed to foster the generation of ideas, participants in the high creativity condition were encouraged to adhere to four rules while discussing and generating ideas together with their counterparts. These were: come up with as many ideas as possible, not criticizing each other's ideas, free-wheeling and sharing wild ideas, as well as expanding and elaborate on existing ideas (Osborn, 1953). Opposingly, those in the low-creativity condition solely had to discuss their ideas with each other. Dyads had 10 minutes for this part of the negotiation. Based on what was discussed, each participant then had to send a concrete offer proposing a possible solution for the two issues to their counterpart. Participants received their counterparts' offers and subsequently were exposed to the payoff schedules. Appendix B shows the exact manipulations of creativity.

Whether the manipulation of creativity worked was determined by the following statement: "During the negotiation..." "...I was encouraged to generate creative ideas on how to address the issue at hand." "...I was encouraged to think creatively on how to address the issue at hand.". Participants had to choose between the two options of this bipolar question. Additionally, prospects had to assess four statements using a Likert scale (1 = *not at all true*, 7 = *absolutely true*, $\alpha = .90$). These statements were: "I was encouraged to think creatively during this negotiation.", "I was encouraged to combine the solutions that I generated with the solutions my colleague proposed to me.", "I was encouraged to come up with even strange and unusual ideas while thinking of possible solutions.", "I was encouraged to think "outside of the box" while generating ideas for possible solutions.

Negotiation outcomes (earned points)

Payoff schedules were used as a tool to measure the negotiation outcome. Points each part of the dyad earned on the two different negotiation topics were added up. The higher the

score, the more points the dyad and each individual participant earned. The lowest possible score prospects could earn in each of the two negotiations was 0, the highest score turned out to be 500 (see Appendix C for the payoff schedules). A maximal joint outcome was reached if participants assigned to role A selected “You take time off during the 1st and 2nd week of July and your colleague takes off during the 1st and 2nd week of September.” (500 points) for topic 1 and “You take 9 days off and your colleague takes 14 days off.” (0 points) for topic 2. Respectively, the person assigned to role B must choose “Your colleague takes time off during the 1st and 2nd week of July and you take time off during the 1st and 2nd week of September.” (0 points) for topic 1 and “Your colleague takes 9 days off and you take 14 days off.” (500 points) for topic 2. With this combination, the maximum combined number count of 1000 points for a dyad could be reached. An agreement on both negotiation topics was the aim. If dyads failed to agree to the same options, low power participants were awarded 0 points for both topics, and high power participants were rewarded 300 points for topic one and 150 points for topic two.

Problem-Solving as a Negotiation Strategy

Negotiation strategies, including problem-solving were self-assessed, using 20 questions (De Dreu et al., 2001). Problem-solving ($\alpha = .82$) in particular was assessed with the following four items: “I examined possibilities until I found a solution that really satisfied both, my colleague and me.”, “I stood for my own and my colleague’s desires and interests.”; “I examined ideas from both sides to find a mutually optimal solution.”, “I worked out a solution that served my as well as my colleague’s desires and interests as much as possible.”. Items had to be scored on a Likert scale ranging from 1 to 7 (1 = *Not at all true*, 7 = *Absolutely true*). For more information, see Appendix D.

Analysis Plan

Self-reported data, such as answers on negotiation strategies, were analyzed using the statistical software IBM SPSS Statistics (Version 27). For the analysis of moderation and mediation effects, we made use of univariate Analysis of Variance (ANOVA).

Results

Manipulation Checks

Given that we made use of a 2 (power position: high power vs. low power) by 2 (level of creativity: high creativity vs. low creativity) experimental design, we had to check whether the manipulations of power and creativity worked. In order to do so, we ran a univariate Analysis of Variance (ANOVA) where power and creativity conditions served the independent variables and the power manipulation check scale was the dependent variable.

The analysis of the first ANOVA with the power manipulation check as a dependent variable, revealed a significant main effect of power position on experienced power $F((1,150) = 30.99, p = .00, \eta = .38$. Participants in the high power condition indicated having experienced more power ($M = 4.29, SD = .64$) as compared to those in the low power condition ($3.32, SD = .62$). The effect of creativity on power turned out to be nonsignificant ($p = .51$). Meaning that there was no main effect of creativity on power. Testing for interaction between power and creativity, the effect on perceived power turned out to be nonsignificant too ($p = .13$). We also conducted an ANOVA where creativity and power were the independent variables, and the creativity manipulation check scale was the dependent variable. The analysis yielded a significant main effect of creativity condition on the perception of creativity $F(1, 150) = 23.50, p = .00$. This means that the dyads in the high creativity condition perceived themselves as more creative ($M = 4.84, SD = .82$) as opposed to those in the low creativity condition ($M = 3.58, SD = 1.03$). Power furthermore had a non-significant effect on creativity manipulations ($p = .69$). No significant interaction effect between power condition and creativity condition on perceived creativity was found ($p = .52$).

From the above, we can conclude that the manipulation checks for both power and creativity worked and those in the high power condition perceived themselves as more powerful, as did the ones in the creativity condition indicate that they were encouraged to be more creative. From this, it can be concluded that the manipulations worked as intended.

Preliminary analysis

Only those participants that gave their consent and who indicated that they filled out the questionnaire with honesty were included in the analysis. Application of this filter led to a sample size of $N = 152$, that is 76 dyads. Once the manipulations were completed, we examined the correlations between problem-solving and negotiation outcomes. Table 1 provides an overview of Pearson correlation coefficients, as well means and standard deviations. No significant correlation between problem-solving and negotiation outcomes was found. We also checked correlations of problem-solving with outcomes of the first and second negotiation topic individually. None of these correlations were significant, which suggests that there will most likely be no topic-specific effect. In Table 2, means and standard deviations for the study variables across experimental conditions can be found.

Hypothesis Testing

To test the main effect of power on negotiation outcomes (Hypothesis 1) and the moderating effect of creativity on that relationship (Hypothesis 2), we ran a univariate ANOVA with power and creativity as fixed factors (Table 3) and negotiation outcomes for both topics combined as the dependent variable. Indeed a significant effect of power on negotiation outcomes was found $F(1, 151) = 58.13, p = .00, \eta^2 = .28$. In line with what was hypothesized, high power participants reported higher outcomes than did low power participants. Exact means and standard deviations can be found in Table 2. Findings of this significant main effect provided support for hypothesis 1.

Contrary to our expectations, the interaction between power and creativity was not found to be significant ($p = .77$). In order to test whether problem-solving will mediate the

moderated effect of creativity on power, we ran another univariate ANOVA. Power and creativity served as fixed factors and problem-solving as the dependent variable (Table 4). This first step was taken to check whether the independent variable power and the moderator creativity had an effect on problem-solving. Opposing what we expected, neither the main effect of power ($p = .37$) nor that of creativity ($p = .76$) on problem-solving was significant. The interaction effect between power and creativity also turned out to be non-significant ($p = .91$). Since none of the effects was significant, we did not proceed to running mediation analysis in Process Macro by Hayes (Model 4 or 7).

Discussion

On a daily basis, we may find ourselves in important or seemingly mundane negotiations (Fox, 2013; Low, 2009). In order to negotiate as efficiently as possible, understanding the dynamics that are at play in negotiation is of great importance.

The current research investigated the potential relationship between power and negotiation outcomes. We hypothesized that power positively relates to negotiation outcomes, such that those with higher power will end up with greater negotiation outcomes than those with low power. This hypothesis was supported, and findings were in line with previous research, supporting the notion that high power positively correlates with outcomes receiving a larger share of outcomes (Pinkley et. al., 1994).

Results regarding the moderating role of creativity, on the other side, were not in line with what was hypothesized. This may be explained by the ethical orientation of a person. In grey areas, such as in accountancy, those high in power might cheat with creative ideas, therefore creativity does not lead to more joint outcomes, but only higher outcomes for the powerful. In fact, in our experiment, power holders scored higher on negotiation outcomes when in the high creativity condition. This suggests that how people use creativity could be dependent on their ethical orientation as a person. Especially to powerful people who have been shown to engage in self-serving behavior (Rus et al., 2010), this might apply. In an array

of studies, Gino and Ariely (2011) found evidence for a relation between creativity and dishonesty. From this, one can conclude that creativity can also have a negative side (Kapoor, 2019), and therefore could be used to influence others to one's own advantage.

Findings regarding the role of problem solving in the negotiation process were also inconsistent with what we hypothesized. Problem-solving did not mediate the moderated effect of creativity on power such that both high and low power negotiators would problem-solve more when in the high creativity condition and, in turn, being left with more joint gains. Outcomes, not being in line with what was hypothesized, could be explained by incentives for arriving at a joint outcome not being high enough, therefore dyads not seeing the need to engage in problem-solving. Another explanation could be that it was not clear to participants what they were expected to do in the negotiation game.

Limitations and Future Directions

Due to the fact that we made use of a dyadic assessment in this study, both participants A and B were asked to indicate to what agreement they came for both negotiation topics. By having both of them select the appropriate answers, we were able to see whether they arrived at an agreement. Filtering out dyads that showed a mismatch between participant A's and participant B's answer for at least one of the negotiation topics would have led to excluding an additional 41 dyads. This raises the presumption that either the instructions for the negotiation task were not clear enough or participants were not adequately motivated to take the negotiation seriously.

Opposed to simply rewarding participants with a small amount of money for participation like we did in this study, Van Kleef and colleagues (2006), in their series of experiments, informed participants that points earned would be converted to lottery tickets at the end of the experiment. A higher number of points earned would result in more lottery tickets and a higher chance of winning an actual 50 euros (approximately US\$60). Only dyads that reached an agreement could participate in the lottery. Thus, our study might have

benefited from increasing the incentives to motivate serious engagement in the negotiation task. Given that the remuneration for participation in our study was quite low and that doing well in the negotiation task did not lead to greater rewards, results have to be interpreted with caution.

Another potential shortcoming of this study is the operationalization of concepts, that of creativity in specific. Participants in the high creativity condition might not have seen when to give in and when it was their turn to win and pursue their own goals. We would have expected creativity to influence the negotiation in a way that leads dyads to realize that their payoff schedules and the importance of them differ within dyads. In accordance with this, participant A gains a maximum of 500 points for topic 1 whereas only getting a maximum of 250 points for topic 2. Participant B receives a maximum of 250 points in topic 1, as opposed to a maximum of 500 points for topic 2 - as can be seen in the payoff schedules in Appendix C. Participants primed with creativity were assumed to see through this operationalization and agree on options that would have led them to end up with the maximal joint gain of 1000 points for both topics (participant A takes 9 days off during the 1st and 2nd week of July and participant B takes 14 days off in the 1st and 2nd week of September). Given that the creative potential of groups often remains unfulfilled (Rietzschel & Nijstad, 2020), future research is advised to further examine the role of creativity not only in negotiating dyads but also in groups engaging in negotiations.

As already pointed out above, we furthermore acknowledge that creativity does not only bring about positive outcomes but also has a negative side attached to it. Such as creativity showing a positive relation with not only moral flexibility, but also unethical behavior and dishonesty (Gino & Ariely, 2011). Some scholars even found a small but positively significant link between the personality variables creativity and narcissistic personality traits (Raskin, 1980). Yet, we decided to focus on the positive aspects of

creativity, given its positive relationship with joint outcomes in dyad negotiations (Schei, 2013).

A strength of this study is that the study design was based on a real-life resembling and realistic issue most participants were assumed to be able to relate to. We did not work with a convenience sample consisting of students, instead the majority of participants was already working. Therefore they might be familiar with negotiating with colleagues in regards to summer leave. Yet, exploring the effects of creativity and problem-solving in dyads of managers with higher BATNAs and their subordinates could provide further insights that then could be applied in practice.

Additionally, the fact that with the type of design chosen we basically ended up with a control group for creativity (low creativity). Another plus point of this study is the manipulation of power in terms of BATNA, which not only has proven itself to be an exceptionally useful tool (Sebenius, 2017) often used in experiments but was successfully manipulated in our study. This further strengthens the applicability of BATNA as a tool to manipulate negotiation power. Additionally, the manipulation of creativity worked as planned as well.

In addition to that, self- as well as other-reported data was collected and analyzed, providing a multidimensional view. As Bendersky & McGinn (2010) point out, only 6% of studies published in various journals from 1990 to 2005 included multiple negotiation rounds. Our study therefore provides important insights since two topics are discussed after each other.

Given that the sample represented a WEIRD sample (Western, Educated, Industrialized, Democratic; Bennis & Medin, 2010), it can be seen as beneficial in regards to the understanding of power concepts. Whereas in the West, power is associated with rewards and getting those, in Eastern cultures, power rather tends to be associated with responsibility (Gallinski et al., 2003). Therefore conceptualizing power in terms of BATNA might not be a good concept for

non-Western countries since it does not align with their more collectivistic approach to power. This implies that findings can therefore only be generalized to WEIRD countries and findings might differ in non-Western countries. Based on this notion, research might benefit from running the same study in a non-Western culture in order to explore possible differences between cultures. Research, for example, identified a number of strategies leading to more joint gains in U.S. negotiators. Among others, these include sharing information about preferences and priorities as well as eschewing power (Brett et al., 1998).

Research might benefit from exploring whether the same strategies are used in other cultures and especially how much they engage in problem-solving. For more detailed information regarding the reported negotiation offers they could be coded and assessed. Despite problem solving not playing a significant role as a mediator, other negotiation strategies such as yielding, compromising, forcing, or avoiding (De Dreu, 2001) might be significant mediators and their role should be further explored.

Lastly, future research could look into possibilities for negotiators low in power to arrive at higher outcomes. Schaerer and colleagues (2020) suggest that there are multiple strategies, such as humor (Teng-Calleja et al., 2015) or disclosing one's weakness (Gino & Moore, 2008), that can potentially compensate for the lack of power.

Theoretical and Practical Implications

Looking at the results of this study, the role of power in negotiation becomes prevalent. This study, therefore, has important theoretical as well as practical implications.

Findings on the relationship of power and negotiation outcomes, for instance are in line with previous research (Wolfe & McGinn, 2005; Van Kleef et al., 2006) since higher power led to higher negotiation outcomes. This further supports the notion that high negotiation power is a valuable asset.

Findings with regards to creativity might challenge the interest of organizational scientists in creativity (James & Drown, 2012) by showing that creativity did not moderate the

relationship between power and negotiation outcomes. Despite this outcome, we don't dismiss its importance in negotiations and believe that encouraging people to think creatively can lead to improved negotiation outcomes. Negotiators might explore options that did not seem possible at first and provide them with better outcomes when engaging in creative thinking and aspire to come up with innovative ideas.

As for practical implications, findings can be of value for all engaging in negotiations, but specifically for bigger organizations where power asymmetries between managers and subordinates are frequently at play. Priming negotiators with power before important negotiations with counterparts might lead to beneficial outcomes when they get the task to negotiate with buyers or sellers. Organizations can use this to their advantage in high-stakes situations when employees are sent off to negotiate topics of great importance.

Overall, this can show that making people believe they are powerful can lead them to actually do great. Therefore, findings can be used to set up workshops where BATNA is used to strengthen negotiators self-confidence. Another practical implication is that BATNA was successfully manipulated in our study, meaning that we further support its applicability in experimental settings (Sebenius, 2017).

Taking a bigger scope, findings could also be of use for nationwide negotiations, such as when states discuss subjects of debate where often all parties involved score high on power. Making negotiators aware of their BATNAs could be used as a strategy to influence outcomes of negotiations.

The creativity manipulation working suggests that it poses another successful way of manipulating, other researchers might benefit from manipulating and measuring creativity in the same manner. Although creativity did not seem to play a role, it still might be relevant in negotiations given its positive relation to joint negotiation outcomes (Schei, 2013) and its importance in organizational success (Kung & Chao, 2019). Workshops stimulating creativity and implementation of regular creativity exercises in the workplace therefore might be a way

to assist organizations to overall be more successful. Practicing creativity and stimulating minds starting early on, can not only influence capabilities (Twigg & Yates, 2019), but also bring about advantages later in life. This is why creativity should not only be encouraged but also further explored. Despite the mediated moderated hypothesis not being supported, problem-solving as another important skill (Rahman, 2019) should still further be encouraged in negotiation settings. Like suggested with creativity, especially in work-setting, workshops encouraging problem-solving could improve negotiations in the future.

Conclusion

Despite manipulations of power and creativity working, this study was not able to provide significant results for the majority of hypotheses. The claim that those holding high power end up with greater gains in a negotiation than their powerless counterparts, was supported by the data collected. Future research might benefit from investigating additional sources of power and further investigate the roles of creativity and problem-solving in negotiation settings. A better understanding of these variables might lead to insights on how outcomes can be influenced so that they are rather joint than unevenly distributed.

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Tables

Table 1

Descriptive Statistics and Correlations for Study Variables

Variable	M	SD	1	2	3	4
1. ProblemS	5.42	1.03	1	.07	.03	.07
2. Outcome Topic 1	199.01	167.32		1	.10	.81**
3. Outcome Topic 2	148.36	129.49			1	.66**
4. Negotiation Outcome	347.37	221.88				1

Note. N = 152. ProblemS = Problem-Solving

* $p < .05$. ** $p < .01$.

Table 2*Means and Standard Deviations for the Study Variables across Experimental Conditions*

	<i>Low power</i>		<i>High power</i>	
	M	SD	M	SD
Negotiation outcome (LC)	221.43	222.05	447.14	114.37
Negotiation outcome (HC)	236.59	229.14	480.49	164.27

Note. $N = 76$ dyads. LC = Low Creativity. HC = High Creativity.

Table 3*Tests of Between-Subjects Effects*

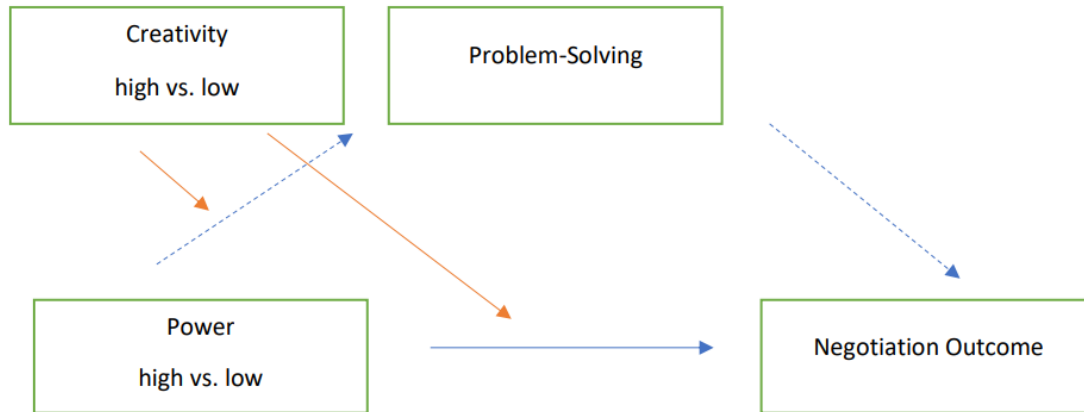
Source	Type III Sum of Square	df	Mean Square	F	Sig.	Partial Eta Square
Corrected Model	2133292.3 ^a	3	711097.44	19.85	.00	.28
Intercept	18126419.2	1	18126419.2	506.11	.00	.77
Power	2082070.47	1	208207.47	58.13	.00	.28
Creativity	22208.69	1	22208.69	.62	.43	.00
Power*Creativity	3132.10	1	3132.10	.09	.77	.00
Error	5300655.05	148	35815.24			
Total	25775000	152				
Corrected Total	7433947.37	152				

Note. ^aR Squared = .287 (Adjusted R Squared =.237). *N* = 152. Dependent variable: Negotiation outcomes.

Table 4*Tests of Between-Subjects Effects*

Source	Type III Sum of Square	df	Mean Square	F	Sig.	Partial Eta Square
Corrected Model	.99 ^a	3	.33	.30	.82	.01
Intercept	4435.73	1	4435.73	4110.98	.00	.96
Power	.88	1	.88	.82	.37	.00
Creativity	.10	1	.10	.10	.56	.00
Power*Creativity	.01	1	.01	.01	.91	.00
Error	159.69	148	1.08			
Total	4627,62	152				
Corrected Total	160.68	151				

Note. ^a R Squared = .006 (Adjusted R Squared = -.014). *N* = 152. Dependent variable: Problem-Solving.

Figures**Figure 1***Hypothesized Research Model.*

Appendix A

Manipulation Power

High Power Condition

“Important to know before you start negotiating: in the unfortunate event that you do not reach an agreement with your colleague, your boss will have to decide for the both of you...

Your boss is willing to prioritise your colleague's request over yours on the basis that your colleague has a large family and is rather inflexible regarding holidays.

In that case, neither your colleague nor you will get a leave exactly when you want it and for your preferred duration. However, your boss's decision will be to some extent adjusted to your colleague's preferences. This is a big disadvantage for you. Therefore, you might be better off if you negotiate and try to reach an agreement with your colleague.”

Low Power Condition

“Important to know before you start negotiating: In the unfortunate event that you do not reach an agreement with your colleague, your boss will have to decide for the both of you...

Your boss is willing to prioritise your request over your colleague's on the basis that you have a large family and you cannot be very flexible regarding holidays.

In that case, neither your colleague nor you will get a leave exactly when you want it and for your preferred duration. Thus, even though your boss's decision will be to some extent adjusted to your preferences, which is a big advantage for you, you might be better off if you negotiate and try to reach an agreement with your colleague.”

Appendix B

Manipulation Creativity

High Creativity Condition

“Please think of many possible ideas on how to resolve both topics of disagreement (time and duration of absence) and write your ideas down. For this: Try to come up with as many ideas, solutions, or suggestions as you can think of. This increases the chances that you think of creative ideas to solve both issues. Aim to think out-of-the-box: try to come up with new, wild or seemingly unfeasible ideas. Such original ideas are actually very helpful to solve negotiation issues! No idea is too strange or weird at this point, let all your ideas flow to come to new ideas. Do not criticise your own ideas. Try to combine your ideas and build on them to come to new ones. Keep in mind that what you write will not be sent to your colleague.”

“Together, think of ways to combine and further improve the ideas that both of you generated earlier. The more ideas, the better: this increases the chance that you find a novel solution for the issues. Aim to share your ideas, even very strange or non-feasible ones, since usually the wildest or strangest ideas are the most creative and useful. Don’t automatically dismiss your colleague’s perspective, even when it significantly differs from yours. See all of the ideas as raw materials that you can build upon in order to reach new insights.”

Low Creativity Condition

“Please try to come up with one possible solution concerning the disagreement with your colleague on both topics (time and duration of holidays) and write it down below.

After you are done with this task, we would like to ask you to do something different: Please, think of as many American food-chains as possible that exist in Europe and type the names of the food-chains in the same box with your proposed solution (the names of the food chains should follow your proposed solution). Keep in mind that what you write will not be sent to your colleague.”

“It does not matter which of the two topics you discuss first as long as you discuss them both (time and duration of holidays).”

Appendix C

Payoff Schedules

High Power Condition

Negotiation issue 1

Exact period of time off	
Alternative	
1) You take time off during the 1st & 2nd week of July and your colleague takes off during the 1st & 2nd week of September	500
2) You take time off during the 2nd & 3rd week of July and your colleague takes off during the 3rd & 4th week of August	400
3) You take time off during the 3rd & 4th week of July and your colleague takes off during the 2nd & 3rd week of August	300
4) You take time off during the 2nd & 3rd week of August and your colleague takes off during the 3rd & 4th week of July	200
5) You take time off during the 3rd & 4th week of August and your colleague takes off during the 2nd & 3rd week of July	100
6) You take time off during the 1st & 2nd week of September and your colleague takes off during the 1st & 2nd week of July	0

Negotiation issue 2

Exact duration of time off	
Alternative	
1) You take 14 days off and your colleague takes 9 days off	250
2) You take 13 days off and your colleague takes 10 days off	200
3) You take 12 days off and your colleague takes 11 days off	150
4) You take 11 days off and your colleague takes 12 days off	100
5) You take 10 days off and your colleague takes 13 days off	50
6) You take 9 days off and your colleague takes 14 days off	0

Low Power Condition

Negotiation issue 1

Exact period of time off	
Alternative	
1) Your colleague takes time off during the 1st & 2nd week of July and you take time off during the 1st & 2nd week of September	0
2) Your colleague takes time off during the 2nd & 3rd week of July and you take off during the 3rd & 4th week of August	50
3) Your colleague takes time off during the 3rd & 4th week of July and you take off during the 2nd & 3rd week of August	100
4) Your colleague takes time off during the 2nd & 3rd week of August and you take off during the 3rd & 4th week of July	150
5) Your colleague takes time off during the 3rd & 4th week of August and you take off during the 2nd & 3rd week of July	200
6) Your colleague takes time off during the 1st & 2nd week of September and you take off during the 1st & 2nd week of July	250

Negotiation issue 2

Exact duration of time off	
Alternative	
1) Your colleague takes 14 days off and you take 9 days off	0
2) Your colleague takes 13 days off and you take 10 days off	100
3) Your colleague takes 12 days off and you take 11 days off	200
4) Your colleague takes 11 days off and you take 12 days off	300
5) Your colleague takes 10 days off and you take 13 days off	400
6) Your colleague takes 9 days off and you take 14 days off	500

Appendix D**Measures*****Problem Solving***

While negotiating these topics with my colleague, I mostly did the following:

I examined

possibilities until I

found a solution that

really satisfied both,

my colleague and

me. (13)

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6

I stood for my own

and other's goals

and interests. (14)

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6

I examined ideas

from both sides to

find a mutually

optimal solution.

(15)

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6

I worked out a

solution that served

my as well as my

colleague's desires

and interests as

much as possible.

(16)

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6

