

**First offer effects in negotiation: How intergroup biases, gender differences
and first offer extremity interplay to impact negotiation outcomes**

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DOCTORAL THESIS

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ABSTRACT

First offers in negotiations hold significant relevance for negotiation outcomes, particularly regarding economic outcomes such as counteroffers and final agreements yet recent research has also begun to highlight the importance of relational measures, such as trust, in shaping negotiation outcomes. What remains less well understood is how the impact of first offers in distributive negotiations is affected by group characteristics of the negotiator issuing the first offer (i.e., the first offer maker) on the one hand, as well as the negotiator receiving the first offer (i.e., the offer receiver) on the other. With a particular focus on gender, the current thesis seeks to bridge this gap and examines the interplay between negotiator gender, intergroup bias and first offer extremity in the first offer effect, to understand how these processes jointly affect both economic and relational outcomes in distributive negotiations. To that end this thesis systematically investigates in 13 experimental studies whether : a) males and females respond differently to first offers, b) negotiators respond differently to first offers if they are made by an ingroup member vs. an outgroup member (based on gender ingroup or outgroup membership in particular, but also other groups such as ethno-religious group or university group), c) whether there is an interplay between offer receiver gender and first offer maker group membership (i.e., whether males and females respond differently to first offers made by ingroup vs. outgroup members), and d) whether the interplay between offer receiver gender

and first offer maker ingroup vs. outgroup membership depends on the extremity of the first offer.

Findings consistently showed that male negotiators when in the offer receiver position responded to first offers in ways that ensured higher value claiming (i.e., higher economic outcome potential) compared to females. The results on intergroup biases were mixed, with some studies supporting the idea that negotiators tended to favor ingroup members over outgroup members in their responses to first offers but others failing to find clear support. Additionally, the extremity of first offers played a significant role, with females in particular being more influenced by relatively more extreme first offers compared to men, resulting in lower economic outcomes for female negotiators. The studies in this thesis add to the current state of knowledge on first offers in distributive negotiations, shedding light especially into the gender dynamics in the early stages of negotiations that can critically impact negotiation outcomes.

Keywords: negotiation, first offers, gender differences, intergroup bias, anchor extremity

RESUMEN

Las primeras ofertas a las negociaciones tienen una relevancia significativa en el resultado de la negociación, especialmente en cuanto a los resultados económicos como por ejemplo las contraofertas y los acuerdos finales, pero las investigaciones recientes también han empezado a destacar la importancia de las medidas relacionales, como la confianza, en la decisión de los resultados de la negociación. El que todavía se desconoce bastante es el impacto de las primeras ofertas en las negociaciones distributivas se ve afectado por las características del grupo del negociador que emite la primera oferta (es decir, el fabricante de la primera oferta), por un lado, así como del negociador que la recibe (es decir, el receptor) de la otra. Con un enfoque particular en el género, esta tesis busca salvaguardar esta brecha y examinar: la interacción entre el género del negociador, la parcialidad intergrupal y la extremidad de la primera oferta en el efecto final de la primera oferta, para entender como estos procesos afectan conjuntamente los resultados económicos y relacionales en las negociaciones distributivas. Con este objetivo, esta tesis a través de la investigación de 13 estudios experimentales pretende decir que: a) los hombres y las mujeres responden de manera diferente a las primeras ofertas, b) los negociadores responden de manera diferente a las primeras ofertas si las hace un miembro del grupo frente a un miembro de un grupo externo (según el género del grupo o la pertenencia a un grupo externo, en particular, pero también a otros grupos, como por ejemplo un mismo grupo etno-religioso o universitario, por ejemplo), c) si hay

una interacción entre el género del receptor de la oferta y la pertenencia al grupo que hace la primera oferta (es decir, si los hombres y las mujeres responden de manera diferente a las primeras ofertas hechas por el mismo grupo al cual pertenecen), y d) si la relación entre el género de que recibe la oferta se ve afectada si quién la hace es un miembro o no de su grupo, y la extremidad de la primera oferta.

Los hallazgos mostraron constantemente que los negociadores masculinos cuando se encontraban en la posición de receptor de ofertas respondían a las primeras ofertas de una manera que garantizaban resultados de más valor (es decir, un resultado potencial económico más elevado) en comparación con las mujeres. Los resultados sobre la parcialidad grupal eran mixtos, con algunos estudios que apoyan la idea que los negociadores tienden a favorecer los miembros de su grupo sobre los miembros de los grupos externos en sus respuestas a las primeras ofertas, pero otros no se encontró un apoyo clarificador. Además, la extremidad de las primeras ofertas tuvo un papel relevante; las mujeres, en particular, estaban más influenciadas por las primeras ofertas relativamente más extremas en comparación con los hombres, lo cual dio como resultado unos beneficios económicos más bajos por las negociadoras femeninas. Los estudios de esta tesis se suman en el estado actual de la cuestión sobre las primeras ofertas en las negociaciones distributivas, poniendo luz a la oscuridad especialmente a las dinámicas de género en las primeras etapas de las negociaciones que pueden afectar de manera crítica los resultados de la negociación.

Palabras clave: negociación, primeras ofertas, diferencias de género, parcialidad grupal, extremidad de anclaje.

RESUM

Les primeres ofertes a les negociacions tenen una rellevància significativa en el resultat de la negociació, especialment pel que fa als resultats econòmics com ara les contraofertes i els acords finals, però les investigacions recents també han començat a destacar la importància de les mesures relacionals, com la confiança, en la decisió dels resultats de la negociació. El que encara es desconeix força és l'impacte de les primeres ofertes en les negociacions distributives es veu afectat per les característiques del grup del negociador que emet la primera oferta (és a dir, el fabricant de la primera oferta), d'una banda, així com del negociador que la rep (és a dir, el receptor) de l'altra. Amb un enfocament particular en el gènere, aquesta tesi cerca salvaguardar aquesta bretxa i examina: la interacció entre el gènere del negociador, la parcialitat intergrup al i l'extremitat de la primera oferta en l'efecte final de la primera oferta, per entendre com aquests processos afecten conjuntament els resultats econòmics i relacionals en les negociacions distributives. Amb aquest objectiu, aquesta tesi a través de la investigació de 13 estudis experimentals cerca que: a) els homes i les dones responen de manera diferent a les primeres ofertes, b) els negociadors responen de manera diferent a les primeres ofertes si les fa un membre del grup enfront d'un membre d'un grup extern (segons el gènere de l'interior del grup o la pertinença a un grup extern, en particular, però també a altres grups, com ara un mateix grup etnoreligiós o universitari, per exemple), c) si hi ha una interacció entre el gènere del receptor de l'oferta i la pertinença al grup que fa la primera oferta (és a dir, si els homes i les

dones responen de manera diferent a les primeres ofertes fetes pel mateix grup al qual pertanyen), i d) si la relació entre el gènere de què rep l'oferta es veu afectada si qui la fa és un membre o no del seu grup, i l'extremitat de la primera oferta. Les troballes van mostrar constantment que els negociadors masculins quan es trobaven en la posició de receptor d'ofertes responien a les primeres ofertes d'una manera que garantien resultats de més valor (és a dir, un resultat potencial econòmic més elevat) en comparació amb les dones. Els resultats sobre la parcialitat grupal eren mixtos, amb alguns estudis que recolzen la idea que els negociadors tendeixen a favorir els membres del seu grup sobre els membres dels grups externs en les seves respostes a les primeres ofertes, però d'altres no es va trobar pas un suport clarificador. A més, l'extremitat de les primeres ofertes va tenir un paper rellevant; les dones, en particular, estaven més influenciades per les primeres ofertes relativament més extremes en comparació amb els homes, la qual cosa va donar com a resultat uns beneficis econòmics més baixos per les negociadores femenines. Els estudis d'aquesta tesi se sumen a l'estat actual de la qüestió sobre les primeres ofertes en les negociacions distributives, posant llum a la foscor especialment a les dinàmiques de gènere en les primeres etapes de les negociacions que poden afectar de manera crítica els resultats de la negociació.

Paraules clau: negociació, primeres ofertes, diferències de gènere, parcialitat grupal, extremitat d'ancoratge.

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Chapter 1. Introduction

1.1 Introduction of the area of research

Negotiations are ever-present, and can occur everywhere in both professional and private settings, be it a salary negotiation with a company that you are going to join, an online negotiation concerning the price of a second-hand scooter or a ticket to a concert, a payment negotiation with someone who will babysit your kids or walk your dog, or a large-scale international trade negotiation in which two countries seek to agree on trading prices, to name just a few. At its core, negotiation is a complex decision-making process in which individuals need to manage and navigate a complex set of decisions concerning what to negotiate, who to negotiate with, the goals and interests of each party, priorities and alternatives of each party, and market information about industry standards and benchmarks. Moreover, negotiation is a social interaction process in which we interact with one or more individuals to decide the allocation of sparse resources, either tangible or intangible.

Negotiation has been extensively studied in scientific research over recent decades (Bazerman et al., 2000; Brett and Thompson, 2016). One particularly relevant aspect of negotiations that is of critical importance is the role that first offers play – the starting point in negotiation, and how it affects negotiation outcomes (Lipp et al., 2022). According to the cognitive model (Bazerman and Neale, 1983; Thompson, 1990), negotiation is a cognitive decision-making process in which two or more parties attempt to reach common agreement concerning the allocation of scarce resources (Bazerman et al., 2000; Brett and

Thompson, 2016; Pruitt, 1983; Thompson et al., 2004). Due to the interdependent nature of negotiation, the process by which negotiators make decisions can become complicated by many factors (Bazerman and Moore, 2009). As implied by bounded rationality (Simon, 1957), individuals often do not follow rational decision-making processes but rely on biased heuristics (Newell and Simon, 1972), due to cognitive constraints placed on them such as time constraints and other information-processing capabilities. This can lead to the occurrence of cognitive biases, which can impact negotiators' decisions, at times even leading to impeding agreements altogether. One key cognitive bias known to critically affect negotiation outcomes is the anchoring effect, or anchoring bias (Tversky and Kahneman, 1974). One of the classic experiments described in their work was about spinning the wheel of fortune. Participants were instructed to spin a wheel that had been designed to indicate either 10 or 65. Following the spin, participants were tasked with estimating the percentage of African countries in the United Nations. Surprisingly, those who had been shown a 10 on the wheel of fortune provided considerably lower estimates compared to those who had been presented with the number 65. This demonstrated how the arbitrary number obtained from spinning a wheel served as an anchor, influencing participants' subsequent judgments. It illustrated the tendency for individuals to heavily rely on the first, and sometimes arbitrary, piece of information when making estimates, even when the information provided was objectively irrelevant to their subsequent decisions. In essence, this experiment showed that when presented with an initial anchor,

subsequent judgments or estimates often failed to adjust sufficiently away from that anchor.

Anchoring effects have been found to critically shape negotiation outcomes, particularly in distributive negotiations in which resources are perceived as limited and fixed, and the view that one's gain will result in the other's loss (Walton and McKersie, 1965). This has been found to be particularly the case in how negotiators perceive first offers in negotiations, to the extent that negotiators are often overly influenced by anchoring biases when making sense of and responding to first offers in distributive negotiations (Galinsky and Mussweiler, 2001). Substantial amount of research has proved that initial offers on the negotiation table are able to bring economic advantages for the party who proposes the offer, such as more favorable counteroffers and final agreements (Chertkoff and Conley, 1967; Galinsky and Mussweiler, 2001; Kristensen and Gärling, 2000; Leonardelli et al., 2019; Mason et al., 2013). Considerably less research attention however has been given to how first offers may affect relational and subjective outcomes. Relational outcomes concern aspects such as trust in the counterpart, whereas subjective outcomes concern aspects such as satisfaction with the negotiation, or willingness to engage in future negotiations, to name just a few. This is surprising because there exists a growing body of negotiation research that has found that such relational and subjective outcomes matter for negotiation success (Curhan et al., 2010; Elgoibar et al., 2021; Jeong et al., 2020; Maaravi et al., 2014). The current thesis aims to close this gap by providing

insights into how first offers not only affect economic outcomes but also how they impact subjective and relational factors.

Prior research has examined various boundary conditions explaining and factors underlying the effectiveness of first offers in negotiation, with considerable prior research attention concerning the extremity of the first offer (e.g., Benton et al., 1972; Bhatia and Gunia, 2018; Chertkoff and Conley, 1967; Leonardelli et al., 2019; Liebert et al., 1968; Loschelder et al., 2014; Yukl, 1974). However, there remains a scarcity of research that has considered other key factors, specifically concerning negotiators' social group memberships, such as their gender groups or other social group memberships such as ethnic or ethno-religious background. This thesis seeks to fill this void by examining the interplay of first offers in negotiation with intergroup biases on the one hand, and gender differences in how negotiators deal with first offers, on the other hand.

When considering the impact of first offers in negotiation, one should not ignore the fact that negotiators may belong to different group identities and group memberships. Negotiations thus often entail interactions between individuals who hold different social backgrounds or belong to different identity groups, which may result in the occurrence of intergroup bias on the one hand, but also in potential differences in how negotiators behave depending on their group membership. According to Hewstone et al. (2002, p.576), intergroup bias is “the systematic tendency to evaluate one’s own membership group (the ingroup) or its members more favorably than a non-membership group (the outgroup) or its

members”. In general, individuals tend to show preference towards members of their ingroup over those of their outgroup (Brewer, 1999). This preference is demonstrated through behaviors such as trust, cooperation and empathy (Halevy et al., 2008; Insko et al., 1990), which are directed towards ingroup members but not towards outgroup members. A small but growing prior body of literature has investigated how intergroup biases may affect negotiation processes and outcomes (Ayres and Siegelman, 1995; Dittrich et al., 2014; Hernandez et al., 2019; Kubota et al., 2013). However, systematic research on whether and how intergroup biases are interwoven with first offers, and their consequences for various outcomes in negotiation is lacking. This thesis thus aims to understand whether and how negotiators respond differently to first offers if provided by a counterpart belonging to a different social identity than their own, and how this affects economic outcomes as well as subjective and relational outcomes.

Another factor that has received considerable attention in negotiation research is the comparison of gender difference between males and females. Considerable prior research has thus focused on examining gender differences in negotiation behavior and outcomes (e.g., Mazei et al., 2015; Stuhlmacher and Walters, 1999; Walters et al., 1998), yet there is a scarcity of research that has considered the interplay of gender in research on the consequences of first offers. Preliminary research has examined how first offers were responded to by males and females in the subsequent steps of the negotiation (Miles, 2010), yet further research is required to validate gender differences in how males and females

respond to first offers, and with what consequences for economic outcomes on the one hand, and subjective and relational measures on the other. This thesis thus examines gender differences in how male and female negotiators respond to first offers, in order to gain a comprehensive understanding about what happens after an initial offer is put on the negotiation table and how this may differentially impact economic, subjective and relational negotiation outcomes for female vs. male negotiators. In addition, this thesis also aims to understand how gender differences intersect with intergroup biases in how first offers are perceived and responded to, and how this ultimately affects negotiation outcomes. Finally, this thesis will examine the interplay of gender differences, intergroup bias and the extremity of the first offer effect in negotiation, based on prior research demonstrating extremity to be a key feature affecting the impact of first offers in negotiation. To that end, this thesis consists of a systematic investigation, using 13 experimental studies, that seeks to disentangle to interplay of intergroup bias, gender differences, and offer extremity in first offers on economic, relational and subjective outcomes in negotiation.

1.2 First offers in negotiation

1.2.1 The first offer effects in negotiation

In negotiation, it is particularly in distributive negotiations that first offers play a key role. Lipp et al. (2022) defined the first offer as “the first settlement proposal put forward by either negotiating party”. Correspondingly, in a distributive negotiation involving the discussion of a numerically defined resource, such as price or salary, the first offer is the initial, first numerical value that is given by one of the negotiation parties, regardless of which party proposes it first. Research has shown that individuals are often overly impacted by the first offer provided to them, and make a judgement based on this (Galinsky and Mussweiler, 2001), which can benefit the first offer maker (particularly when it comes to economic outcomes). Conversely, it can disadvantage the person receiving and responding to the first offer if they do not sufficiently adjust away from the first offer provided. In this thesis I use the terminology of ‘first offer effect’ to refer to the phenomenon of the first offer having an influence on subsequent outcomes, both in terms of economic outcomes, and in terms of relational and other subjective outcomes. I further define the party making the first offer as the ‘first offer maker’ and the party receiving the first offer as the ‘offer receiver’.

One key reason why first offers are so effective in negotiation, particularly in distributive negotiations, is due to anchoring effects. In negotiation research, anchoring is a key factor that has been studied (Furnham and Boo, 2011). Due to

the anchoring effect (Furnham and Boo, 2011), negotiators can become overly anchored to the first offer and may insufficiently adjust away from a first offer provided to them. Anchoring effects (or anchoring biases) are robust cognitive biases that have been found to critically shape distributive negotiation outcomes. Tversky and Kahneman (1974) defined anchoring as individuals' tendency to rely on the first presented value in decision-making processes. When individuals are uncertain about situations and must make an estimation on an unspecified value, they tend to anchor on a value that is available and salient (Chapman and Johnson, 1999). Prior research has discovered that anchors influence a range of outcomes, including numeric predictions (Epley and Gilovich, 2001; McElroy and Dowd, 2007), forecasting (Critcher and Gilovich, 2008), and legal decisions (Englich and Mussweiler, 2001).

Moreover, research has revealed that not only lay people but also experts in a given field are susceptible to anchoring effects (Whyte and Sebenius, 1997). For example, in a classic study by Northcraft and Neale (1987), the authors investigated how individuals determined prices within the real estate context. Their study used experiments wherein participants, both seasoned real estate professionals and novices, were tasked with appraising a property and setting respective prices. The results indicated that both experts and novices were susceptible to the influence of initial anchor prices, irrespective of their relevance or arbitrariness.

How does anchoring effect work in negotiation? Furnham and Boo (2011) summarized two key underlying mechanisms. One explanation is the anchoring-adjustment heuristic (Tversky and Kahneman, 1974). Individuals have difficulty adjusting away from an anchor and consequently may make biased decisions towards the anchor. The other and currently dominant explanation is the selective accessibility paradigm (Strack and Mussweiler, 1997), resulting from a confirmatory hypothesis testing approach (Chapman and Johnson, 1999). Individuals first assume the anchor to be plausible and then try to test whether the anchor is right, to the extent that individuals usually end up with searching for information that aligns with the anchor. More recent research has argued that participants adjust differently depending on whether the anchor is self-generated or provided by an external source (Epley and Gilovich, 2001; Epley and Gilovich, 2005). Participants thus tended to adjust away more from self-generated anchors than from anchors provided by an external source, for instance the experimenter. Moreover, the mechanism of selective accessibility accounts for the adjustment from other-provided anchors (e.g., anchors provided by the experimenter), but not the adjustment from self-generated anchors.

1.2.2 Consequences of first offers for economic outcomes in negotiation

In negotiation research, prior work has focused predominately on economic outcomes. As implied in Thompson (1990), the economic measures considered in negotiation research are grounded in the fundamental principles of individual utility, which derived from the work of von Neumann and Morgenstern (1947) and from Bayesian Decision Theory (deGroot, 1970). These works provided structured frameworks to evaluate the most effective negotiation strategies. Primarily based on axioms, economic measures in negotiation mainly concern the final outcomes or end achievements of a negotiation, without taking the negotiation process, methods, or techniques into consideration. To understand the economic performance of a negotiator, negotiation outcomes can be examined in the context of either distributive or integrative negotiation. In distributive negotiations, resources are considered limited and fixed and the main task of a negotiation is to decide how to allocate resources between or among two or more negotiators. Thus, the parties in a negotiation aim to maximize their individual shares and claim more value for themselves. Integrative negotiations, on the other hand, entail the idea of value creation and joint gains, and typically entail multi-issue negotiations. In such situations negotiators can attempt to work in a more harmonious and cooperative way to made trade-offs on matters or find new solutions to maximize joint outcomes.

In this thesis, I focus explicitly on examining the outcomes of numerical first offers in distributive negotiations. As Oesch and Galinsky (2003) indicated,

when information is scarce, a first offer will anchor the other party at the bargaining table. First offers bring advantages to the offer issuer (the first offer maker), but disadvantages to the offer recipient (the offer receiver). First offer effects have been found in various negotiation settings, including price negotiations (Chertkoff and Conley, 1967; Galinsky and Mussweiler, 2001; Kristensen and Gärling, 2000; Liebert et al., 1968; Maaravi et al., 2011; Magee et al., 2007; Mason et al., 2013; Northcraft and Neale, 1987; Schweinsberg et al., 2012), salary negotiations (Ames and Mason, 2015; Galinsky and Mussweiler, 2001; Leonardelli et al., 2019), and also in legal settings (Mannix and Inness, 1993; Marti and Wissler, 2000; Pogarsky and Babcock, 2001), to name but a few.

The first proposal in a negotiation typically impacts a range of economic negotiation outcomes, in particular, the counteroffer that is given to the initial offer, as well as the final agreement that is reached in a negotiation, and the likelihood of impasse. Galinsky and Mussweiler (2001) conducted three experiments to explore the first offer effect in price and salary negotiations. In their first experiment concerning the price negotiation of a manufacturing plant, participants were randomly assigned into the role of buyer or seller. Results showed that the person who proposed the first offer significantly affected the magnitude of the counteroffer and the final settled price, which led to more favorable counteroffers and final prices for the first offer proposer, regardless of their buyer or seller role in the negotiation. The second study replicated the first offer effect in the setting of a bonus negotiation via email between a recruiter and

a candidate. Again, first offers significantly predicted the counteroffers provided in response to the first offer as well as the final agreement. The authors found similar results in their last experiment in which forty dyads negotiated the price of a manufacturing plant, similar to that used in their first study. Similar first offer effects have been found in other price negotiations (Chertkoff and Conley, 1967; Kristensen and Gärling, 2000; Leonardelli et al., 2019; Liebert et al., 1968; Magee et al., 2007; Mason et al., 2013) and salary negotiations (Leonardelli et al., 2019; Liebert et al., 1968; Magee et al., 2007; Mason et al., 2013). In addition to the economic measures of counteroffer and final settlement, some papers also examined the outcome of impasse, where parties in the negotiation were unable to reach to an agreement and ended up walking away with nothing. Kristensen and Gärling (1997) thus found that first offers led to more impasses when the first offer was perceived as a loss rather than in terms of a gain.

1.2.3 Consequences of first offers for relational and subjective outcomes in negotiation

In conventional negotiation research, scholars have tended to heavily focus on investigating the economic outcomes of negotiation and typically framed the negotiation as a one-off economically driven interaction process, which was made of typically rational and emotionally detached individuals (Curhan et al., 2010). In recent decades, the field has evolved with more research applying the behavioral decision and social psychological perspective. Importantly, with the evolution of negotiation research, more and more scholars have realized the importance that subjective and relational measures play in shaping the overall success of negotiations. Why should we care about the inclusion of subjective measures in negotiation research? Bazerman and Neale (1992) highlighted the importance of comprehending the subjective outcomes of negotiators in order to achieve successful negotiation performance. Barry and Oliver (1996) further argued that negotiators' subjective experiences in the negotiation could impact their perceptions, their behaviors, and also the negotiation outcomes in negotiation interactions. Similarly, Pruitt and Carnevale (1993) examined the psychological and social perspectives of negotiation and emphasized the significance of subjective experiences, perceptions, and emotions in shaping the dynamics in negotiation. And Babcock and Loewenstein (1997) suggested that the subjective perception of fairness from negotiators could contribute to impasses in negotiation and positively or negatively impact the negotiation dynamics.

Broadly defined, subjective outcomes can refer to relational outcomes that concern perceptions surrounding the relationship between the negotiating parties, or to subjective outcomes concerning perceptions about oneself. Curhan et al. (2006) proposed a conceptual framework of subjective value, which contains four dimensions: 1) the evaluation of the economic outcomes, 2) evaluations of the self, 3) evaluations of the negotiation process, and 4) evaluations about the relationship. The last factor involves the perception of the relationship in the negotiation context, such as the trust in the counterpart, satisfaction about the relationship with the negotiation partner, and potential future interactions. Relational outcomes thus capture how each party in a negotiation perceives their counterpart and the relationship (or the relationship potential). A positive relational outcome can strengthen the negotiation relationship, while a negative one may damage it.

In the realm of relational outcomes in negotiation research, and particularly concerning trust between negotiating parties, Ingerson et al. (2015) highlighted the importance of these for a comprehensive understanding of negotiation dynamics. They identified the potential risk associated with only considering economic outcomes in negotiation, or only following an instrumental rationale in negotiation. Their argument contended that negotiation extends beyond personal economic goals, emphasizing the cultivation of relationships and the generation of value for all stakeholders. Rooted in social exchange theory and relational norms theory, they underscored the significance of trust, reciprocity,

and enduring partnerships within negotiation dynamics. By presenting case studies and theoretical analyses, the authors thus demonstrated how embracing a relational perspective can yield outcomes that are both durable and advantageous for all parties involved in negotiations. Elfenbein and Curhan (2012) further pointed out that on the one hand the recent and future workplace is going to have a flatter organizational hierarchy, thus negotiations will be integrated into everyday interactions with colleagues with an informal structure. As a result, a lot of decisions need to be negotiated jointly and this will elevate the importance of relational outcomes. On the other hand, communication in the 21st century will rely on increased use of channels such as emails, texts, and instant messages at work, which will pose challenges for communication but also will make individuals more aware of relational values of coworkers in the daily negotiations for the sake of a harmonious relationship under the electronical context.

Prior work has also started to integrate subjective measures pertaining to relational outcomes in their research. For example, in order to strengthen our understanding on the relational outcomes in negotiation, Curhan et al. (2010) offered evidence for how relational value could lead to instrumental reward in two-stage dyadic negotiations. Their experimental results indicated that negotiators who received positive evaluations from their counterpart in the first round of a negotiation resulted in better individual and joint economic outcomes in the second round. Hart and Schweitzer (2022) further proposed the context of economic relevance of relational outcomes (ERRO) and showed how relational

outcomes could result in economic outcomes when the ERRO is high (e.g., negotiating for the payment or price of a service or negotiation to hire a new employee) with empirical data. In a high ERRO context, compared to a low ERRO context, negotiators indicated more concern for the relationship with their negotiation partner, adopted less competitive, more cooperative behaviors, and prompted the counterpart to put more post-negotiation efforts to enhance the economic outcomes for both parties. Considering other relational outcomes, Leonardelli et al. (2019) studied the effect of multiple equivalent simultaneous offers (MESOs) on relational outcomes such as perception of sincerity to reach a mutual agreement and perception of a cooperative reputation of the initial offer proposer. In their second and third studies, the authors measured the first offer maker's perceived sincerity at having an agreement and they found evidence to show that when the first offer maker proposed with MESOs they were perceived as more genuine in reaching an agreement with the offer recipient compared to a single offer and this perception of sincerity eventually led to more favorable counteroffers for the first offer maker. In the fifth and sixth studies, the paper also measured the perception of cooperative reputation in an online chat negotiation and dyadic negotiation contexts. The results indicated that first offer makers with MESOs were judged as more cooperative than those with a single offer but this cooperative perception did not further predict economic outcomes. Ames and Mason (2015) investigated the impact of tandem first offers (i.e., giving two first offers in a range) on relational outcomes such as perception of aggressiveness,

assertiveness, reasonableness, stubbornness, flexibility, weakness, confidence, amongst others. The authors did not find any effect of tandem first offers on these relational measures in most of the studies, and only found partial evidence in one study that negotiators making tandem first offers were perceived as less aggressive and less stubborn than negotiators with point first offer. Bhatia and Gunia (2018) studied the effect of phantom first offer (i.e., stating a more extreme hypothetical first offer that is immediately followed by a more moderate first offer) and included relational negotiation outcomes concerning the offer maker's cooperativeness and manipulateness (Bhatia and Gunia, 2018, Study 4). The analysis did not reveal evidence for phantom first offers on perception of cooperativeness but showed that phantom offer makers were perceived as more manipulative in the negotiation.

1.2.3.1 The role of trust in negotiations and the first offer effect

One relational factor that appears to be particularly important for negotiation is that of trust, i.e., the perceived trust a negotiation party holds about their negotiation counterpart(s). Trust can be defined as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another” (Rousseau et al., 1998, p.395). In other words, extending trust to another person entails making oneself vulnerable to another person, such as disclosing information in a negotiation, without knowing with complete certainty the other party’s intentions (Kramer, 1999; Schmid et al., 2014). It is essentially a positive disposition towards other individuals without knowing their complete information or intentions (Yamagishi and Yamagishi, 1994) and assuming the good nature of their behaviors (Kollock, 1994). Intergroup trust is important in intergroup behavior because it involves willingness to engage in actions that could be risky and carry potential costs (Kenworthy et al., 2016). Kong et al. (2014) conducted a meta-analysis of interpersonal trust on negotiation success and explored the relationship among trust, negotiation behaviors, negotiation outcomes, and negotiation satisfaction. Through the analysis of 32 papers and 38 studies, the authors found that trust was positively correlated with integrative negotiation behaviors and negatively associated with distributive behaviors. Based on social exchange theory, the authors claimed that if individuals trust their negotiation partner, they would be more willing to share information and put efforts in building a relationship with

the counterpart, which were recognized as integrative behaviors. Conversely, lack of trust might activate distributive behaviors such as making extreme offers, not disclosing information, or resisting making concessions. Furthermore, the authors uncovered that higher levels of trust were associated with more joint outcomes and more favorable outcomes for the trustor (i.e., the person who trusted their counterpart), and these relationships were mediated by both integrative and distributive behaviors. Last, trust was also revealed to have a positive relationship with the level of satisfaction of the negotiation outcomes. Elgoibar et al. (2021) for example investigated the effects of trust and trustworthiness in negotiating distributive and integrative issues. Using a survey that covered over 600 HR managers across 11 European countries, the scholars discovered that both trust and trustworthiness were positively correlated with the negotiation of integrative issues, with trust further mediating the relationship between trustworthiness and integrative negotiation. Trust and trustworthiness were also found to be positively associated with the negotiation of distributive matters, but here no mediating effect of trust was revealed. Overall, there is thus a large body of research highlighting the importance of trust in negotiation (Butler, 1995; de Dreu et al., 1998; Gunia et al., 2011; Lewicki and Stevenson, 1997; Shapiro and Bies, 1994; Thompson, 1998; Yao et al., 2017).

However, much of this research has focused on a variety of negotiation settings and outcomes, with a relative scarcity of work that has looked specifically into the link between first offers in negotiation and trust, and examining

specifically whether trust also matters in more distributive types of negotiation. A small but growing body of work has started to examine the consequences of first offers for relational outcomes such as trust in the counterpart (e.g., Jeong et al., 2020), general impression of the counterpart (Ames and Mason, 2015; Bhatia and Gunia, 2018; Leonardelli et al., 2019), or willingness for future negotiation (Maaravi et al., 2014).

With regard to trust and the first offer effect, Jeong et al. (2020) conducted four studies with both laboratory and field data. The paper argued that a generous first offer could gain the trust from the offer receiver as it generated a good personal image of the first offer maker. Consequently, the trust gained would subsequently lead to the receiving party disclosing private and vulnerable information such as the weakness of one's position in negotiation and the flaws or limitations in the item or service under negotiation. In the first study, the authors investigated a bicycle sale negotiation with field data and tested the magnitude of the first offer from the buyer (all participants were in the position of seller): a generous high first offer or a low first offer on seller's willingness to disclose potential issues or flaws in the bike. Results showed that when sellers were provided with a high first offer they were almost 15 times more likely to share vulnerable information to the buyer than when they faced a low first offer. The authors tried to replicate this effect in the second study with the same design as study 1 but also asked participants to report their level of trust in the buyer in addition to how likely they would be to disclose unfavorable information about

the negotiation item. Again, the analysis offered support to show that the buyer with the high first offer was given more trust than the one with the low first offer and the higher level of trust further resulted in more propensity in revealing information that was not in favor to the seller.

Taken together, although this work provides important preliminary insights into the link between first offers and relational outcomes in negotiation, there remains a need for a more systematic investigation into how first offer makers are perceived in terms of trust in particular, in addition to other relational outcomes. Focusing explicitly on trust, alongside other aspects, this thesis aims to provide such a systematic investigation that not only examines how first offers in distributive negotiations may impact trust, but critically, whether this depends on key characteristics of the first offer maker (i.e., their group membership) as well as key characteristics of the offer receiver (i.e., their gender group).

1.3 Boundary conditions and mechanisms underlying the first offer effect

Prior research has explored various aspects and boundary conditions of the first offer effect, i.e., conditions and potential moderators that explain when first offers are more or less effective in shaping negotiation outcomes, and with what consequences (e.g., Cotter and Henley, 2009; Gunia et al., 2013; Kim and Park, 2017; Liebert et al., 1968; Ma, 2007; Orr and Guthrie, 2005; Sterbenz and Phillips, 2001; Weingart et al., 1990). For example, researchers have examined determinants such as goal setting and aspirations (Larrick et al., 2009), alternatives (Schaerer et al., 2015), and power (Magee et al., 2007). First offer effects and consequences have also been found to be dependent on type and feature of the first offer presented. Some authors thus examined for example the potential information and meaning that a first offer entailed, studying for example the consequences of making (multiple) simultaneous first offers (e.g., Chatterjee and Lilien, 1984; Leonardelli et al., 2019), or precision of the first offer (Mason et al., 2013). Mason et al. (2013), for example, found that precise first offers were more powerful than standard round offers, making offer receivers adjust less away from the first offer when giving their counteroffers and in reaching final settlements. This was deemed to be due to first offer proposers being perceived as more informed about the price and more prepared for the negotiation. Similar findings were obtained by Loschelder et al. (2014). Other research by Ames and Mason (2015) examined tandem first offers (an offer with a range of numeric value rather than a single point value) and its effect on counteroffer, estimated

final settlement, impasse, and impressions of the counterpart in both price and salary negotiations. The paper started with an experiment where participants were randomly assigned to one of four conditions (one with a point offer and three with different types of tandem offers). Participants acted as the buyer and had to respond to the first offer from the seller in a price negotiation about catering services. Results provided support to the first offer advantage, which indicated that tandem first offers could lead the first offer maker to better final settlements. In the second study, the authors tried to test the same effect with different scenarios and roles. This second experiment replicated the findings of the first study with a significant effect of the tandem first offer on counteroffers and marginally significant effects on final settlements, regardless of negotiation scenarios and roles. The subsequent experiments in the paper adopted different scenarios and tested different types of tandem offer. The results consistently supported the first offer effect. Relatedly, Bhatia and Gunia (2018) explored the usage of a phantom first offer (i.e., a fake and aggressive number) together with a real and moderate offer, and showed that offer makers giving a phantom offer received more favorable counteroffers and final agreements, thereby claiming better individual outcomes. Yet other research by Weingart et al. (1990) and Cotter and Henley (2009), respectively, explored whether a particular negotiation role impacted the first offer effect, such as whether being in a buyer vs. seller role in a negotiation impacted the first offer effect. Weingart et al. (1990) found that the effect of first offer did indeed differ according to whether negotiators were in

a buyer or seller role. When sellers made the first offers, their final outcomes were positively correlated with their first offers. However, in the case that the buyers moved first, the relationship between the initial offer and final outcome followed an inverted U shape, suggesting the pattern that buyers' outcomes first increased, reached its peak when the first offer was at the value of 4000 points, and then declined as the first offer increased again. Cotter and Henley (2009) on the other hand revealed that buyers enjoyed a better outcome when they were the ones initiating the first offer.

Over and above these various boundary condition, one key boundary condition that has received particular attention in past research concerns the anchor extremity, or magnitude, of the first offer.

1.3.1 Anchor extremity as boundary condition of first offers

Early research on first offers by Chertkoff and Conley (1967) has found that relatively larger initial offers can lead to better negotiation results. Chertkoff and Conley studied the effect of extreme versus moderate first offers on the final price in car sale negotiations. The study design featured a confederate that started negotiations with either extreme (\$2,000; which was \$1000 above the market price) or moderate (\$1,500; which was \$500 above the market price) first offers. Results on the final deal of the negotiation indicated that extreme offers led to unfavorable counteroffers and lower negotiation outcomes for the first offer receiver compared to more moderate first offers. Therefore, it produced more favorable negotiation results for the first offer makers making more extreme first offers. Liebert et al. (1968) conducted another negotiation concerning car sales in which participants were paired with a confederate and were assigned the role of seller. Participants began the negotiation with the first bidding from the confederate with either an extreme offer of \$2,515 or a moderate offer of \$3,050. The paper replicated the findings of Chertkoff and Conley (1967) and showed that extreme first bids led to better negotiation outcomes for the one who initiated the offer. Furthermore, the authors also considered the role of information availability and found that when sellers had information about the cost of the car (\$3,500), buyers' first offer advantages diminished, compared to when sellers had no idea about how much the car cost. They explained that when there was no information about how much to bargain participants were greatly swayed by the first proposed

number in their negotiation behaviors and finished the negotiation with a worse economic outcome.

In addition to demonstrating its powerful effect, some work has also examined the extremity of initial offers and its interplay with concessions during the negotiation (Benton et al., 1972; Yukl, 1974). Using a car sale bargaining, Yukl (1974) tested the effect of first offer extremity (soft vs. moderate vs. hard) and magnitude of concessions (small vs. large) on the final settlement of the car price. Participants were instructed to be the seller and the cost of the car was \$2,500. The buyer initiated the first proposed price with \$2,800 (soft), \$2,600 (moderate) or \$2,300 (hard) and the negotiation started from there. The authors found that participants (all in the seller role) ended the negotiation with the least favorable economic results when they received the hard first offer compared to a soft or moderate first offer. Also, the paper revealed that the counterpart (buyer) in the negotiation achieved the best final deal when they made small concessions than big concessions, leaving a tougher impression on participants. In Benton et al. (1972), participants were randomly assigned to concession schedules: started with an extreme first offer and maintained it through the negotiation, started with a moderate first offer and persisted it, or started with an extreme offer but reduced it in the process if the counterpart did not accept the offer in the context of money allocations. The finding showed that in the condition in which participants began with extreme opening offers but gradually adjusted them according to the negotiation dynamics worked the best in terms of achieving the economic gains,

experiencing higher level of satisfaction and feeling more responsible for the negotiation.

Other scholars investigated how first offer extremity intersected with other first offer features (Bhatia and Gunia, 2018; Leonardelli et al., 2019; Loschelder et al., 2014). Aforementioned study by Loschelder et al. (2014) explored the interplay of first offer extremity and first offer numeric precision. In the first study, the authors manipulated the first offer on both extremity (strong/high vs. moderate/low) and precision (round number vs. moderately precise number vs. highly precise number) in an email negotiation. Results indicated that compared to a moderate offer, strong or extreme first offers resulted in more favorable counteroffers (less adjusted from the first offer) and final agreements for the first offer proposer. Furthermore, the more precise the initial offer was the more favorable counteroffers and final deal the first offer maker achieved. In the second study, the authors simplified the precision conditions into just round vs. precise (the moderately precise condition as study 1) and successfully replicated the findings in the counteroffer adjustment and final price.

In Bhatia and Gunia (2018), the researchers looked at the interplay of first offer extremity and phantom first offers in one of their studies. They manipulated the first offer extremity (moderate vs. extreme) and phantom offer presence (yes vs. no) in an online car sale negotiation. Both first offer extremity and phantom presence were found to be significant predictors on the magnitude of counteroffer, with participants receiving more advantageous counteroffers when the first offer

was an extreme value with the presence of phantom offer. The authors also explored relational outcomes of perception of first offer maker's benevolence and manipulateness. Results indicated that both factors significantly predicted perception of manipulateness but only first offer extremity remained significant on the perception of benevolence. And Leonardelli et al. (2019) investigated how multiple equivalent simultaneous offers (MESOs) and first offer extremity interacted in one of their experiments. The design entailed type of first offer (MESOs vs. single offer) and extremity of first offer (extreme: 86% of maximum gain first offer maker could achieve vs. moderate: 56% of the maximum gain) for a job contract negotiation over three issues between a soccer club owner and a soccer player, with participants acting as the owner and responding to the first offers from the player. The authors found an interaction effect of the offer type and offer extremity: when the first offer was moderate, MESOs and single offers did not yield any significant difference but MESOs led to more favorable counteroffers for the first offer maker compared to single offer when first offer was extreme.

Why and when is anchor extremity able to generate advantages for first offer makers? There are two potential reasons that explain its effectiveness (Lee et al., 2018). First, people tend to generate information that aligns with the initial offer they are presented with (Mussweiler and Strack, 2000; Strack and Mussweiler, 1997). Therefore, when faced with a more extreme or ambitious value, negotiators have the propensity to generate all the information that supports

the extreme value, which ultimately benefits the party who proposes the initial offer with a more advantageous outcome. Second, individuals take some time to gradually deviate from the first offer when forming their response, particularly if the first offer was self-generated (Epley and Gilovich, 2001). The greater extremity of the initial offer, the more adjustment is required, yet it is highly likely that this adjustment will not suffice. As a consequence, extreme first offers tend to yield more extreme final estimates, which is favorable to the first offer maker but not the first offer recipient.

However, despite the merits that making a more extreme first offer in a negotiation may bring, some scholars argued that they should be treated with caution. Overly aggressive first offers may lead to negative results in a negotiation and even yield an impasse in negotiation (Lee et al., 2018; Schweinsberg et al., 2012). Schweinsberg et al. (2012) thus found that extreme first offers can backfire and result in unfavorable outcomes, including negotiation impasses. In their first study, the authors asked participants to be renters in a price negotiation with a landlord and told them they had the alternative to not agree on anything and negotiate with another landlord. Participants were randomly assigned to negotiate with a landlord with an overly extreme first offer (£280/week, two times of the market reference) or a moderate first offer (£140/week), whereas they were informed that the average market price for rooms in similar condition was £85-140/week. The researchers discovered that participants who were presented with extreme initial offers, as opposed to moderate ones, were more inclined to

terminate the negotiation due to the feeling of being offended by the first offer maker. In the next study, participants were instructed to negotiate the rent price of an office building in the context of the Singaporean market. The market average price for a week was said to be between \$34,000 and \$56,000, and the first offer from the landlord was either moderate (\$58,000/week) or extreme (\$112,000/week, two times of the market price). Again, the results were consistent with what was found in the first study: more participants walked away from the negotiation when they were offered a very extreme price, compared to when they received a moderate offer. Likewise, Lee et al. (2018) found that extreme first offers resulted in more participants not wanting to enter the negotiation in one of their studies about negotiation of rental prices in the US context. Also, the authors claimed this unwillingness to negotiate was due to participants feeling more offended in the extreme offer condition.

Another aspect that determines the impact of the extremity of the first offer concerns critical information that is available to the person receiving a more or less extreme first offer. While a first offer on the negotiation table provides negotiators with an important piece of information to negotiators, its relevance and potential utility depends on other information that is available to negotiators concerning the magnitude and extremity of the first offer. Specifically, a reference point (e.g., a market benchmark) and/or a negotiator's reservation price (i.e., the respective maximum or minimum value negotiators are willing to agree) is a key piece of information that can be gained before or during the negotiation and that

can potentially impact how negotiators perceive the first offer and the extremity thereof.

Kahneman (1992) suggested two mechanisms to explain how individuals perceive and utilize reference points in negotiation. On the one hand, Kahneman claimed that negotiators in general exhibit asymmetric sensitivity to gains and losses compared to a reference point in negotiation. Specifically, negotiators are more sensitive to losses than to equivalent gains. On the other hand, building on asymmetric sensitivity, Kahneman proposed the idea of loss aversion, which describes negotiators' strong preference for avoiding losses compared to achieving equivalent gains after they compare with a reference point.

Kahneman's work indicates that people use reference points as benchmarks to evaluate whether they have gained or lost in the negotiation and people are more sensitive and concerned with losses rather than gains.

Kristensen and Gärling (1997) examined the interplay of first offers and reservation prices in the context of price negotiations. In their work participants were instructed to perform as buyers in a dyadic negotiation to negotiate the price of condominiums with a seller. Participants (buyers) were randomly assigned to negotiate with a seller whose first offer was higher or lower than their reservation price. In other words, when sellers' first offers were higher than the buyers' reservation price buyers perceived the first offer as a loss; whereas when sellers' first offer was lower than buyers' reservation prices the buyer considered the first offer as a gain. The authors found that participants made a larger counteroffer

adjustment from the first offer when they perceived the first offer as a loss than a gain, which supports Kahneman's (1992) arguments about loss sensitivity and loss aversion. Additionally, results indicated that participants had a higher level of satisfaction about the negotiation process when their reservation price was higher (perceived as a gain for the participants) than the initial offer compared to lower than the first offer (perceived as loss for participants). In their follow-up study, Kristensen and Gärling substituted the reservation price with an estimation of market price but replicated their finding on counteroffer adjustment and negotiation satisfaction (Kristensen and Gärling, 2000).

Other papers included negotiators' aspiration price in their analysis (i.e., the ideal value a negotiator would like to agree on), in addition to reservation prices and market prices. White et al. (1994) for example compared three reference points: aspiration price, reservation price, and market price in two studies and their effects in predicting negotiation outcomes. The authors demonstrated that only reservation price significantly predicted the variances in the negotiation outcomes. And Van Pouck and Buelens (2002) evaluated the aspiration price and reservation price, and the first offer in the price negotiation, showing that the first offer was found to be the most effective indicator of negotiation results. In their analysis, the authors also proposed a concept which they named as offer zone, which was the absolute difference between a first offer and aspiration price. They discovered that for buyers, a lower first offer corresponded to a broader offer zone, resulting in a more favorable outcome in a

negotiation, while for sellers a higher first offer led to a bigger offer zone and more advantageous negotiation outcomes.

In a similar vein research has found that knowledge, expertise, and preparation (such as counterfactual thinking and argument preparation) can mitigate first offer anchoring effects. Both Liebert et al. (1968) and Kim and Park (2017) examined the role of information. Liebert et al. (1968) found that when negotiators had information about the bargaining range (i.e., the Zone of Possible Agreement (ZOPA)) their final deal was not influenced by the first offer from their counterpart, whereas negotiators' final agreements were anchored by the opponent's first offer when they had no idea about the ZOPA in the negotiation. Further, Kim and Park (2017) suggested that whether the first offer served as an anchor for the negotiation outcome depended on the conversation held before initiating the first offer. First offers persisted to perform as a strong anchor when the conversation revealed private information that was unknown.

Related work by Maaravi and Levy (2017) discovered that individuals who do not have previous knowledge about how to negotiate prefer to wait and not propose the first offer, whereas trained individuals have a preference to move first in the negotiation. Further, Mannix and Inness (1993) studied the effect of argument perspective and timing of making an initial offer on negotiation outcomes (joint outcome, outcome satisfaction, outcome fairness) and revealed in their results that when negotiators prepared their argument in the perspective of the opponent, first offer effectiveness decreased in the delay offer condition in

which participants were asked to discuss other issues first for 20 minutes before negotiating the settlement). Moreover, Galinsky et al. (2002) measured transaction satisfaction and the propensity to make a first offer in future negotiation as their outcome variables and found in one of their experiments that negotiators who engage in counterfactual thinking (as a way to prepare for the negotiation) impacted the likelihood of making a first offer in a subsequent negotiation. In a meta-analysis by Orr and Guthrie (2005), the authors reached the conclusion that professional expertise is a key predictor affecting the link between the first offer and the associated negotiation outcome, to the extent that the more expertise people have the less likely they will be to be influenced by the first offer.

And considering the timing of first offers, Sterbenz and Phillips (2001) uncovered that random delays in time limited the time negotiators could use for negotiation and thus the party who made the first offer benefited from the pressure of reaching an agreement with the limited time. In a similar vein, Sinaceur et al. (2013) demonstrated that making a late first offer (15 minutes after the start of the negotiation) resulted in agreements with more creative solutions and disclosure of underlying interests, compared to an early first offer.

As becomes evident, there is a large body of research that has examined various features surrounding the first offers, and specifically with regard to the extremity of the first offer. Considerably less attention however has been devoted

to characteristics surrounding the first offer maker in and of itself, such as individual-level or group-level characteristics surrounding the person making the first offer that may impact negotiators' responses to the first offer. Some prior research has considered contextual and cultural differences. Different from prior research, which was heavily based on western samples, Gunia et al. (2013) and Ma (2007) thus investigated boundary conditions surrounding culture. Using samples from Thailand, Gunia et al. (2013) examined the first offer effect in final settlement and uncovered that individuals in the east were similarly influenced by the robust first offer effect previously obtained in Western samples, such that the party proposing the initial offer ended up with more favorable outcomes for themselves. Similarly, Ma (2007) confirmed that first offers were positively correlated with individual outcomes not only in the Canadian but also in the Chinese context.

However, there is one additional potential boundary condition that remains relatively understudied, and that is whether first offer effects are dependent on group membership, and, specifically, whether first offer effects are subject to intergroup biases. In other words, is the effectiveness of a first offer not only dependent on key features of the offer itself (such as the extremity of the first offer) but also on the person issuing the first offers? Specifically, do negotiators perceive first offers provided by members of their own social identity group differently to offers provided by a counterpart belonging to a different social identity group? And is there a bias in first offer effects, i.e., do negotiators favor

members of their own social group? Finally, do negotiators respond differently to first offers due to their group membership, and specifically, is there a gender difference in how males and females respond to first offers?

1.3.2 Group membership and intergroup bias as boundary conditions in first offers

Negotiation is a process in which two or more parties communicate, exchange information and make decisions in order to reach an agreement. It entails not only the exchange of tangible offers and subsequent concessions but also a complex set of social interactions. Bazerman et al. (2001) highlighted the importance of examining social perception, the social identities held by the negotiating parties, and the intergroup dynamics in the context of a negotiation. The authors emphasized that individuals in negotiations frequently depend on social perception processes to gauge the motivations and behaviors of their negotiation partners. The importance of comprehending the perspective of social perception should not be overlooked because it can significantly influence how negotiators interact and negotiate with each other. Also, the authors pointed out that negotiators might be swayed by various heuristics and biases in their social perceptions. In a similar vein, Jeong et al. (2020) discussed the role of social perception in negotiation and highlighted the challenge negotiators may encounter discerning the underlying interests and intentions of their counterparts. The authors also mentioned that negotiators may be biased in their social perceptions and recognizing the obstacles associated with social perception enables individuals to better evaluate the negotiation flow, context, and progress toward more advantageous negotiation outcomes.

One key social perception bias that can affect negotiation is that of intergroup bias, i.e., the tendency to favor members of one's own group over those of another group (see e.g., Hewstone et al., 2002 for a review). Why do people hold intergroup biases and why does this matter for negotiation? We all belong to many different groups: Age, gender, language, nationality, race, religion, and sexual orientation, to name just a few. Belonging to different categories and holding different identities can have an impact on our self-perception and how we are perceived by others (Josselson and Harway, 2012). Identity is important because it not only matters for social interactions (Nezlek and Smith, 2005), but also impacts professional settings (Hogg, 2005; Ibarra et al., 2010). According to social identity theory (Hogg, 2016; Holck and Villesèche, 2024; Tajfel, 1978; Tajfel and Turner, 1979) and self-categorization theory (Turner et al., 1987), individuals tend to categorize themselves into different social categories cognitively and associate themselves with social groups, in part, to seek positive distinctiveness and enhancement of self-esteem, amongst other potential motivations.

However, we do not automatically identify ourselves as members of all the social groups we belong to at the same time. Self-categorization theory (Turner et al., 1987) suggests that the salience of self-categorization hinges on cognitive accessibility, normative fit and comparative fit of the categorization. First, cognitive accessibility denotes how easily individuals come across the categorization in their mind and use the categorization in the social context that

they are surrounded by. The social categorizations that we have been exposed throughout our lives (e.g., age, race, gender, etc.) are claimed to be more available and attainable than those that are not so obvious (e.g., preference for cars) (Fiske, 1998). Second, normative fit concerns the degree to which categorizations are meaningful to the individuals' beliefs, assumptions, interpretation, and expectations of the social context. For instance, people are more likely to apply racial categorizations if they have stronger racial stereotypes and prejudices (Stangor et al., 1992). Last, comparative fit describes the degree to which social categorization reveals similarities within the same category and differences across categories. If we take a multinational team as an example, categorization based on nationality in teams with only two nationalities might be easier and more salient, compared to teams that are composed of many different nationalities (Earley and Mosakowski, 2000). Taken together, the higher degree of cognitive accessibility, normative fit and comparative fit, the more salient the categorization is (Turner et al., 1987). In principle, all three factors need to be present and interact to demonstrate the salience of the categorization (Turner et al., 1987), but only two-way interactions have been supported with empirical evidence so far (van Knippenberg and Dijksterhuis, 2000).

Individuals not only categorize themselves into social groups, but also socially identify with these groups, i.e., they perceive the social groups they belong to as important, as providing meaning to their life, and feel a sense of belonging to other group members (e.g., Ashmore et al., 2001). In addition,

individuals distinguish a group they belong to (the “ingroup”) from other groups (the “outgroup”). If the salience of ingroup (“us”) and outgroup (“they”) membership increases to a certain degree, members of the group are apt to maintain the positivity and distinctiveness of their group identity (Brewer, 1991; Hogg and Abrams, 1988). When the group identity is challenged or threatened, for example, in situations of unequal status among subgroups (Gaertner and Dovidio, 2000) or subtle competition for group status (Brewer and Brown, 1998), this can lead to group accentuation (i.e., emphasizing the differences between groups and weakening the differences within the same group). This can lead to ingroup favoritism (i.e., favoring members from the same group affectively over those from other groups) and trigger intergroup bias (Al Ramiah et al., 2011; Schmid, 2017; van Knippenberg et al., 2004).

In the domain of intergroup relations and intergroup conflict, extensive research has been done to examine ingroup biases. For example, in the context of charity donations several papers uncovered that social identity or the social group people identified with affected the individual behavior of charitable giving such that individuals had the propensity to donate more to ingroup members than to outgroup members (Chapman et al., 2024; Henninger et al., 2024; Hysenbelli et al., 2013; James and Zagefka, 2017; Reich et al., 2022). In other intergroup relations context, it was found that individuals were less likely to accept the help offered by an outgroup member than an ingroup member (Borinca et al., 2021). And Stenstrom et al. (2008) discovered that the more people identified themselves

with their ingroup the more likely they were to engage in intergroup retribution.

In another realm of intergroup conflict, Halevy et al. (2008) investigated ingroup biases in an intergroup paradigm of the prisoner's dilemma game, in which participants had to allocate the endowment to different players. Results indicated that people prioritized maximizing ingroup benefits rather than engaging in competition with the outgroup for comparative advantages. Nevertheless, if enhancing ingroup advantages required disadvantaging the outgroup, people did choose to compete with their outgroup.

In negotiation, ingroup biases may also critically influence how negotiators perceive and interact with their counterparts based on shared group membership. It is common to negotiate with individuals who belong to another group than one's own, such as negotiating with someone from a different team, or company. Many negotiations also happen in a global context, thereby involving negotiations between members of different national, racial, ethnic, or ethno-religious groups. And negotiations between different gender groups arguably constitute one of the most common types of intergroup negotiations individuals may engage in. Despite this fact, only few studies have systematically examined whether intergroup biases affect negotiation outcomes, and only a handful have examined this in the context of first offers. Glac et al. (2014) for example studied the interpersonal dynamics of lying in negotiation, particularly investigating how negotiators behaved when facing a member from the same group compared to a member who did not belong to their group. Participants first negotiated with someone from

either their own sports group (i.e., the ingroup) and then someone from another group (i.e., the outgroup). Participants were instructed to split six dollars between them and their counterpart (either an ingroup or an outgroup) and also indicate their offer size and the overall amount of allocation on an offer sheet. If the overall allocation amount on the offer sheet did not match with six dollars then it was considered that the participants had issued a lie. The extent of lying was measured by the difference between the amount of allocation on the offer sheet and six dollars. The authors found that negotiators deceived outgroup counterparts belonging to the sports team of another university more than they did the ingroup counterpart from the sports team of the same university. Moore et al. (1999) focused on understanding how group affiliations and mutual self-disclosure influenced the results in negotiations conducted via email. The finding indicated that negotiators had a higher chance of finishing the negotiation with an impasse when negotiating with an outgroup counterpart from a competitor university compared to negotiating with an ingroup counterpart from the same university.

In addition, a small but growing body of research has looked into two key intergroup settings, pertaining to gender on the one hand (Ayres and Siegelman, 1995; Dittrich et al., 2014; Pardal et al., 2020), and race or ethnic group membership on the other (Ayres and Siegelman, 1995; Hernandez et al., 2019; Kubota et al., 2013). It is these two categories that are also of particular focus in this thesis.

1.3.2.1 Gender and racial biases in negotiation

A small but growing body of literature has started to look into intergroup biases surrounding specific categories such as gender or race that may affect the negotiation process and outcomes. In other words, this research explored whether negotiation outcomes may differ between members of different groups due to how people are perceived in terms of their group membership.

In the context of gender bias, some research has investigated gender bias, and specifically how men and women are perceived and treated differently at the negotiation table. Ayres and Siegelman (1995) conducted a field study concerning more than 300 price negotiations in Chicago car dealers, controlling for participant age, education, and attractiveness. It revealed that White females were requested to pay significantly higher prices for a car compared to males. This gender discrimination finding was robust, and the extent of discrimination was significant enough that it could not plausibly be attributed to remaining inconsistencies between the participant groups.

In addition to the direct discrimination in terms of payment, another subtle form of discrimination arises when negotiators are treated disparately solely based on their look or appearance. Gladstone and O'Connor (2014) examined the impact of facial femininity of prospective negotiators on preference of a counterpart. Their findings from two studies revealed that the facial femininity of the negotiation partner resulted in presumptions about their propensity for cooperation. These assumptions then significantly influenced the selection of

negotiation counterparts and the interaction with the counterparts in negotiation. Irrespective of gender of the counterpart, negotiators tended to favor interacting with individuals who possessed more feminine facial characteristics, since negotiators assumed that they could extract greater concessions from those who were perceived as more cooperative. However, when these negotiators were asked to choose an agent to negotiate on their behalf, they conversely chose those agents with the most masculine facial features.

Pardal et al. (2020) investigated another subtle form of gender discrimination at the negotiation table – implicit gender stereotypes, together with explicit gender stereotypes. The authors conducted a two-stage study to test whether female negotiators' outcomes could be anticipated based on implicit and explicit gender stereotypes held by their negotiation partners and whether these effects were influenced by the gender of the counterpart and the role and power of negotiator. In a two-stage study, participants first completed an implicit association test about gender and personal traits. In the second phase, participants were grouped into dyads and completed a start-up package negotiation for a managerial job. The study discovered that the gender of the counterpart significantly predicted the performance of females, with male counterparts' stereotypes negatively impacting females' performance (but not those from female counterparts). Furthermore, power or negotiator role was found to moderate the effect of implicit and explicit stereotypes on women's negotiation outcomes. When male candidates negotiated with female recruiters, the implicit

and explicit gender stereotypes of male candidates interactively predicted what results female recruiters would achieve in the negotiation. Conversely, when roles were switched, with males being recruiters and females being job candidates, only male recruiters' implicit gender stereotype predicted female candidates' negotiation outcomes.

A study that is specifically relevant for first offer effects in negotiation, by Dittrich et al. (2014), tested the gender effect in negotiation behaviors and outcomes in the salary negotiation context. The authors found that females in general finished the negotiation with lower wages compared to males. They suggested that this was potentially due to the first offers made by the male and female recruiters. In the experiments, participants were randomly allocated into the role of either recruiter or candidate. During two rounds of negotiations, participants were randomly matched with another person of the opposite role and the right to propose the first offer was switched or alternated between the two rounds. When recruiters initiated the offer, male recruiters tended to give a higher first offer to male candidates than to female candidates. This observation hinted at potential salary discrimination, since it suggested that the gender of a negotiation counterpart influences first offers issued at the early stage of negotiation. Conversely, there was no clear pattern of systematic discrimination in the first offers made by female recruiters.

In the context of race or ethnicity, some researchers have also begun to examine racial bias during negotiations. An early study by Ayres and Siegelman

(1995) examined the intersection between gender and race discrimination in the US context. The study exposed a significant disparity in pricing practices, wherein car dealers made quotations with notably lower prices to White male customers compared to Black male or female customers, despite the fact that all participants in the experiment were instructed to use the same scripted negotiation tactics. Specifically, Black male customers were quoted with a price with a markup two times more than the one presented to the White male customers. Black female customers encountered the most pronounced discrimination, being requested to pay over three times as high as what was asked to White male customers. Oore et al. (2013) researched ingroup bias based on race or ethnicity and how it affected negotiation performance. White participants were randomly assigned to negotiate with either a White or Black counterpart in the context of computer-based negotiations involving five issues between a recruiting manager and a candidate. It was discovered that when racial identity was salient, White individuals negotiated better and ended up with more favorable joint gains with the ingroup White negotiator than with the outgroup Black negotiator, especially when they shared a higher level of ingroup identification and bonding with the White counterpart.

In the context of salary negotiations, Hernandez et al. (2019) examined the role of race with a particular focus of depicting the experience of Black negotiators in the US. The authors examined the effect of racial identity on the negotiation process and outcomes. The results from three experiments revealed

that White participants expected Black candidates to be less likely to negotiate their salary than White candidates. Moreover, they found that if Black candidates defied this expectation they would end up with a lower salary, particularly evident when participants exhibited higher levels of racial bias. These findings suggested that when Black negotiators deviated from stereotypical behaviors they would be confronted with more losses in their negotiation outcomes from individuals with stronger biases.

Relevant for the first offer effect, Kubota et al. (2013) investigated racial bias in the context of an ultimatum game, where participants could choose to either take or leave an initial proposed offer about how to split their payouts. Participants first engaged in the ultimatum game with either a White male, a Black male or a male with another racial identity, and then completed an implicit racial bias test. The authors found that negotiators were more inclined to accept first offers, which were also lower offers, from White offer proposers as opposed to Black offer proposers. Moreover, this tendency of sacrificing their own financial interests was more pronounced among negotiators who exhibited higher scores on the implicit racial bias test. This finding suggested that individuals engaged in discriminatory negotiation behaviors against Black people even at their own cost.

While the above research provided some initial insights into how ingroup biases work in the domain of the first offer effect, there remains a need for systematic examination thereof, to examine whether the first offer effect is

affected by intergroup biases. In other words, do negotiators respond differently to first offer if they are provided by fellow ingroup members (i.e., members of the same gender, ethnic, ethno-religious group as their own) as opposed to outgroup members? Specifically, do ingroup biases affect how negotiators respond to first offers and how does this influence economic outcomes, such as counteroffers and final agreements, as well as relational and subjective outcomes, such as the extent to which negotiators perceive their counterpart as trustworthy, or how willing they would be to engage in future negotiations with the counterpart.

1.3.2.2 Trust and intergroup negotiation

As mentioned earlier, scholars have acknowledged the fundamental importance of trust in negotiation (Kong et al., 2014; Thompson, 1998). Drawing from the early literature of social identity theory and social categorization, it was noted that people tend to favor their ingroup member over their outgroup member (Brewer and Brown, 1998), a phenomenon that also extends to trust. Individuals typically exhibit more trust towards their ingroup than the outgroup, and a multitude of studies has examined the phenomenon of intergroup trust (e.g., Schmid et al., 2014; Song, 2009; Tam et al., 2009). For instance, research has shown that when individuals were divided into two separate groups, they tended to perceive the outgroup as less cooperative, honest, and trustworthy in comparison to their own group members (Brewer, 1979). Analyzing Swiss Army field data, Gotte and colleagues (2006) found that candidates exhibited increased cooperation in the prisoner's dilemma game when interacting with a member of their own platoon as opposed to someone from a different group. In two of their experiments, Glaeser et al. (2000) discovered that when participants were matched with individuals from different racial or national backgrounds, the level of trust and trustworthiness decreased compared to when paired with members of their own racial or national ingroup. Similarly, Harinck and Ellemers (2006) discovered that participants showed greater trust towards members of their own group and showed increased willingness to share information with a negotiation partner who disclosed their self-interest. Furthermore, Kleef et al. (2007) argued

that the typicality of a representative would affect their conduct in intergroup negotiations. Specifically, it was suggested that representatives occupying a less central role within their own group would be particularly inclined to exhibit strategic behaviors aimed at demonstrating their loyalty to their own group. However, as highlighted by Kramer and Carnevale (2001), within the intergroup negotiation context, trust has received surprisingly little attention. In particular, there is a lack of systematic studies of how first offers interplay with intergroup biases, and how this affects trust and economic outcomes, in turn. This gap in knowledge motivated me to investigate the impact of trust in the intergroup negotiation context. Do individuals trust a first offer maker more if they belong to an ingroup as opposed to an outgroup in a distributive negotiation? And does this potential difference influence economic outcomes in the negotiation?

1.4 Gender differences in negotiation

Up until now, aforementioned research on first offer effects in distributive negotiations has been reviewed focusing on features and boundary conditions concerning the first offer itself, or the first offer maker, without paying consideration to potential individual differences and characteristics concerning the offer receiver. One specific difference that has received considerable attention in prior negotiation research is that of gender. Indeed, gender differences in negotiation is one of the most extensively studied streams in negotiation research - albeit not in the context of work on first offers. The prominence of attention to gender in negotiation stems from the need to understand negotiation disparities that may perpetuate inequalities between genders in both the organizational context and broader social context (Bowles and McGinn, 2008), as well as societal expectations towards males and females. The literature of gender difference can be categorized into three groups in order, that in combination help us form a comprehensive understanding of gender differences in negotiation: the initiation of negotiation, the behaviors negotiators exhibit during a negotiation, and the outcomes of the negotiation.

1.4.1 Gender differences in initiation of negotiation

Negotiations commence with the choice to engage in them. Individuals typically have to make the decision whether to start a negotiation voluntarily (or refrain from doing so), or alternatively, they may be directed to do so if another party initiates a negotiation. In a series of laboratory studies Small et al. (2007) discovered that men were more likely to initiate negotiations than women. In the first study, participants were asked to complete a word game on their own. After finishing a confederate would offer the payment and ask whether participants were ok with it. In response to the question, the number of male participants who wanted to negotiate for more payment was almost 7 times higher than the number of female participants initiating negotiations. The authors replicated this gender difference effect in the second study when participants were informed that the payment can be negotiated. In the following experiments, potential moderators of the gender effect were explored. Findings showed that male and female negotiators indicated different levels of fears to initiate a negotiation when negotiation was framed as either negotiating or asking things for one's benefits. While males did not show significant difference in terms of the two framings, females indicated significantly less intimidation to start a negotiation when it was framed as asking things for themselves compared to negotiating things for themselves. While Small et al. (2007) examined gender differences in commencing a payment negotiation, Leibbrandt and List (2015) investigated gender differences in the domain of salary negotiations, which is a critical area of

negotiation in both research and real-life contexts. Using large-scale field data of 2500 job candidates, the authors tested whether gender differences in initiating a negotiation were dependent on how the information (the salary is negotiable) was mentioned (explicitly vs. implicitly). The paper uncovered that in situations where there was no clear clue that the salary could be negotiated, male candidates were more likely to negotiate a better salary while female candidates tended to accept the lower salary without negotiating. However, when it was communicated explicitly that the salary was negotiable, the gender difference vanished.

Different from the focus of cue communication in Small et al. (2007) and Leibrandt and List (2015), Ericksson and Sandberg (2012) switched the attention to the counterpart in the negotiation. They found that gender differences in the likelihood to start a negotiation depended on the gender of the negotiation partner. In addition to confirming prior research that men were more likely to start a negotiation than women, the results also indicated that when negotiating with a female counterpart, males were almost two times more likely to initiate a negotiation than females were, whereas when the negotiation partner was a male, there was no statistically significant difference in males' and females' behavior in initiating the negotiation.

With a meta-analysis of 55 effect sizes and over 17,000 participants, Kugler et al. (2018) further verified that in general men were more likely to initiate a negotiation. This gender difference was found to be dependent on factors such as the ambiguity of the situation and the (in)consistency of negotiator role

and the gender role. The gender gap narrowed when there was less ambiguity regarding the appropriateness of the negotiation compared to situations where the ambiguity was higher. Gender differences also decreased when situational cues aligned more closely with the female gender role rather than the male gender role. The authors explained the obtained gender difference using social role theory (Eagly and Karau, 2002) and the perception of gender roles. They argued that because males are generally associated with more agentic traits and females with communal traits and because conforming to gender roles is more beneficial than violating them, male negotiators are socially guided to behave more assertively and dominantly, such as triggering a negotiation rather than waiting for it to happen.

1.4.2 Gender differences in negotiation behaviors

In addition to examining the initiation of negotiation, negotiation scholars have also investigated what happens during the negotiation with regard to how men and women may act differently. Kimmel et al. (1980) studied how gender can impact specific negotiation tactics used and uncovered that male negotiators had more propensity to use competitive negotiation tactics compared to female negotiators. The paper also suggested that this gender gap was dependent on the level of trust and aspiration. When trust between negotiators was at a low level, men tended to apply more competitive tactics compared to women, while the gender difference in behavior diminished when trust was high. This indicated that trust could mitigate gender differences in employing competitive negotiation tactics. Males, who were found to have higher aspiration levels about the negotiation results when compared to females, also utilized competitive tactics more than females did, which suggested that higher levels of aspiration among male negotiators was correlated with a greater tendency to use competitive strategies. Using a sample of managerial professionals, Watson and Hoffman (1996) did not however find evidence to support gender as a significant predictor in explaining differences in negotiation behavior. Both male and female managers were found to negotiate in a more or less similar way. Instead, the authors revealed that power was a more powerful factor in interpreting the behavioral difference, with high power managers negotiating more cooperatively and low power managers exhibiting more competitive behaviors.

Walters et al. (1998) conducted a meta-analysis to explore the gender gap in negotiation behavior through the analysis of sixty-two research projects. The authors discovered that overall males negotiate with more aggressive behaviors and females negotiate more cooperatively across various contexts, but the authors acknowledged that the difference was very small. It was found that the gender difference varied between different experimental paradigm. In scenarios simulating explicit negotiations, female negotiators exhibited lower levels of competitiveness compared to men, whereas in experiments centered on matrix games, gender disparities were non-existent. With the development of e-commerce and digital business, nowadays people negotiate more virtually through online platforms. A more recent study thus compared gender differences between in-person negotiations and virtual negotiations (Stuhlmacher et al., 2007) and discovered that women tend to behave more competitively in the virtual setting (via email, phone or videocall) than in face-to-face negotiations, while men demonstrate the same agentic behaviors in both contexts.

1.4.3 Gender differences in negotiation outcomes

Negotiation outcomes is another area where substantial research has been conducted. In a meta-analysis by Stuhlmacher and Walters (1999), the authors documented 21 studies with more than 3,000 participants and uncovered that men were more likely to gain more favorable negotiation outcomes than women, though the effect size was small. They also explored potential moderators such as gender of the negotiation partner, power, potential for integrative outcomes, mode of communication and publication year of the study but they did not find any significant moderator. 15 years later, Mazei and colleagues (2015) conducted another meta-analysis concerning gender differences in negotiation economic outcomes using 123 effect sizes with over 10,000 participants. The paper revealed a similar finding that male negotiators tend to get better economic outcomes than female negotiators. They further tested potential moderation effects using factors such as negotiation experience, information of negotiation range, role (in)congruity, and negotiating on behalf of self vs. others. Results indicated that the gender gap, which typically favored male negotiators, vanished under several circumstances: when negotiators possessed negotiation experience, had information about the bargaining range, and engaged in the negotiation on behalf of another person. In addition, some studies also studied the gender differences in subjective outcomes. For instance, aforementioned study by Watson and Hoffman (1996) also measured negotiator's satisfaction with their performance using a dyadic negotiation study with a sample of managerial professionals. Results

indicated that female managers felt lower level of satisfaction about what they achieved in the negotiation compared to male managers and high-powered managers reported more satisfaction with the negotiation results than low powered managers.

More recent research on gender differences investigated the factor of culture and revealed that the gender difference found in prior literature was not a universal effect. Shan et al. (2019) conducted a meta-analysis synthesizing 185 negotiation studies from various cultural contexts. The meta-analysis revealed that although men were frequently seen as superior negotiators in the western context, the extent of gender difference fluctuated across diverse cultural settings. In cultural contexts where individualism and assertiveness were not highly evaluated and ingroup collectivism and harmony were valued, there was a trend that female negotiators excelled in negotiations compared to male negotiators. This finding suggested that in cultures where negotiating assertively was downplayed, males might face challenges in their negotiation performance due to constraints posed by culture. Andersen et al. (2018) also explored the potential interaction between gender and culture on gender differences in negotiation outcomes using field data from India in the context of matrilineal society. Interestingly, the authors discovered that in this matrilineal society, females typically achieved better bargaining outcomes compared to males. Possibly influenced by their familiarity with the local market or a higher risk aversion, female negotiators tended to adopt tougher positions in the negotiation and received more favorable negotiation

results. However, male negotiators often demanded more but encountered more rejections, leading to inferior negotiation outcomes. The findings suggested that culture and gender worked together to shape the behaviors and outcomes of negotiation with the example of matrilineal women being empowered to assert higher demands with greater acceptance.

1.4.4 Gender differences and the first offer effect

With respect to first offers in negotiation specifically, research on gender differences is scantier. Some work has explored how men and women differed in making the first offers and what contextual factors influenced the gender difference. Kray et al. (2001) investigated gender stereotype confirmation and reactance in negotiations and measured the opening or first offer in two experiments. In their first study, the authors found that when the negotiation was framed as diagnostic of their capabilities female negotiators tended to initiate the negotiation with a less extreme first offer compared to male negotiators, whereas the gender difference disappeared under the non-diagnostic condition. Study 3 varied the manipulation of gender stereotypes in negotiation and participants read either explicit or implicit information about the gender stereotype, which activated the gender stereotype either subtly or explicitly. Results indicated that in stances of implicit stereotype activation, female negotiators were more likely to propose a less extreme first offer while they initiated a more aggressive first offer and held an edge over male negotiators when the gender stereotype was activated explicitly. This difference in the results further impacted negotiation outcomes, as when an explicit stereotype was activated the first offer and negotiation performance were positively correlated for women but for not men, with the converse effect happening for implicit stereotype activation. Miles (2010) focused on studying at which stage in the negotiation gender differences started to appear and tested the gender effect on level of negotiation aspiration, intended first offer,

actual first offer, counteroffer to the actual first offer, and final settlement. Results revealed that gender impacted the extent to which the actual first offer was followed through from the intended first offer, with females less likely to do so compared to males. In addition, while males' planned first offers were linked to their subsequent counteroffers, no such association was found for females. These two findings related to first offers and counteroffers potentially placed female negotiators at a disadvantageous position at the bargaining table. Using a field study of a Spanish TV show including 428 dyads with either same gender or mixed gender, Hernandez-Arenaz and Iriberry (2018) revealed that it was in the combination where a male proposed the first offer and a female responded to it that males achieved the best economic outcomes. Their analysis further indicated that the main reason why female negotiators ended up with a worse deal when negotiating with male negotiators was not due to the magnitude of the first offer initiated by males, but because females did not claim more value (only) from their male counterparts and thus did not make substantial adjustments away from the first offer provided to them by males in their counteroffers.

Other scholars examined gender differences in the context of power. Hong and van der Wijk (2013) offered additional insights regarding gender difference related to first offers in their investigation about gender and power on negotiation behavior. Contradictory to what was found by Kray et al. (2001), the authors claimed that in general the first offer did not vary by gender but was dependent on the whether the negotiators were primed with possession of power or not. When

female negotiators were exposed to power priming, their initial offers increased, whereas the initial offer of male negotiators did not go up under the same condition. Consequently, this led to females narrowing the disparity with males in terms of outcomes of negotiation. In one study by Toosi et al. (2019), in which White and Asian adults were engaged in a salary scenario negotiation, the authors discovered notable variation in the first offers proposed by White males and White females, with the White females making a lower first offer than White males. Furthermore, the study highlighted a culture distinction, revealing that Asian men tended to present lower first offers than White men.

Despite this handful of studies that examined gender differences related to first offers, there remains a lack of a systemic study in gender differences and first offers. Specifically, systematic work is needed to understand whether males and females respond to first offers differently, and with what consequences for both economic outcomes, such as counteroffers, final agreements, and relational outcomes, such as trust.

1.5 Overview of thesis, research method, and research questions

The current thesis examines the interplay between negotiator gender, intergroup bias and first offer extremity in the first offer effect, to understand how these processes jointly affect for both economic and relational outcomes in distributive negotiations. To date, there exists only sparse evidence on whether negotiators respond differently to first offers in distributive negotiations depending on their gender group, or when the first offer is provided by a fellow ingroup versus an outgroup member, and with what consequences for both economic and relational outcomes. Focusing predominately on gender and negotiations between males and females specifically, but also other intergroup negotiations, this thesis examines, in 13 studies (see Table 1 for an overview of experimental design, scenario, role of first offer maker, variables tested, etc.), whether negotiators respond differently to first offers provided by fellow ingroup members as opposed to comparative outgroup members, and whether there is a difference between males and females. Moreover, this work examines whether these differences pertain under varying levels of extremity of the first offer itself. Importantly, this work examines not only economic outcomes, such as counteroffer and final agreements, but also considers relational outcomes, in particular trust, to examine whether there are gender differences and intergroup biases surrounding the first offer effect.

Table 1 Overview of studies

	Design	Scenario	Offer maker role	Variables tested	Core or extended?
Study 1	Offer maker group (gender IN vs. OUT)	Salary negotiation	Recruiter	Trustworthiness, Counteroffer, Final settlement estimation	Core
Study 2	Offer maker group (gender IN vs. OUT)	Salary negotiation	Candidate	Trustworthiness, Counteroffer, Final settlement estimation	Extend from S1
Study 3	Offer receiver gender × Offer maker group (gender IN vs. OUT)	Salary negotiation	Recruiter	Trustworthiness, Counteroffer, Final settlement estimation	Core, Extend from S1
Study 4	Offer receiver gender × Offer maker group (gender IN vs. OUT)	Real estate sale negotiation	Buyer or Seller	Counteroffer (Counteroffer adj), Final settlement (Final adj)	Extend from S1
Study 5	Offer receiver gender × Offer maker group (university IN vs. OUT)	Salary (part-time) negotiation	Recruiter	Trustworthiness, Counteroffer	Extend from S3
Study 6	Offer receiver gender × Offer maker group (ethnicity IN vs. OUT)	Car sale negotiation	Buyer	Trustworthiness, Counteroffer, Final settlement estimation	Extend from S3
Study 7	Offer receiver gender × Offer maker group (ethnicity IN vs. OUT)	Salary negotiation	Recruiter	Counteroffer, Final settlement estimation	Extend from S3
Study 8	Offer receiver gender × Offer maker group (ethnicity IN vs. OUT)	Salary negotiation	Recruiter	Trustworthiness, Counteroffer, Final settlement estimation	Extend from S3
Study 9	Offer receiver gender × Offer maker group (ethnicity IN vs. OUT)	Car sale negotiation	Buyer	Trustworthiness, Counteroffer, Final settlement estimation	Extend from S3
Study 10	Offer receiver gender × Offer extremity	Smartphone sale negotiation	Buyer	Counteroffer, Final settlement estimation, Trustworthiness, Future negotiation	Partially extend from S3
Study 11	Offer receiver gender × Offer extremity	Smartphone sale negotiation	Buyer	Counteroffer, Final settlement estimation, Trustworthiness, Future negotiation	Partially extend from S3
Study 12	Offer receiver gender × Offer extremity × Offer maker group (gender IN vs. OUT)	Salary negotiation	Recruiter	Counteroffer, Trustworthiness	Extend from S3
Study 13	Offer receiver gender × Offer extremity × Offer maker group (gender IN vs. OUT)	Car sale negotiation	Buyer	Counteroffer, Final settlement estimation, Trustworthiness	Extend from S3

Specifically, based on previously reviewed work, I predict that negotiators who receive a first offer from an ingroup member will make more favorable counteroffers to that ingroup first offer maker and will expect to reach agreements that are more favorable to the fellow ingroup members than to outgroup members (i.e., they will adjust less away from a first offer provided by an ingroup vs. an outgroup member).

H1: Offer receivers in a negotiation will adjust less away in their counteroffers and final agreements from first offers provided by ingroup first offer makers than outgroup first offer makers.

Moreover, this thesis examines whether the relational outcome of trust plays a key role in driving economic outcomes in intergroup negotiations, i.e., I examine whether ingroup members making a first offer receive more favorable counteroffers and final economic outcomes because they are perceived as more trustworthy compared to outgroup members. I will thus examine whether trust mediates the relationship between first offer maker ingroup vs. outgroup membership and economic outcomes. I predict the following:

H2: Offer receivers in a negotiation will perceive an ingroup first offer makers as more trustworthy than an outgroup first offer maker. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs.

outgroup first offer makers. First offer maker ingroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

Further, this thesis examines whether there are gender differences in how males and females respond to first offers, i.e., whether males and females in the offer receiver position in a negotiation respond differently to first offers. Drawing upon prior literature about gender differences in negotiation behaviors and outcomes, my prediction in the context of first offers will be similar, such that I expect that male negotiators will make more ambitious or aggressive responses to first offers than female negotiators.

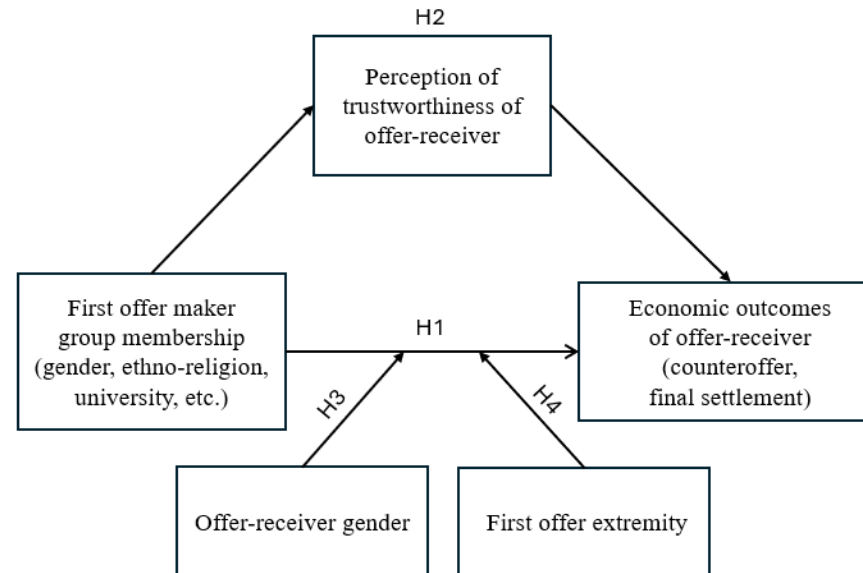
H3: Male offer receivers will adjust less away from first offers than female offer receivers, resulting in more favorable counteroffers and final agreements for themselves.

In addition, this thesis examines what role the extremity of the first offer plays in these dynamics. First, in line with prior work, I expect that:

H4: Offer receivers in a negotiation will adjust more away in their counteroffers and final agreements from extreme first offers than moderate first offers.

Please see Figure 1 for an overview of the research framework and summary of hypotheses.

Figure 1 Theoretical framework and hypotheses



H1: Offer receivers in a negotiation will adjust less away in their counteroffers and final agreements from first offers provided by ingroup first offer makers than outgroup first offer makers.

H2: Offer receivers in a negotiation will perceive an ingroup first offer makers as more trustworthy than an outgroup first offer maker. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs. outgroup first offer makers. First offer maker ingroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

H3: Male offer receivers will adjust less away from first offers than female offer receivers, resulting in more favorable counteroffers and final agreements for themselves.

H4: Offer receivers in a negotiation will adjust more away in their counteroffers and final agreements from extreme first offers than moderate first offers.

Moreover, I will examine whether there are gender differences in how negotiators respond to relatively more or less extreme first offers. Given the lack of prior work in this area I examine these potential differences in a more exploratory manner without making specific predictions on the interaction between gender and offer extremity. I will also examine, again in a more exploratory manner (given the lack of prior work in this area), whether male and female negotiators respond differently to extreme vs. moderate first offers provided by fellow ingroup vs. comparative outgroup first offer makers (thereby testing the possibility of a three-way interaction).

Research method

This thesis explores the interaction between first offer maker gender, intergroup bias, and the extremity of first offers, aiming to understand how these factors together influence both economic and relational outcomes in distributive negotiations. The method of controlled experiment offers precise control over variables, allowing me to establish clear cause-and-effect relationships among the variables in my research. Furthermore, the replicability of experiments ensures the reliability of findings and enhances the credibility of results. Therefore, I conducted the experiments via online platform and at the Esade Decision Lab. Specifically, the studies that were done at the Decision Lab benefited from the controlled environment of the laboratory with minimum distraction during the

experiment, thus leading to better data quality. However, the controlled experiments are perfect. The negotiation scenarios I adopted in most of the studies may create artificial settings that do not reflect real-world dynamics completely. Participants may perceive the scenarios less engaging and feel less motivated to finish the experiment.

In the domain of management research, there are also other quantitative method such as secondary data analysis and qualitative methods such as interview, ethnography, etc. First, while experimental research allows me to directly manipulate and control the variables and enables me to establish causality, secondary data analysis relies on pre-existing data, making it more cost-effective and time-efficient. However, secondary data analysis lacks control over the data collection, potentially limiting the data quality. In addition, it is very challenging to perfectly match the existing database with the specific research questions and hypotheses that I have in my thesis.

Second, whereas experimental research focuses on control and objectivity, providing clear causal relationships, indeed it can lack the depth and real-world context found in qualitative analysis. Qualitative methods, such as interviews or ethnographies, offer rich and contextual insights and flexibility in the approach, making them well-suited for exploring complex social phenomena. However, qualitative research is subjective and less generalizable, while experimental research is more replicable and objective.

Each research method has its unique strengths and weaknesses, making them suitable for different types of research questions and objectives. The choice of method depends on the nature of the research problem, the resources available, and the type of data needed. After careful consideration of my research questions and hypotheses, I have concluded with the choice of controlled experiments.

The specific focus and associated research questions for each chapter are summarized below.

Chapter 2 – Gender intergroup biases and gender differences in first offer effects

Chapter 2 examines the question of whether negotiators respond differently to first offers provided by males vs. females. In other words, do males in the offer receiver role respond differently to first offers when provided by fellow male ingroup first offer makers as opposed to female outgroup first offer makers in terms of economic outcomes (counteroffers and final agreements) and relational outcomes (perception of trustworthiness)? And do female offer receivers similarly make different responses to fellow female ingroup first offer makers than when negotiating with a male outgroup first offer maker?

Moreover, this chapter examines whether there is a gender difference in these effects for each of the outcomes considered. In other words, do male and female offer receivers show systematic differences in economic and relational outcomes in response to the first offer provided, and do they adjust their responses

differently when negotiating with an ingroup vs. outgroup first offer maker in terms of their gender identity?

To that end, Chapter 2 includes 4 studies using different negotiation scenarios. This chapter starts with Study 1, where a UK-based male sample was recruited and was instructed to act as a recruiter to answer questions about a salary negotiation which differed the gender identity of the first offer maker. Study 2 continued using the UK male sample, used the same gender identity manipulation but switched the role of the participants from recruiter to candidate. Study 3 tested the same negotiation scenario and gender manipulation as the one in Study 1 using a convenience sample but included both males and females as first offer recipients. Lastly, Study 4 was a face-to-face dyadic negotiation involving a negotiation concerning a real estate sales price.

Chapter 3 – Intergroup biases and gender differences in first offer effects

Chapter 3 examines the question of whether negotiators respond differently to first offers provided by ingroup vs. outgroup members, but unlike Chapter 2 which focused on gender as the intergroup categorization, this chapter examines other categories. The main focus of this chapter is on interethnic or interethno-religious categorizations, but it also examines a setting involving an ingroup vs. outgroup university membership. Specifically, this chapter examines whether ingroup members in the offer receiver role respond differently to first offers when they are provided by fellow ingroup first offer makers as opposed to

outgroup first offer makers, again in terms of economic outcomes (counteroffers and final agreements) and relational outcomes (trust).

Moreover, this chapter again examines whether there is a gender difference in these effects for each of the outcomes considered. In other words, do male and female offer receivers show systematic differences in economic and relational outcomes in response to the first offer provided, and do they adjust their responses differently when negotiating with an ingroup vs. outgroup first offer maker?

Chapter 3 contains in total 5 studies that employed different negotiation scenarios and manipulated two types of group categories. It begins with Study 5, in which a convenience sample was recruited to negotiate a part-time job salary. Ingroup vs. outgroup was manipulated based on university affiliation. Study 6 switched to test another group category, that of ethno-religious group in a second-hand car negotiation using a European sample. Study 7 aimed to strengthen the ethno-religious group manipulation and tested it in a salary negotiation setting. Study 8 then recruited a larger sample of UK adults and manipulated the ethno-religious group as ingroup White Christian vs. outgroup non-White Muslim. As the last study in the chapter, with a UK White sample Study 9 used an engaging negotiation scenario to test potential differences in the context of interethnic relations.

Chapter 4 – Gender differences, first offer extremity and intergroup biases in first offer effects

Chapter 4, following on from the previous studies, focused more specifically on gender differences in first offer effects, and examined the interplay of gender differences with the extremity (or magnitude) of the first offer. It examined the question of whether male and female negotiators in the offer receiver role respond differently to extreme vs. moderate first offers, and with what consequences for economic outcomes (counteroffers and final agreements) and relational outcomes (trust and future negotiation). In addition, this chapter also examined whether male and female offer receivers respond differently to extreme vs moderate first offers when provided by fellow ingroup first offer makers as opposed to outgroup first offer makers. In other words, this chapter examines the questions of, 1) do male and female offer receivers show systematic differences in their response to the first offer provided, 2) do they show differences their responses when receiving an extreme vs. moderate first offer, and 3) do they show differences in their responses when negotiating with an ingroup vs. outgroup first offer maker in terms of their gender identity?

Chapter 4 is made up of 4 studies with different samples and manipulation designs. Study 10 recruited a UK-based sample and manipulated the first offer extremity and examined its combined effect with offer receiver gender in a used smartphone negotiation. Study 11 used the same sample and negotiation scenario as the one of Study 10 but varied the reference point. Study 12 added another

factor of first offer maker gender group in the experimental design and tested the joint effects of offer receiver gender, first offer extremity, and first offer maker gender group in a salary negotiation with a Spanish representative sample. And Study 13 recruited a US sample to examine the combined effect of the three factors in a second-hand car sale negotiation.

Chapter 2. Gender Intergroup Biases and Gender Differences in First Offer Effects

2.1 Overview of studies

In negotiation, particularly in distributive negotiations, initial offers hold a significant role. The past two decades have witnessed a growing number of studies in the area of first offer effects (Galinsky et al., 2002; Galinsky and Mussweiler, 2001; Oesch and Galinsky, 2003; Gunia et al., 2013; Lipp et al., 2022; Loschelder et al., 2014; Magee et al., 2007). First offers have been found to be powerful in impacting both economic outcomes (Chertkoff and Conley, 1967; Kristensen and Gärling, 2000; Leonardelli et al., 2019; Liebert et al., 1968; Magee et al., 2007; Mason et al., 2013) and subjective and relational outcomes (Ames and Mason, 2015; Bhatia and Gunia, 2018; Galinsky et al., 2002; Jeong et al., 2020; Leonardelli et al., 2019; Maaravi et al., 2014; Mannix and Innam, 1993; Rosette et al., 2014; Schaerer et al., 2020).

The first proposal made during negotiation profoundly affects various economic negotiation outcomes, including responses to the initial offer, final agreements, and the likelihood of reaching an impasse (Ames and Mason, 2015; Galinsky and Mussweiler, 2001; Kristensen and Gärling, 1997). Despite the emphasis on economic metrics, relational aspects have often been overlooked. However, assessing relational outcomes, and in particular trust, also in distributive negotiations, is crucial for fostering strong relationships, resolving conflicts, preserving reputations, and enhancing communication, all of which benefit all parties involved. To bridge this gap in understanding, this chapter aimed to gather data on both economic measures and trust, particularly focusing on how

individuals react to initial offers made by negotiators with different gender identities.

A growing body of literature has begun to explore how intergroup biases and holding different gender identities may influence the negotiation process and its outcomes (Ayres and Siegelman, 1995; Gladstone and O'Connor, 2014; Pardal et al., 2020). However, these papers were in general more focused on how individuals with different gender identities were treated or perceived in the negotiation without explicitly indicating the gender composition in the participants or inspecting the intergroup dynamics underlying the negotiation partners. In this chapter, I aimed to start providing a systematic examination into how negotiators, in the position of offer receiver, respond to first offers provided by gender ingroup and outgroup members, respectively. To that end, I include four studies that allowed me to test a series of predictions in relation to this.

Drawing from the literature on ingroup bias, it is understood that individuals tend to mentally categorize themselves into distinct social groups and identify with these groups while distinguishing their own group (the "ingroup") from others (the "outgroup"). When group identity is prominent, individuals often exhibit ingroup favoritism and intergroup bias (Al Ramiah et al., 2011; Schmid, 2017; van Knippenberg et al., 2004).

I focus in this thesis specifically on the intergroup dynamic concerning males vs. females, in order to add insights into first offer effects on this specific

intergroup dynamic and to extend the extant literature, which has predominately focused on the male vs. female comparison.

In terms of economic outcomes, I thus predict that offer receivers will provide more favorable responses to first offers made by their gender ingroup than to gender outgroup first offer makers, as predicted in Hypothesis 1 (see below). In other words, I expect that males will adjust less away from first offers provided by fellow male negotiators in their counteroffers and final agreement than from first offers provided by female outgroup members (I test this in Studies 1-4); similarly, I expect that females will provide more favorable counteroffers and final agreements to female ingroup first offer makers than male outgroup first offer makers (I test this in Studies 3 and 4).

H1: Offer receivers in a negotiation will adjust less away in their counteroffers and final agreements from first offers provided by ingroup first offer makers than outgroup first offer makers.

Additionally, I test the prediction that economic outcomes are linked to the perceived trustworthiness of the first offer maker, such that I expect, first, that negotiators perceive fellow ingroup members as more trustworthy, second, that trust is associated with more favorable counteroffers and final agreements in favor of the first offer maker, and third, that trust mediates the relationship between first offer maker group membership and economic outcomes (Hypothesis 2, see below). As indicated by Barry and Oliver (1996) and Kong et al. (2014) relational

outcomes can influence economic outcomes in the negotiation. I thus expect that greater trust in the first offer maker will be associated with more favorable economic outcomes for the first offer maker. Extant research on ingroup favoritism has demonstrated that when individuals were divided into distinct groups, they often viewed outgroups as less cooperative, trustworthy and honest than members of their own group (Brewer, 1979; Gotte et al., 2006). Consequently, because individuals tend to trust ingroups more than outgroups (Brewer, 1979; Gotte et al., 2006), my general expectation is that people will trust their ingroup more than their outgroup. I predict that offer receivers in the intergroup negotiation will perceive the ingroup first offer maker as more trustworthy than the outgroup first offer proposer. First offers made by ingroups will therefore generate more favorable economic outcomes for the ingroup because of increased trust. While prior research (Jeong et al., 2020) only measured the trust and disclosure of information in the intergroup negotiation, the current chapter further measured the link between trust and economic outcomes, which offered more insights about the relationship between relational outcomes and economic outcomes in negotiations.

H2: Offer receivers in a negotiation will perceive an ingroup first offer makers as more trustworthy than an outgroup first offer maker. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs. outgroup first offer makers. First offer maker ingroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

However, given that I examine these predictions in the context of gender, I allow for a more complex set of relationships to emerge when examining the relational component of trust. In this specific context of gender, I will therefore allow also for a competing hypothesis, as there exists a competing theory about trustworthiness of females in particular. As outlined by the Stereotype Content Model (Fiske, 1998), individuals are often categorized based on two primary dimensions: warmth and competence. Many social groups are perceived as excelling in one dimension while lagging in the other. In the context of gender, women are generally stereotyped as possessing a high degree of warmth, with stereotyped traits such as being trustworthy, sincere and friendly. Conversely, females are often credited with stereotypes of being less competent. Therefore, I expect that for male negotiators, the patterns of relationships may be more complex. For Hypothesis 1, I thus expect that male negotiators will (similar to female negotiators) favor their ingroup in economic outcomes (i.e., counteroffers and final agreements). However, for trust I allow for the possibility that for males, when negotiating with a female, the results may vary slightly, to the extent that males may perceive female outgroup first offer makers as equally, or more, trustworthy, than male first offer makers. For females, however, I do not expect results to differ. Therefore, there will be two competing hypotheses for the male subgroup:

H2.1: Male offer receivers in a negotiation will perceive ingroup male first offer makers as more trustworthy than outgroup female first offer makers. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs. outgroup first offer makers. First offer maker ingroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

H2.2: Male offer receivers in a negotiation will perceive outgroup female first offer makers as equally or more trustworthy than their ingroup male first offer makers. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs. outgroup first offer makers. First offer maker outgroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

In addition, in this chapter I will test whether there are gender differences in first offer effects, both in terms of economic outcomes and relational (trust) outcomes. Existing literature on gender disparities in negotiation generally suggests that male negotiators tend to demonstrate a greater inclination to initiate negotiations (Small et al., 2007) and employ assertive and aggressive negotiation tactics (Kimmel et al., 1980; Walters et al., 1998). In terms of negotiation outcomes, Stuhlmacher and Walters (1999) conducted a meta-analysis involving 21 studies with over 3,000 participants, revealing that men generally achieved more favorable negotiation outcomes than women, with Mazei et al. (2015)

replicating this finding in a subsequent meta-analysis of 123 effect sizes with over 10,000 participants. Despite existing literature examining gender disparities in initial offers, there is still a notable absence of comprehensive research addressing gender distinctions in this area, necessitating systematic investigation into whether males and females react differently to initial offers. Based on the findings from prior research, I predict that male offer receivers will achieve more favorable outcomes in the negotiation than female offer receivers, due to their initial responses to first offers (Hypothesis 3, as following).

H3: Male offer receivers will adjust less away from first offers than female offer receivers, resulting in more favorable counteroffers and final agreements for themselves.

Another aspect I seek to examine in two of the studies in this chapter (Studies 3 and 4) is whether gender ingroup biases in treatment between ingroup and outgroup varies depending on the gender of the individuals involved (i.e., whether there are gender disparities in gender bias in the context of the first offer effect). In the domain of first offer effects, Dittrich et al. (2014) examined gender interaction effects in salary negotiations and uncovered that irrespective of their role in negotiations, males often concluded with a more favorable outcome of wage toward their ingroup male counterparts compared to outgroup female counterparts, whereas this pattern of favoring gender ingroup members over outgroup members was not observed among females (regardless of their role).

Hernandez-Arenaz and Iriberry (2018) also discovered that male negotiators who made the initial offer tended to secure higher final values when negotiating with outgroup female counterparts compared to ingroup male counterparts. However, the authors argued that this variance was not attributed to differing initial offers by males, but rather because female counterparts adjusted less from the initial offers presented by outgroup male negotiators compared to those from ingroup female negotiators. Considering the preliminary and somewhat mixed results on this to date, I examine this question in a more exploratory manner in this chapter, without making firm predictions about the interaction effect.

This chapter comprises four experiments investigating the impact of the gender of the first offer maker and the gender of the offer receiver (participant gender). The chapter commences with Study 1, an online salary negotiation in which the gender of the first offer maker was manipulated as either male or female, while maintaining an identical value for the first offer. Study 2 sought to replicate the findings of Study 1 by employing a similar online salary negotiation setup with the same manipulation. However, participants transitioned from the recruiter role in Study 1 to the candidate role in Study 2 to determine if the effect persists across roles. Only male participants were included in Studies 1 and 2, to provide a first examination into potential gender biases in first offer effects held by males, which is typically the more advantaged group. Extending these first two studies, Studies 3 and 4 also manipulated the gender of the offer receiver, in addition to the gender of the first offer maker, to allow for examining potential

gender differences in gender intergroup biases when individuals respond to first offers from different gender groups. Study 3 utilized the same scenario as Study 1 and recruited a convenience student sample from the laboratory, while Study 4 involved a face-to-face dyadic negotiation concerning real estate sales.

2.2 Study 1

Introduction

Study 1 aimed to test whether the gender of the person making the first offer in a negotiation affects key negotiation outcomes in a one-to-one distributive negotiation. Specifically, the study aimed to test whether males make less favorable economic negotiation outcomes (specifically, counteroffers and expectation concerning the final settlement) to outgroup female first offer makers than to ingroup males making a first offer. In addition, the study further aimed to test whether male negotiators hold different relational negotiation outcome (specifically, perception of trustworthiness of the first offer maker), thereby testing whether male negotiators perceive outgroup females making a first offer as more or less trustworthy than ingroup males. The study also tested whether there was a mediation effect of first offer maker group membership on economic outcomes via perceptions of trustworthiness of the first offer maker.

Method

Participants and design

Four hundred and fifty UK male adults with management experience completed an online survey for payment through *Academic Prolific*, using a survey programmed into Qualtrics. Participants were compensated with the minimum hourly rate set by the platform. The experiment had a single between-participants factor (gender of first offer maker: male vs. female), holding

participant gender constant (male participants only). Sample sizes were determined by a priori power analysis (G*Power) with an $\alpha = 0.05$ and 90% power to detect an effect size of $f = 0.15$ indicated that a sample of $n = 201$ participants per cell (total $N = 402$) would be sufficient. Recruiting a sample of 450 participants ensured meeting the necessary sample size for final analyses. Since the study focused on male participants only, three participants who answered their gender as female or non-binary were removed. One additional participant who failed the manipulation check question was removed. To optimize data quality, extreme outliers (e.g., 0, 5, 10 in response to a first offer of 125) were excluded because extreme counteroffers can be a result of mistakes or not taking the study seriously. Thus, only counteroffers that fell within 3 standard deviations above and below the mean were included in the analyses (i.e., adopting the same as outlier exclusion criteria as reported in Leib et al. 2022; Loschelder et al., 2014; Schaerer et al. 2015; Schaerer et al. 2020). Upon applying these exclusion criteria, the final sample used for data analysis comprised 441 participants.

The average age of participants was 43.66 years ($SD = 13.78$). This and all other studies in this thesis, received ethical approval from [CUHSR Approval Code: 035/2020].

Materials and procedure

After giving consent to participating in the study, participants were randomly assigned to one of the two conditions: one in which they would negotiate with an ingroup male counterpart who made the first offer, and the other in which they would negotiate with an outgroup female who gave the first offer in the salary negotiation. The negotiation adapted the scenario used in Study 2 (manager version) in Ames and Mason (2015). Participants were asked to imagine that they were a senior management consultant in a leading consulting firm and that they would be negotiating with a candidate who would be joining the firm. The gender of the first offer maker was manipulated by using typically male and female names (John vs. Jane, to represent two of the most common British male and female names, respectively) and repeating the pronouns (he vs. she; him vs. her) several times (see Appendix for materials). The negotiation scenario ended with the negotiation partner giving a first offer of £125,000 (whereas the benchmarking salary in the company was £100,000), upon which participants were asked to respond to this first offer. I chose a relatively extreme first offer of £125,000 (26% above the benchmark of £100,000, same percentage as what was used in Ames and Mason, 2015 for extreme first offer), because prior literature tended to agree that first offer effects were stronger with extreme first offers (Chertkoff and Conley, 1967; Yukl, 1974).

A manipulation check was included following the key dependent variables, with the question of “What was the gender of the candidate?” embedded in a series of filler items.

Measures

Perception of trustworthiness. Participants were asked to rate the first offer maker with regard to their perceived trustworthiness using the following item: “To what extent did you perceive the candidate as trustworthy?”. Responses were made on a 7-point Likert scale ranging from 1 (not at all) to 7 (extremely).

Counteroffer. Participants were asked “You are keen to bring John (Jane) onboard, but you want to make a counteroffer to hire him (her) at a lower salary. What would your counteroffer be?”. Participants were then instructed to provide their counteroffer, using a slider function in Qualtrics to indicate their counteroffer in response to the first offer of £125,000.

Estimation of final settlement. Participants were asked “Imagine that you made your counteroffer to John (Jane). What do you think is the final salary that you would agree on with him (her)?”. Again, participants provided their response using the slider function to indicate their estimation of the final salary they expected to settle on.

Demographic and control variables. The experiment also measured variables such as education, management experience, negotiation training, salary negotiation experience and experience in consulting industry. The majority (70%)

said they had completed at least some undergraduate education or more, with 38% indicating that they had finished a bachelor degree. We also asked participants about their management and prior negotiation experience. Participants had on average 9.70 years of management experience ($SD = 9.56$), while approximately 30% of participants answered that they had some prior training during a negotiation course or program. Most participants (95%) said they had a moderate amount of experience in salary negotiations or less, while 24% had a moderate amount, 46% had a little and 25% had no previous experience. About 18% of the participants indicated that they had prior experience in consulting.

Results

An independent samples t test (gender group membership of first offer maker: ingroup male vs. outgroup female) was conducted on all dependent measures. The means and standard deviations are presented in Table 2.

Perception of trustworthiness. Male offer receivers rated the outgroup female first offer maker as more trustworthy ($M = 5.12$, $SD = .96$) than the ingroup male first offer maker ($M = 4.91$, $SD = .87$), $t(439) = -2.49$, $p = .01$.

Counteroffer. As predicted in Hypothesis 1, male offer receivers made a higher counteroffer to the ingroup male first offer maker ($M = 103.44$, $SD = 7.77$) than to the outgroup female first offer maker ($M = 101.65$, $SD = 9.80$), $t(439) = 2.13$, $p = .03$.

Estimation of final settlement. Also in line with prediction of Hypothesis 1, male offer receivers expected that they would end up with a higher final settlement with the fellow male first offer maker ($M = 111.07$, $SD = 5.54$) than with the outgroup female first offer maker ($M = 109.77$, $SD = 6.95$), $t(439) = 2.18$, $p = .03$.

Table 2 Perception of trustworthiness, counteroffer, estimation of final settlement by first offer maker gender group condition, Study 1

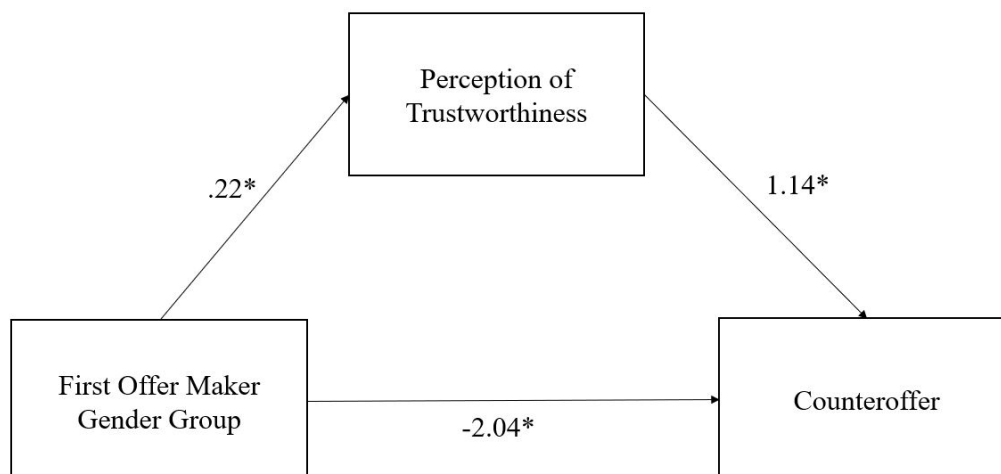
	Gender group of first offer maker	
	Ingroup (Male)	Outgroup (Female)
Perception of trustworthiness	4.91 (0.87)	5.12 (0.96)
Counteroffer	103.44 (7.77)	101.65 (9.80)
Final settlement	111.07 (5.54)	109.77 (6.95)

Note. Values in parentheses are standard deviations.

Mediation analysis on counteroffer. Following Hayes' (2013) Macro Process via bootstrapping method, I examined the indirect effect of first offer maker group membership on the two economic outcomes via trust. In line with Hypothesis 2.2, the results for counteroffer showed a significant positive association of first offer maker gender group with perception of trustworthiness of the first offer maker ($B = .22$, $p = .01$), such that female first offers maker were perceived as more trustworthy than male first offer makers. In turn, the relationship between perception of trustworthiness and counteroffer was

significant ($B = 1.14, p = .01$), showing that higher trust was associated with a higher counteroffer (i.e., a more favorable counteroffer, in favor of the first offer maker). The model indicated a significant positive indirect effect of first offer group membership on counteroffer via perception of trustworthiness ($B = .25, CI 95\% = .02, .58$), such that female first offer makers were given more favorable counteroffers via increased trust. However, the negative direct effect of group membership on counteroffers remained significant ($B = -2.04, p = .02$), indicating that male offer receivers provided lower counteroffers to their outgroup female first offer maker than their ingroup male first offer maker.

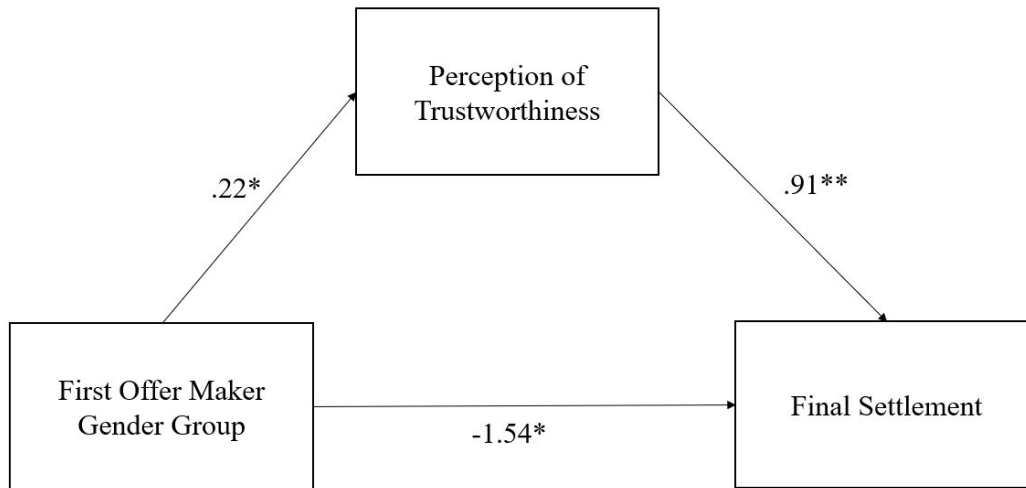
Figure 2 Unstandardized regression coefficients for the relationship between first offer maker gender group and counteroffer as mediated by perception of trustworthiness, Study 1



* $p < .05$

Mediation analysis on final settlement. Using Hayes (2013) Macro Process via bootstrapping method, the results (as per Figure 3) indicated that there was a significant relationship between the gender group of first offer maker and perception of trustworthiness ($B = .22, p = .01$), showing that male offer receivers rated their outgroup female first offer maker as more trustworthy than their ingroup male first offer maker. Results further indicated a significant positive relationship between perception of trustworthiness and final settlement ($B = .91, p < .01$), resulting in a significant positive indirect effect ($B = .20, CI\ 95\% = .02, .44$) with female first offer makers yielding more favorable final settlements via higher perceived trust. Nonetheless, the direct negative association of female first offer maker group membership on final settlement remained ($B = -1.54, p = .01$), such that male offer receivers estimated to end the negotiation with a lower settled price with their outgroup female first offer maker than their ingroup male first offer maker.

Figure 3 Unstandardized regression coefficients for the relationship between first offer maker gender group and final settlement as mediated by perception of trustworthiness, Study 1



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

In order to examine whether any of the covariates (age, education, management experience, negotiation training, salary negotiation experience, consulting experience) significantly altered the obtained effects a series of one-way ANCOVA analyses were conducted, but effects and significance levels remained comparable (see Appendix for results).

The Pearson correlation for variables included in this study is shown in Table 3.

Table 3 Descriptive statistics and correlations for study variables, Study 1

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	441					
2. Perception of trustworthiness	441	5.01	0.92	.12*		
3. Counteroffer	441	102.55	8.87	-.10*	.11*	
4. Final settlement	441	110.42	6.30	-.10*	.80**	.12*

^a 0 = ingroup and 1 = outgroup

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

Discussion

As predicted in Hypothesis 1, Study 1 found that male offer receivers gave more favorable counteroffers and expected to have a more favorable final settlement salary when matched with an ingroup male first offer maker than when matched with outgroup females. Specifically, male offer receivers adjusted less away from the first offer in both their counteroffer and the final settlement when the first offer was provided by an ingroup male first offer maker as opposed to an outgroup female first offer maker, thus resulting in a more favorable deal in favor of the ingroup male first offer maker over the outgroup female first offer maker. In other words, male participants were more willing to forfeit some of their own gains in the negotiation when matched with an ingroup male negotiator as opposed to an outgroup female negotiator.

However, the outgroup female first offer makers were perceived as more trustworthy than the ingroup male first offer makers, as predicted in Hypothesis 2.2. Male offer receivers may have been influenced by prevailing gender

stereotypes, as per the Stereotype Content Model (Fiske, 1998), wherein women are typically perceived as more trustworthy than men in general. Further analysis revealed that perception of trustworthiness was a significant mediator in the relationship of first offer maker gender group on economic outcomes (both counteroffers and final settlements). The findings are of interest since it showed that although male offer receivers perceive the outgroup female first offer makers as more trustworthy and higher level of trustworthy perception was associated with higher magnitude of counteroffers and final settlements (i.e., less adjustment from the first offers). Nonetheless, the indirect effect did not take away the main effect that male offer receivers adjusted more away from the first offers of outgroup female offer makers, while the ingroup male first offer makers received more favorable counteroffers and final settlements, despite being perceived as less trustworthy than females.

While this study provided first insights into how male negotiators perceive first offers from outgroup female vs. ingroup male counterparts differently and how it impacts subsequent negotiation outcomes, there were a few potential limitations that deserve further considerations. First, Study 1 used a scenario in which participants were placed into the role of a recruiter, having requested a candidate to make the first offer in a salary negotiation, raising the question of whether effects would be comparable for a reversed scenario in which participants are placed in the role of a candidate receiving a first offer from a recruiter. Second, the numerical value of the first offer (i.e., £125,000) constituted a

somewhat extreme first offer when compared to the benchmarking point of £100,000 (25% above) told to participants, which may have potentially magnified a first offer effect. I thus aimed to examine what would happen if no reference point was given or participants could not find any cues to judge the first offer.

2.3 Study 2

Introduction

Study 2 aimed to replicate the results of Study 1. It tested again whether male negotiators would give more favorable objective outcomes (counteroffer, final settlement) to their ingroup male first offer maker than to outgroup female first offer maker. It also examined the effect of gender of first offer maker on relational negotiation outcome (i.e., perception of trustworthiness), to see whether male negotiators evaluated the outgroup female first offer maker as more or less trustworthy than the ingroup male first offer maker. Moreover, it aimed to examine whether the same mediation effect of trustworthiness perception would persist in this experimental setting.

In addition, the current study also targeted to extend Study 1. Specifically, Study 2 considered a scenario in which participants would take the role of a candidate in a salary negotiation, a situation that I expected participants to be more familiar with than adopting the role of recruiter, as in Study 1. The study also aimed to test effects using a first offer without including a concrete reference point about the typical salary given, to create more ambiguity and uncertainty.

Method

Participants and design

Six hundred participants UK males with management experience were recruited through *Academic Prolific*, using a survey programmed into Qualtrics.

Participants were rewarded with the minimum wage as advised by the platform. Sample size was calculated using the effect size of counterpart gender on counteroffer from study 1 via a priori power analysis (G*Power). Again, since the study focused on examining male participants, two participants who answered their gender identification as non-male were removed. Next, twenty-five participants were excluded because they did not pass the manipulation check question. Last, six participants who indicated an extreme counteroffer that fell beyond 3 standard deviations above and below the mean were not included. The final sample used for data analysis was made up of 567 participants.

The average age of participants was 44.62 years ($SD = 13.21$).

Materials and procedure

After indicating their consent, participants were randomly assigned to one of the two conditions: one in which they negotiated with a male recruiter that would be making the first offer maker, and the other in which they negotiated with a female recruiter making the first offer. The scenario was from Study 2 (candidate version) of Ames and Mason (2015) and minor revisions were made to tailor to the current context. Participants were asked to imagine that they were a management consultant who was looking for new opportunities and that they would be negotiating with a senior manager in the consultancy firm that they were interested to join. The gender of first offer maker was manipulated by using the same two names as in Study 1, John vs. Jane, to represent two of the most

common British male and female names, and by repeating the pronouns (he vs. she; him vs. her) several times (see Appendix for materials). The negotiation scenario ended with the senior manager giving a first offer of £75,000, upon which participants were asked to respond to this first offer.

A manipulation check was included following the key dependent variables, with the question of “Was the senior manager male or female?” embedded in a series of filler items concerning other key aspects of the scenario.

Measures

Perception of trustworthiness. Participants were asked to rate the first offer maker “To what extent did you perceive the senior manager as trustworthy?”. Responses were made on a 7-point Likert scale ranging from 1 (not at all) to 7 (extremely).

Counteroffer. Participants were asked “You are keen to join the firm, but you suspect that the average starting salary at this firm is typically a bit higher than the amount offered by John (Jane). You therefore decide to make a counteroffer to John (Jane) to see whether you can start at a higher starting salary than the salary he (she) offered. What would your counteroffer be?”. Participants were then instructed to provide their counteroffer, using a slider function in Qualtrics to indicate their counteroffer in response to the first offer of £75,000.

Estimation of final settlement. Participants were asked “Imagine that you made your counteroffer to John (Jane). What do you think is the final salary that

you would agree on with him (her)?”. Again, participants provided their response using the slider function to indicate their estimation of the final salary they expected to settle on.

Demographic and control variables. In addition to age, the study also measured other potential covariates about education, negotiation training and experience and industrial experience. Most participants (79%) said they had completed at least some undergraduate education or more, with 44% indicating that they had finished a bachelor degree. Approximately 21% of the participants reported that they had received negotiation course or training before. Since the study placed participants in the role of candidate, participants were asked about their experience of salary negotiations. In terms of salary negotiation experience, the majority (92%) of participants indicated that they had a moderate amount of experience or less, while 26% said they had a moderate amount, 43% had a little and 23% had no prior experience. About 14% of the participants indicated that they had previous working experience in the consulting sector.

Results

An independent samples t test (gender of first offer maker: male vs. female) was conducted on all dependent measures. The means and standard deviations are presented in Table 4.

Perception of trustworthiness. Similar to Study 1, male participants perceived the outgroup female first offer maker to be more trustworthy ($M = 4.86$,

$SD = 1.05$) than the ingroup male first offer maker ($M = 4.48$, $SD = 1.10$), $t(565) = -4.13$, $p < .01$.

Counteroffer. There was no significant effect of first offer maker gender group membership on the counteroffer, $t(565) = -0.25$, $p = .81$, with male offer receivers making similar counteroffers to the ingroup male first offer maker ($M = 86.35$, $SD = 4.93$) and the outgroup female first offer maker ($M = 86.45$, $SD = 4.73$).

Estimation of final settlement. No significant effect of first offer maker gender group membership emerged on the estimation of final settled price, $t(565) = -0.71$, $p = .48$. Again, male offer receivers' expectations about the final salary settlement was similar when paired with an ingroup male first offer maker ($M = 81.13$, $SD = 3.10$) as when paired with an outgroup female first offer maker ($M = 81.31$, $SD = 3.08$).

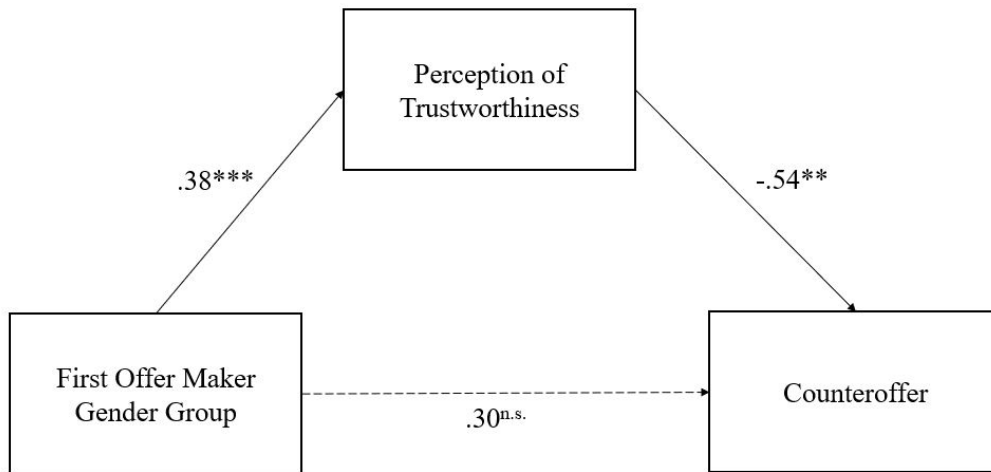
Table 4 Perception of trustworthiness, counteroffer, estimation of final settlement by first offer maker gender group condition, Study 2

	Gender group of first offer maker	
	Ingroup (Male)	Outgroup (Female)
Perception of trustworthiness	4.48 (1.10)	4.86 (1.05)
Counteroffer	86.35 (4.93)	86.45 (4.73)
Final settlement	81.13 (3.10)	81.31 (3.08)

Note. Values in parentheses are standard deviations.

Mediation analysis on counteroffer. Following Hayes (2013) Macro Process via bootstrapping method, results showed that first offer maker gender group yielded a significantly positive association with perception of trustworthiness of the first offer maker ($B = .38, p < .01$), such that female first offer makers were perceived as more trustworthy than male first offer makers (see Figure 3). The relationship between perception of trustworthiness and counteroffer was significant ($B = -.54, p < .01$), showing that the more trustworthy the first offer maker was perceived the lower counteroffer the offer receiver provided. The model indicated a significant negative indirect effect of outgroup first offer group on counteroffer, via perception of trustworthiness ($B = -.20, CI 95\% = -.40, -.05$). However, the pattern of this indirect effect was similar as the one in Study 1 because Study 2 switched the role of participants from recruiter to candidate. Unlike in Study 1, the direct effect of gender group of first offer on counteroffer was not significant ($B = .30, p = .46$).

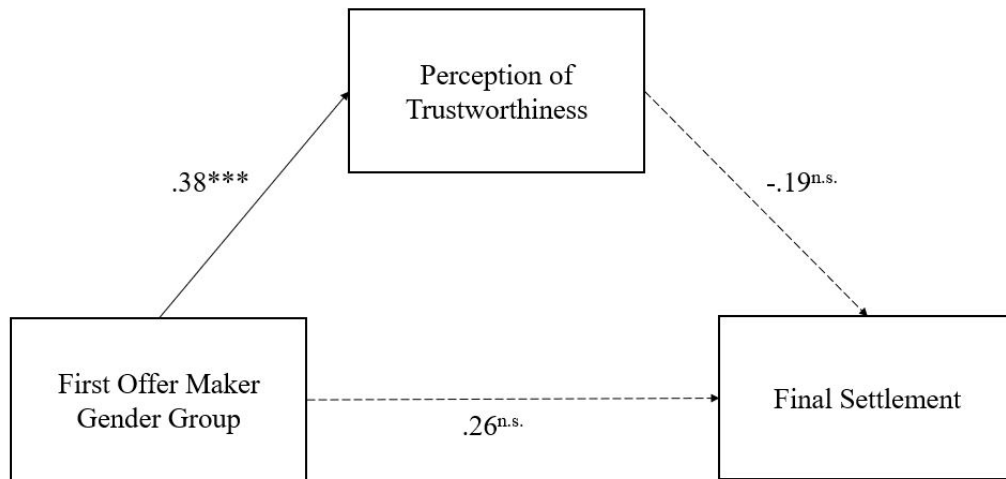
Figure 4 Unstandardized regression coefficients for the relationship between first offer maker gender group and counteroffer as mediated by perception of trustworthiness, Study 2



** $p < .01$ *** $p < .001$

Mediation analysis on final settlement. Using Hayes (2013) Macro Process via bootstrapping method, the results (as per Figure 5) indicated that there was a significant relationship between the gender group of first offer maker and perception of trustworthiness ($B = .38, p < .01$), showing that male offer receivers rated their outgroup female first offer maker as more trustworthy than their ingroup male first offer maker. Results however did not uncover a significant relationship between perception of trustworthiness and final settlement ($B = -.19, p = .11$), nor a significant indirect effect via perception of trustworthiness ($B = -.07, CI\ 95\% = -.19, .01$). There was also no significant direct relationship between first offer maker gender group and final settlement ($B = .26, p = .33$).

Figure 5 Unstandardized regression coefficients for the relationship between first offer maker gender group and final settlement as mediated by perception of trustworthiness, Study 2



*** $p < .001$

In order to see whether the above-mentioned covariates (age, education, negotiation training and experience or industrial experience) significantly influenced the significant effect on perception of trustworthiness, a series of one-way ANCOVA analyses were conducted, but effects and significance levels remained equivalent (see Appendix for results).

The Pearson correlation for variables included in this study is shown in Table 5.

Table 5 Descriptive statistics and correlations for study variables, Study 2

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	567					
2. Perception of trustworthiness	567	4.67	1.09	.17**		
3. Counteroffer	567	86.40	4.83	.01	-.12**	
4. Final settlement	567	81.24	3.53	.03	.67**	-.04

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Discussion

No significant effects emerged in terms of first offer maker gender on the counteroffer and estimation of final settlement made by the participants, which was counter to Study 1 and counter to Hypothesis 1. However, same as Study 1 and aligned with Hypothesis 2.2, the outgroup female first offer maker was perceived as more trustworthy than the ingroup male first offer maker. A similar mediating effect of trustworthiness perception was found on counteroffer but not on final settlement. Hence, despite the higher level of trust that female first offer makers garnered, which had a positive impact on the initial counteroffers they received, the effects did not translate into more favorable final settlements in the negotiation. The results of Study 2 echoed some of those of Study 1 regarding the perception of trustworthiness, but did not show the same clear gender bias effects as revealed in Study 1.

While the findings on counteroffer and final settlement were different to Study 1, there are some potential reasons for the above inconsistent findings.

First, the change in the scenario placing participants in the position of a job-seeking candidate, which might have constrained participants' perceptions to negotiate. In other words, being put in the position of a candidate may have made participants assume they hold less power in the negotiation, and this perception of power differential may have weighed more heavily on people's minds, potentially making them less attuned to any gender attributes of the recruiter. Second, unlike in Study 1, Study 2 lacked a reference point for participants to assess the magnitude of the first offer. Although I initially expected this ambiguity to magnify effects, it may have resulted in making it more challenging for participants to determine the appropriate counteroffer and, consequently, estimate the final agreement. Furthermore, as indicated in the results of control variables, the majority of participants lacked sufficient experience in salary negotiation and did not receive negotiation training, further complicating their ability to make informed judgments and decisions. Another key consideration is that both Studies 1 and 2 included only male participants, begging the question as to whether effects differ between males and females, and in which direction. It is for this reason that Study 3 also included as an additional factor of gender of offer receiver (i.e., participant gender), in order to allow me to test more completely and comprehensively my predictions.

2.4 Study 3

Introduction

Study 3 aimed to replicate and validate the previous two studies. Given the mixed findings in Study 2, Study 3 returned to the scenario used in Study 1, in which participants were placed in the role of the recruiter. However, to extend the previous two studies I further considered potential differences in terms of offer receiver gender (i.e., participant gender), in addition to the gender of first offer maker. Since prior research findings were dispersed in terms of whether gender differences play a role in negotiation outcomes for distributive negotiations (Bowles et al., 2005; Stuhlmacher and Walters, 1999), I deemed it imperative to also explore the effect of offer receiver gender in Study 3. Study 3 thereby allowed me to not only test the predictions of Hypothesis 1, Hypothesis 2 (for female offer receivers), and Hypotheses 2.1 and 2.2 (for male offer receivers), but also of Hypothesis 3.

Method

Participants and design

Three hundred eighty students from Esade Business School participated in the study, using a survey programmed into Qualtrics. The data sample constituted a convenience sample recruited via the Esade Decision Lab, which includes a voluntary research participation pool. Given data collection constraints set by the Decision Lab, I was only able to recruit a maximum of 380 participants, and

requiring the use of different methods of data collection, i.e., collecting data in the lab and via in-class activities. The majority of the students participated through the decision lab ($n = 324$) and were rewarded with course credit, while some students did it because it was part of an in-class activity ($n = 56$). There were both males and females in the sample. Same as in Study 1, the experiment manipulated the gender of first offer maker (male vs. female). If the participants were matched with a first offer maker that held the same gender identity as they did (e.g., male participant / offer receiver with male first offer maker), then the gender group membership of the first offer maker would be ingroup. If the gender identities of both parties did not match, the first offer maker was considered as an outgroup member. Therefore, the design of Study 3 entailed a 2 (gender group of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subjects design.

Fifteen participants were removed because they did not answer the manipulation check question correctly. Similar to study 1, counteroffers that were more than 3 standard deviations away from the mean were excluded ($n = 5$) in the analyses. The final sample used for data analysis comprised 360 participants in total (males: $n = 186$, females: $n = 174$). The majority of the participants (85%) were from the bachelor program, while 15% of the participants were from the master program.

The average age of participants was 19.96 years ($SD = 1.87$).

Materials and procedure

After giving consent to participating in the study, participants were randomly assigned to one of the two conditions: one in which they would negotiate with a male counterpart who made the first offer, and the other in which they would negotiate with a female who gave the first offer in the salary negotiation. Participants were asked to imagine that they were a senior management consultant in a leading consulting firm and that they would be negotiating with a candidate who would be joining the firm. The gender of the first offer maker was manipulated by using typically male and female names (John vs. Jane, to represent two of the most common British male and female names, respectively) and repeating the pronouns (he vs. she; him vs. her) several times (see Appendix for materials). The negotiation scenario ended with the negotiation partner giving a first offer of £125,000 (whereas the benchmarking salary in the company was £100,000), upon which participants were asked to respond to this first offer. A manipulation check was included following the key dependent variables, with the question of “What was the gender of the candidate?” embedded in a series of filler items.

Measures

Perception of trustworthiness. Participants were asked to rate the first offer maker with regard to their perceived trustworthiness using the following

item: “To what extent did you perceive the candidate as trustworthy?”. Responses were made on a 7-point Likert scale ranging from 1 (not at all) to 7 (extremely).

Counteroffer. Participants were asked “You are keen to bring John (Jane) onboard, but you want to make a counteroffer to hire him (her) at a lower salary. What would your counteroffer be?”. Participants were then instructed to provide their counteroffer, using a slider function in Qualtrics to indicate their counteroffer in response to the first offer of £125,000.

Estimation of final settlement. Participants were asked “Imagine that you made your counteroffer to John (Jane). What do you think is the final salary that you would agree on with him (her)?”. Again, participants provided their response using the slider function to indicate their estimation of the final salary they expected to settle on.

Demographic and control variables. Questions of management experience, salary negotiation and consulting experience were not included because it was a sample comprised of young adults studying Bachelor or Master of Science degree in the university and also no confounding effects were found in the previous 2 studies.

Results

A 2 (gender group membership of first offer maker: ingroup vs. outgroup) × 2 (gender of offer receiver: male vs. female) between-subjects ANOVA was

conducted on all the dependent variables. The means and standard deviations are presented in Table 6.

Perception of trustworthiness. Counter to Study 1 and Study 2, there was no significant main effect for first offer maker gender group on perception of trustworthiness, $F(1, 356) = 0.93, p = .34, \text{partial } \eta^2 < .01$, although offer receivers did appear to perceive ingroup first offers as marginally more trustworthy ($M = 5.30, SD = 1.03$) than they did outgroup first offer makers ($M = 5.21, SD = 1.05$). However, a significant main effect emerged for offer receiver gender on perception of trustworthiness, $F(1, 356) = 8.03, p = .01, \text{partial } \eta^2 = .03$. Female offer receivers rated the first offer maker as more trustworthy ($M = 5.41, SD = 0.97$) than did male offer receivers ($M = 5.11, SD = 1.08$). However, no significant interaction effect between first offer maker gender group and offer receiver gender emerged on perception of first offer makers' trustworthiness, $F(1, 356) = 1.42, p = .23, \text{partial } \eta^2 < .01$. However, inspection of the means (see table 5) showed that while males showed similar ratings of trust of ingroup and outgroup first offer makers, females showed marginally higher trust ratings of fellow female ingroup members than of male outgroup members.

Counteroffer. Counter to Hypothesis 1, there was no significant main effect for the gender group of first offer maker on counteroffer, $F(1, 356) = 0.56, p = .46, \text{partial } \eta^2 < .01$. Offer receivers made a similar counteroffer when the first offer maker was an ingroup member ($M = 98.60, SD = 10.31$) to when the first offer maker was an outgroup member ($M = 99.49, SD = 10.42$). However, as

expected in Hypothesis 3, the results indicated a significant main effect for gender of offer receiver on counteroffer, $F(1, 356) = .19, p = .02, \text{partial } \eta^2 = .01$. Female offer receivers gave higher counteroffers to the first offer maker ($M = 100.33, SD = 10.13$) than did male offer receivers ($M = 97.85, SD = 10.45$). Yet no significant interaction effect emerged on counteroffer, $F(1, 356) = 0.99, p = .32, \text{partial } \eta^2 < .01$.

Estimation of final settlement. Again, contrary to Hypothesis 1, there was no significant main effect for first offer maker gender group on final settlement, $F(1, 356) = 0.02, p = .88, \text{partial } \eta^2 < .01$. Offer receivers expected the final settlement to be of similar magnitude for ingroup ($M = 108.59, SD = 7.85$) and for outgroup ($M = 108.54, SD = 6.75$) first offer makers. However, similar to counteroffer and same as predicted in Hypothesis 3, there was a significant main effect of offer receiver gender on final settlement, $F(1, 356) = 4.74, p = .03, \text{partial } \eta^2 = .01$. Female offer receivers estimated that they would reach a higher final settlement in favor of the first offer maker ($M = 109.43, SD = 7.15$) than did male offer receivers ($M = 107.76, SD = 7.38$). The interaction effect on final settled salary failed to reach significance, $F(1, 356) = 1.19, p = .28, \text{partial } \eta^2 < .01$.

Because I did not find the significant effect of first offer maker gender group on perception of trustworthiness, I did not further test the mediation effect.

Table 6 Perception of trustworthiness, counteroffer, estimation of final settlement by first offer maker gender group and offer receiver gender, Study 3

	Gender group of first offer maker	
	Ingroup	Outgroup
Perception of trustworthiness		
Male offer receiver	5.09 (1.02)	5.12 (1.15)
Female offer receiver	5.53 (1.00)	5.30 (0.94)
Counteroffer		
Male offer receiver	96.91 (10.30)	98.80 (10.57)
Female offer receiver	100.47 (10.05)	100.20 (10.27)
Final settlement		
Male offer receiver	107.41 (7.89)	108.13 (6.85)
Female offer receiver	109.92 (7.63)	108.97 (6.66)

Note. Values in parentheses are standard deviations.

Moreover, I conducted a two-way ANCOVA analysis integrating the age covariate. No confounding effect was detected, and the significant results regarding counteroffers, final settlements and perception of trustworthiness remained consistent even after incorporating the covariate variable (please refer to the Appendix for more information).

The Pearson correlations for variables included in this study is shown in Table 7 and 8.

Table 7 Descriptive statistics and correlations for study variables, male offer receivers, Study 3

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	186					
2. Perception of trustworthiness	186	5.10	1.09	.01		
3. Counteroffer	186	97.85	10.45	.09	.11	
4. Final settlement	186	107.93	7.05	.03	.83**	.03

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Table 8 Descriptive statistics and correlations for study variables, female offer receivers, Study 3

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	174					
2. Perception of trustworthiness	174	5.41	0.97	-.12		
3. Counteroffer	174	100.33	10.13	-.01	.19*	
4. Final settlement	174	109.18	7.88	-.09	.76**	.18*

^a 0 = ingroup and 1 = outgroup

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

Discussion

Study 3 sought to replicate and further extend Studies 1 and 2, to examine the combined effects of first offer maker gender group membership and offer receiver gender on three key negotiation outcomes: counteroffer, final settlement estimation and trustworthiness of first offer maker. While the study did not replicate the significant finding of first offer maker gender group as of Study 1

(i.e., male offer receivers gave more favorable responses to their ingroup male first offer maker than to their outgroup female first offer maker) on economic outcomes in the negotiation, it did reveal a significant difference in negotiation outcomes across male and female offer receivers. Results showed that females gave a higher, and thus more generous, counteroffer in response to the first offer, as well as expecting to settle on a more favorable final salary in favor of the first offer maker. Females also perceived the first offer maker as more trustworthy than did males. Although this main effect was not qualified by a significant interaction (that is, females were more generous in the counteroffers, final settlement estimations and perceptions of trust towards the counterpart regardless of the gender group of the first offer maker) these findings do suggest that female offer receivers adjust less away from a first offer, in favor of the first offer maker and thus at the expense of their own gains, in comparison to males, who adjusted further away in both their counteroffers and final settlements.

While the novel findings concerning offer receiver gender suggests that there may be key differences in how males and females respond to first offers, and how it affects their subsequent negotiation outcomes, it remains unclear why this study was unable to replicate the significant main effect of first offer maker gender group on counteroffer and final settlement (as obtained in Study 1). A potential reason for the lack of significance of this effect may be that I was working with a convenience sample and had a relatively small sample size, which may have affected the power to detect a significant effect. Moreover, the sample

was relatively diverse, with participants coming from different European nations and varying levels of English proficiency, which may have affected the results. Moreover, inspection of the means for trust also suggested an interesting pattern, such that females held marginally (albeit again non-significant) higher levels of trust in fellow female ingroup members, tentatively confirming predictions concerning higher ingroup trust. Again, the small sample size may have constrained the ability to detect this with certainty.

In terms of trust, though not significant, examination of the means revealed that both male and female offer receivers perceived the female first offer maker (which was outgroup for male offer receivers and ingroup for female offer receivers) as more trustworthy. This was as predicted in Hypothesis 2 for the female offer receivers that offer receivers generally would trust their ingroup more than their outgroup member. This was also in alignment with Hypothesis 2.2 that male offer receivers perceived the female first offer maker as equally or more trustworthy than male first offer maker.

2.5 Study 4

Introduction

Study 4 aimed to extend and validate the prior findings. Importantly, instead of collecting data using an experimental study and a scenario-based negotiation, Study 4 drew upon data collected from students who engaged in a realistic negotiation simulation as part of a classroom exercise. This allowed for examining the independent and joint effects of first offer maker gender group membership and offer receiver gender on counteroffers given and the actual final price settled upon in a simulated albeit more realistic real estate negotiation in which students were asked to negotiate the price of a property. Study 4 thus allowed me to gauge in a more realistic and dynamic negotiation the first offers provided, the counteroffers given and the final settlement price agree upon involving pairs of students conducting a price negotiation. Unlike the experimental scenario studies used previously, participants thus had freedom to decide whether they would make the first offer, what that first offer would be, or, alternatively, if they were responding to the first offer, what their counteroffer would be. The final settlement price then did not constitute an estimate of what the price would be, but the actual price agreed upon. The study thus allowed me to examine the effects of the gender of the first offer maker on the offer receiver's negotiation behavior, as well as to examine whether the offer receiver's gender in and of itself would have an impact on counteroffers and final settlement price.

The study did not examine relational outcomes of trust, due to constraints on what data could be collected given the design of the study.

Method

Participants and design

Two hundred fifty students from Esade Business School constituted the sample for this study. The study compiled data collected from several courses and over a period of three years, in which the same negotiation exercise was run as a classroom simulation, and pooling the data for these to create an overall sample. The classroom exercise was based on a real estate negotiation case exercise from Harvard Business School, which students were asked to complete during class hours. The case entailed a property negotiation exercise, in which students adopt either the role of Seller or Buyer and then have to agree on a price. Following the exercise, students were asked to complete a short survey embedded in Qualtrics asking them to report the first offer, the counteroffer, and the final settlement price. The initial sample comprised 250 students (i.e., 125 dyads), of which 174 participants were from the Master of Science program, while 76 participants were from the Executive MBA program. The sample was composed of both males ($n = 150$) and females ($n = 100$), and students were randomly allocated into negotiation dyads. No other demographic or personal information other than the gender of participants was recorded. In terms of the gender compositions of the dyads, 45 dyads involved a male vs. male negotiation, 20 dyads involved a female vs female negotiation, and 60 dyads involved a male vs. female negotiation. Thus, there

were 65 dyads in which participants negotiated with counterparts of the same gender and 60 dyads where participants negotiated with a partner who had the opposite gender. Regarding data exclusion, three pairs did not report the counteroffer, so final analyses for the counteroffer used 122 dyads only. Additionally, five pairs did not reach to an agreement in the end, thus final analyses of final price used 120 dyads only. Analyses focused on each pair as a unit, examining the effects of gender group membership of the first offer maker (ingroup vs. outgroup) and the effects of gender of the offer receiver (male vs. female) on two key variables: counteroffer (i.e., the magnitude of adjustment away from the counteroffer), and final agreed price (i.e., the adjustment away from the first offer). Important to note is that the two economic outcome measures, counteroffer and final settlement, in this study constituted the adjustment away from the first offer, in absolute terms, rather than simply the actual counteroffer or final settlement number as in the previous three studies. This is because in this study the magnitude of the first offer differs depending on whether the seller or the buyer made the first offer. Study 4 thus entailed a 2 (gender group membership of first offer maker: male vs. female) \times 2 (gender of offer receiver: male vs. female) between-subjects design.

Materials and procedure

Students took part in the exercise during class hours. They were randomly allocated into the role of Seller or Buyer, and were provided with case

information on their role. Following a 20 minutes preparation during which they read their role materials, participants were randomly paired up with another classmate to conduct the negotiation with the aim of reaching an agreement on a property (with a maximum time limit of 25 minutes to conduct the negotiation). Upon finishing the negotiation, participants were asked to fill out the post negotiation survey that included measures of negotiation behaviors and outcomes (only one of the two negotiation partners were required to enter the details in the survey).

Measures

Following the negotiation, each negotiation pair completed the survey to record whether they reached an agreement. If no agreement was reached (as was the case for 5 dyads) the data was excluded from the analyses (among the 5 pairs with non-agreement, 3 pairs were mixed gender and 2 pairs were only males). The survey further recorded who made the first offer (Seller or Buyer), what the first offer was (i.e., the first price that was given as a first offer), what the counteroffer (i.e., the price point that was provided as the counter to the first offer), and what the final agreement was (i.e., the final settlement price reached). Each value was entered as Millions of Dollars, since this was the economic metric specified in the negotiation case. These figures were then used to construct the variables for analyses. As mentioned above, the study did not measure trust due to data collection constraints. Only objective data was collected, on the joint performance

of the negotiation dyads, requiring only a single data entry for each of the negotiation dyads, rather than a separate entry of both negotiation partners, which would have complicated data collection purposes within the classroom setting.

First offer. Participants were first asked whether the buyer or seller made the first offer in the negotiation. After this, they were asked: “What was the first offer (the first proposed sales number that was put on the table)?”.

Counteroffer. Participants were asked “In response [to the first offer], what was the other party’s counteroffer (the number that was put on the table in response to the first offer)?”. For analyses purposes, this value was then used to generate the variable of interest, counteroffer adjustment. Because first offers differ depending on whether the Seller or Buyer made the first offer, comparing the actual, numerical counteroffer value provided was not appropriate for analyses. Therefore, the counteroffer adjustment was computed, which entailed the absolute difference score between the first offer and the counteroffer (similar to procedures used by Loschelder et al., 2014; Mason et al., 2013).

Final settlement. Participants were asked “If you reached an agreement: What was the final sales price you agreed on?”. Again, and similar to counteroffer adjustment, a final adjustment score was computed that entailed the absolute difference score between the final price and the first offer.

Results

A 2 (gender group membership of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subjects ANOVA was conducted on the counteroffer adjustment and final adjustment variables. The means and standard deviations are presented in Table 9.

Counteroffer adjustment. In contrast with Hypothesis 1, there was no significant main effect for first offer maker gender group on counteroffer adjustment, $F(1, 118) = 0.55, p = .46, \text{partial } \eta^2 = .01$. Offer receivers made a counteroffer adjustment of similar magnitude when the first offer maker was an ingroup member ($M = 11.14, SD = 9.37$) to when the first offer maker was an outgroup member ($M = 11.17, SD = 10.36$). The results did however indicate a significant main effect of gender of offer receiver on counteroffer adjustment, $F(1, 118) = 4.64, p = .03, \text{partial } \eta^2 = .04$, as predicted in Hypothesis 3. Male offer receivers adjusted more away from the first offer ($M = 12.80, SD = 9.93$) than did female offer receivers ($M = 9.21, SD = 9.42$). No significant interaction effect emerged on counteroffer adjustment, $F(1, 118) = 0.11, p = .75, \text{partial } \eta^2 < .01$. However, inspection of the means showed marginal differences, such that both males and females adjusted less away from first offers provided by their gender ingroup members than their outgroup members (see Table 8).

Final settlement adjustment. Similar to counteroffer adjustment and contrary to Hypothesis 1, there was no significant main effect of gender group of the first offer maker on the final agreement price, $F(1, 116) = 0.23, p = .63$,

partial $\eta^2 < .01$. The final agreement adjustments were of similar magnitude when the first offer was made by an ingroup member ($M = 7.51, SD = 5.75$) as opposed to an outgroup member ($M = 6.93, SD = 5.88$). However, as expected in Hypothesis 3, there was a significant main effect of offer receiver gender on the final agreement, $F(1, 116) = 12.17, p < .01, \textit{partial} \eta^2 = .10$. For female offer receivers the final agreements were closer to the first offer, i.e., they adjusted less away from the first offer ($M = 5.36, SD = 4.29$) than did male offer receivers ($M = 8.88, SD = 6.44$). The interaction effect on final settled price failed to reach significance, $F(1, 116) = 2.01, p = .16, \textit{partial} \eta^2 = .02$. However, again, inspection of the means showed some marginal, albeit non-significant, differences (see Table 8). In line with predictions, final agreements for males who had received a first offer from a female outgroup first offer maker were adjusted further away from the first offer than when the first offer had been provided by a male ingroup. A converse pattern emerged for females, where the final adjustment was further away for the female ingroup than male outgroup first offer maker.

Table 9 Counteroffer adjustment (COA), final settlement adjustment (FA) by first offer maker gender group and offer receiver gender, Study 4

	Gender group of first offer maker	
	Ingroup	Outgroup
COA		
Male offer receiver	12.55 (10.25)	13.32 (9.45)
Female offer receiver	7.89 (5.94)	9.89 (10.79)
FA		
Male offer receiver	8.21 (6.01)	10.24 (7.21)
Female offer receiver	6.00 (4.95)	5.00 (3.91)

Note. Values in parentheses are standard deviations.

To test whether there was an effect of role of the first offer maker (i.e., Seller vs. Buyer), a two-way ANCOVA was conducted using the variable of who made first offer. No significant confounding effects appeared for either counteroffer adjustment or final settlement adjustment (see Appendix for results).

The Pearson correlations for variables included in this study is shown in Table 10 and 11.

Table 10 Descriptive statistics and correlations for study variables, male offer receivers, Study 4

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2
1. First offer maker group ^a	66				
2. COA	66	12.80	9.93	.04	
3. FA	64	8.88	6.44	.15	.79**

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Table 11 Descriptive statistics and correlations for study variables, female offer receivers, Study 4

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2
1. First offer maker group ^a	56				
2. COA	56	9.21	9.42	.10	
3. FA	56	5.36	4.29	-.11	.81**

^a 0 = ingroup and 1 = outgroup

***p* < .01.

First offer. In addition, since I also had information available on whether males or females had made the first offer, I ran some additional analyses on the first offer variable, in a more exploratory manner. First, the descriptive statistics indicated that among all the 125 negotiation dyads, males were more likely to make a first offer in negotiation, compared to females (Males: 83 times; Females: 42 times). However, the dataset was made up of 45 male-male dyads, 20 female-

female dyads and 60 mixed gender dyads. When I took only the mixed gender dyads (60 pairs), a one-sample binomial test revealed a marginally significant effect that males were more likely to initiate the first offer (38 out of 60 pairs) than were females (22 out of 60 pairs), $p = .05$. Second, I tested whether the first offer maker gender was associated with their role in the negotiation. A chi-square test of independence was performed to test the relationship between who made first offer (Seller or Buyer) and first offer maker gender. The relationship between the two categorical variables was significant, $\chi^2(1, N = 125) = 4.43, p = .04$. When in the buyer role, there were more males who made the first offer (52 males) than female first offer makers (18 females). No significant difference emerged in the seller role (31 male first offer makers, 24 female first offer makers). Third, I also tested whether the gender of first offer maker had an effect on the magnitude of the first offer. I divided the sample by role, i.e., whether the buyer was making the first offer or the seller making the first offer. Then I performed two independent samples t tests. In both cases, no differences emerged. When the buyer was the one who made the first offer, male first offer makers made a similar first offer ($M = 39.59, SD = 5.66$) as did female first offer makers ($M = 38.52, SD = 7.72$), $t(68) = 0.63, p = .53$. Likewise, in the situation where the seller made the first offer, male and female first offer makers proposed a similar magnitude of first offers (Male: $M = 54.54, SD = 10.65$; Female: $M = 52.60, SD = 10.72$), $t(53) = 0.67, p = .51$.

Discussion

In a different design than the first three studies, employing a more realistic negotiation, Study 4 examined the effects of gender group membership of the first offer maker and gender of the offer receiver on counteroffers and final agreements in a distributive price negotiation. The study was unable to replicate the effect of first offer maker on counteroffer and final agreement as obtained in Study 1, but it did replicate the findings of Study 3 concerning the gender of offer receiver (as per prediction of Hypothesis 3). Specifically, results showed that male offer receivers adjusted more away from first offers than did female offer receivers. Similarly, the final agreements were dependent on initial offer receiver gender. For male offer receivers, the final agreements were adjusted further away from the first offer than for females. In other words, males ensured a more favorable deal for themselves than did females.

Further, although the interaction effects failed to reach significance, the descriptive values did reflect an interesting pattern, to the extent that both male and female offer receivers adjusted marginally less away in their counteroffers to first offers provided by an ingroup member than an outgroup member, providing tentative (albeit statistically non-significant) support for Hypothesis 1.

However, the results of final agreement adjustments demonstrated a different trend, with male offer receivers deviating marginally less away from first offers provided by their gender ingroup member as opposed to their gender

outgroup member yet female offer receivers adjusting more away from the first offers by their gender ingroup than to their gender outgroup.

Albeit non-significant, the pattern of effects suggests that males in a position of offer receiver not only take more advantage of the outgroup in their answer of counteroffers but also claim more value in negotiations when negotiating with the outgroup than with the ingroup. Nevertheless, females, despite giving more favorable response to their ingroup in the counteroffers, ended the negotiation by giving more marginally favorable outcomes to their outgroup in relative to their ingroup. Having said this, it is important to keep in mind that I did not have data available on what happened between the counteroffer and final agreement, since participants were only asked to report the initial counteroffer and the final agreement price. The final agreement numbers are likely to have been influenced by additional counteroffers and concessions, which I cannot control for. Moreover, the relatively sample size makes it difficult to draw firm conclusions on this interaction effect, so these findings need to be interpreted with caution.

Different from the other studies in this Chapter, the setting of Study 4 allowed participants to choose who will start the negotiation with the initial offer. First, I discovered that in the mixed gender dyads males were more likely to initiate the first offer than females (albeit it was only marginal significant). This result echoed the papers that found males have greater tendency to commence the negotiation (Small et al., 2007) and that uncovered that White males are more

aggressive and confident to request for a salary increase negotiation than White females (Toosi et al., 2018). Second, I was able to examine the relation between the role of first offer maker and the gender of first offer maker. Results indicated a significant correlation and males tended to propose the first offer more than females would when they were in the position of Buyer.

A key limitation that needs to be kept in mind is that this data comes from the fact that there was no inclusion of additional covariates in the data. Since students took part in the negotiation within the classroom, it is possible that prior history or friendship relationships may have influenced negotiation dynamics. Relatedly, due to classroom constraints no additional variables were collected, such as trustworthiness, which would have allowed for more detailed analyses. A further limitation comes from the fact that the data did not record who made the final offer, i.e., there was no question included as to whether the final offer was made by the first offer maker or the counterpart. Future research should therefore ensure to replicate the effects using a larger sample and adjusted design that addresses these limitations.

2.6 Discussion

Chapter 2 provided a first examination into the interplay between first offer effects, intergroup biases surrounding gender, and gender differences in one-to-one distributive negotiation. More specifically, this chapter presented four experiments examining the impact of the gender group membership of the first offer maker and the gender of the offer receiver on negotiation outcomes, in the context of both online salary negotiations (Studies 1-3) and face-to-face dyadic real estate sale negotiation (Study 4). A general finding across all four studies was that gender dynamics appeared to play a significant role in affecting negotiation outcomes, in both economic and relational measures, albeit in different ways. I discuss the findings below, first, in relation to the role of gender ingroup bias in the first offer effect, and second, in relation to the role of gender differences in the first offer effect.

In relation to hypotheses 1 and 2, which predicted a gender ingroup bias in how negotiators would respond to first offers provided by either ingroup or outgroup first offer makers and the consequences thereof for economic and relational outcomes, the four studies yielded mixed findings. There was some evidence of a gender bias in the studies. Employing a salary negotiation setting with only male participants, Study 1 demonstrated that male offer receivers tended to offer more favorable terms in their counteroffers and final settlements when negotiating with ingroup male first offer makers compared to outgroup female first offer makers. These findings aligned with what were discovered in

Dittrich et al. (2014) and Pardal et al. (2020) concerning males' gender biases leading to unfavorable negotiation performance with outgroup females. Study 2 also using only male participants, however, did not replicate these effects, showing no clear difference in means in counteroffers and final agreements depending on whether the first offer maker was an ingroup male or outgroup female. Study 3, which used both male and female participants, also failed to provide statistically significant effects, although it did provide some tentative evidence of an ingroup favoring bias for males, such that male negotiators provided marginally more favorable counteroffers to male ingroup first offer makers than female first offer makers; no similar pattern emerged for female negotiators. However, there was some tentative evidence of a gender bias in Study 4. Using both male and female participants in the sample and a more realistic negotiation setting of face-to-face dyadic negotiation, Study 4 tried to validate the results of Study 3. Although the main effect of gender group membership of first offer maker did not reach significance either, inspection of the descriptive data revealed that male negotiators in the offer receiver role, and indeed also female negotiators in the offer receiver role, made less adjustment away in their counteroffers from first offers made by a gender ingroup member than a gender outgroup member. Although it needs to be kept in mind that these mean differences were not qualified by a significant interaction effect, they nonetheless align with the findings obtained in Study 1. Similarly, the final agreements were more adjusted away from the outgroup than the ingroup for males, yet not for

females who interestingly showed a reverse pattern. Having said this, one needs to keep in mind that these latter effects reflect a pattern, yet one that was not statistically significant.

A number of reasons may account for the non-significance of effects, most notably the limitations on sample size, which were due to constraints beyond my control (having to rely on convenience samples), and is thus something to be considered for future research. Future research should thus seek to validate these findings with more high-powered samples. Another key potential reason for the mixed effects may stem from social desirability biases. Since the topic of gender equality is at the forefront of much public debate and has garnered significant media attention, it may be that participants were particularly attuned to this, and sought to adapt their responses. For example, as revealed by recent gender research, men's support for gender equality was positively correlated with their level of social desirability and the more social desired a male was the more support he would show for the gender equality (Sudkämper et al., 2020). Additionally, some of the samples and study design are not optimal. For instance, the convenient samples in Studies 3 and 4 were somewhat diverse in their nationalities, comprising participants with differing levels of English proficiency and relatively low level of actual negotiation experience, which could have influenced the outcomes. Also, in Study 2 the experiment design of putting participants into a different powered role in negotiation could potentially have led to different results from the one in Study 1.

Concerning the effect of first offer maker gender group membership on the relational outcome of trust examined in Studies 1-3, Studies 1 and 2 (but not Study 3) uncovered that male negotiators in the offer receiver role perceived outgroup female first offer makers as more trustworthy than ingroup male first offer makers. These findings align with predictions underlying the Stereotype Content Model (Fiske, 1998) about women being more warm, cooperative and trustworthy. Study 3 however did not replicate these results. Mediation analyses of trustworthiness perceptions further revealed an indirect effect of outgroup membership on economic outcomes, mediated via higher perceptions of trustworthiness. However, these indirect effects did not offset the significant negative direct effect in Study 1, highlighting that female first offer makers did not achieve better economic outcomes in the negotiation. And indeed, in Study 2, the mean differences also do not suggest a more favorable outcome for females in the direct mean comparisons, despite the significant indirect effect.

Taken together, these findings provide some, albeit inconclusive, support for the prediction that first offer maker gender affects economic and relational outcomes in distributive negotiations. The data from these four studies showed that male negotiators in particular appeared to provide marginally more favorable counteroffers and final agreement expectations when provided with a first offer by a male ingroup first offer maker compared to a female first offer maker.

Considering the gender differences predicted in hypothesis 3, Studies 3 and 4 revealed a consistent pattern of differences in how male and female

negotiators respond to first offers, and perceive the first offer maker in relational terms. Study 3 focused on an online email negotiation involving the salary negotiation in a top consulting firm, with participants (offer receivers) assigned to the role of recruiter. Results indicated a significant difference in negotiation economic outcomes between male and female offer receivers, with males providing more extreme counteroffers and estimations of the final deal than females. In other words, male offer receivers generally adjusted further away from a first offer proposal, and therefore managed to achieve more favorable economic results for themselves. Study 4 confirmed these gender differences in negotiation outcomes using a dyadic sample negotiating the sale price of real estate property. Again, male offer receivers adjusted more away from the first offer compared to female offer receivers. This negotiation behavior allowed males to secure more economic advantages for themselves, similar to the pattern obtained in Study 3. These results are consistent with the literature concerning gender differences in negotiation outcomes (Mazei et al., 2015; Stuhlmacher & Walters, 1999), but confirm them in the context of the first offer effect. These results from Studies 3 and 4 thus offer critical new evidence to show that the economic advantage that males may reap in negotiations can start at a very early stage in the negotiation, when first offers are being discussed, considered and responded to. Moreover, Study 4 revealed an interesting finding that males were more likely to make a first offer in a negotiation, compared to females. This again indicates a difference in

negotiation behavior that is critical to understand potential gender differences in the first offer effectiveness.

Corroborating these findings somewhat, Study 3 further revealed that female offer receivers tended to perceive first offer makers as more trustworthy than male offer receivers. This may also explain why females gave more favorable counteroffers and final agreements. Indeed, inspection of the correlations revealed that perceptions of trustworthiness of the first offer maker were significantly positively correlated with counteroffers and final agreements for female negotiators, but not for males. The perception of one's negotiation counterpart encompasses numerous processes and elements linked to the broader concepts of person perception and impression formation (Thompson, 1990). One potential reason to explain this trend may be that females at times perceive their negotiation counterpart as akin to themselves, whereas males typically view themselves as fundamentally distinct from their opponents (Gilkey and Greenhalgh, 1984; Zechmeister and Druckman, 1973). Because of the similarities women see in their counterpart, they may feel a sense of familiarity and comfort, resulting in interpersonal trust, as indicated by the similarity attraction theory (Byrne, 1971). Study 3 provided some preliminary evidence in the gender differences of trust perception, yet further investigation is necessary to validate these results.

Chapter 3. Intergroup Biases and Gender Differences in First Offer Effects

3.1 Overview of studies

Negotiation entails interactions between two or more parties, and it has been noted that the party initiating the first move, i.e., making the initial offer, may achieve more advantageous negotiation performance. The first proposal in negotiation significantly influences various economic negotiation outcomes, such as counteroffers and final agreements. Despite the predominant focus on economic metrics, relational aspects have frequently been neglected. To address this gap in comprehension, this chapter endeavors to collect data and test both economic and relational measures, with a specific emphasis on examining how individuals respond to initial offers made by negotiators with diverse social identities.

In recent years, more and more researchers have delved into the ways in which intergroup biases and the possession of distinct social identities can impact the negotiation process and its results. In particular, scholars have investigated how negotiation outcomes might differ among individuals belonging to various groups, contingent upon perceptions of their group affiliations. Some researchers have delved into the concept of racial intergroup bias, where studies have unveiled disparities in treatment experienced by ethnic minority outgroups, typically Black individuals. For instance, research by Ayres and Siegelman (1995) demonstrated unequal treatment in price quotations during negotiations for the purchase of used cars. Additionally, studies such as Hernandez et al. (2019) found that ethnic outgroups were expected to be less likely to initiate salary negotiations,

while Oore et al. (2013) discovered that they concluded job negotiations with less favorable joint gains. Furthermore, Kubota et al. (2013) noted that individuals were more inclined to reject initial offers from Black individuals, even if it meant sacrificing their own financial gains, compared to offers from White individuals. Other scholars have also explored intergroup biases based on other types of group affiliation, such as affiliation with a university. Research has for example revealed that individuals tend to be more honest with members of their university ingroup compared to outgroup members (Glac et al., 2014). Additionally, studies by Moore et al. (1999) found that individuals were more likely to reach agreements in negotiations, rather than experiencing impasses, with ingroup members as opposed to outgroup members.

In this chapter, my aim is to provide additional evidence regarding the potential disparate treatment of ingroup and outgroup members in the context of first offers specifically, as well as to examine potential gender differences therein. I investigate whether and how individuals respond differently to identical first offers presented by negotiators belonging to different social identity groups, focusing in particular on racial, ethnic or ethno-religious groups, as well as different university groups. Based on the prior literature concerning intergroup bias in negotiations (Ayres and Siegelman, 1995; Glac et al., 2014; Hernandez et al., 2019; Moore et al., 1999; Oore et al., 2013) as well as the results I obtained in Chapter 2 (particularly from Study 1 but also Study 4) I predict that offer receivers will provide more favorable responses to the first offer made by their

ethnic, ethno-religious, or university ingroup first offer makers than to their ethnic, ethno-religious, or university outgroup first offer makers. I thus expect that Hypotheses 1 (see below), laid out in Chapter 1, will hold. In other words, I anticipate that individuals who receive initial offers from negotiators belonging to the same ethnic, ethno-religious or university group will make fewer adjustments in their counteroffers and final agreements compared to those who receive initial offers from members outside of their ethnic, ethno-religious or university group. This hypothesis is examined in Studies 5-9.

H1: Offer receivers in a negotiation will adjust less away in their counteroffers and final agreements from first offers provided by ingroup first offer makers than outgroup first offer makers.

Moreover, existing research on ingroup favoritism has revealed that when individuals are divided into distinct groups, they often perceive outgroups as less cooperative, trustworthy, and honest compared to members of their own group (Brewer, 1979; Gotte et al., 2006). Consequently, due to the inherent tendency to trust ingroups more than outgroups (Brewer, 1979; Gotte et al., 2006), I anticipate that recipients of offers will place more trust in their ethnic, ethno-religious, or university ingroup than in their ethnic, ethno-religious, or university outgroup. Since trust correlates with more favorable counteroffers and final agreements in support of the initial offer maker (as demonstrated in Studies 1 and 2), I hypothesize that trust serves as a mediator in the relationship between group

membership of the initial offer maker and economic outcomes. Thus, I predict that a higher level of trust in the initial offer maker will lead to more favorable economic outcomes for them. Consequently, initial offers made by ethnic, ethno-religious, or university ingroups are expected to yield more favorable economic outcomes for the ingroup due to heightened levels of trust (as per prediction in Hypothesis 2, as following).

H2: Offer receivers in a negotiation will perceive an ingroup first offer makers as more trustworthy than an outgroup first offer maker. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs. outgroup first offer makers. First offer maker ingroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

Additionally, this chapter again tests potential gender differences. Prevailing literature on gender differences in negotiation indicates that male negotiators often exhibit a higher propensity to initiate negotiations and also utilize more assertive and aggressive tactics, as demonstrated by various studies (Small et al., 2007; Kimmel et al., 1980; Walters et al., 1998). Moreover, research by Stuhlmacher and Walters (1999) and Mazei et al. (2015) through meta-analyses consistently showed that men tend to achieve more favorable outcomes in negotiations compared to women, underscoring the need for further systematic exploration into whether gender influences responses to initial offers despite existing research on gender disparities in this domain. Drawing upon previous

research findings and the significant results of gender differences obtained from Studies 3 and 4, I expect that male recipients of first offers will attain more advantageous results in the economic outcomes in the negotiation compared to the female first offer receivers (as per prediction in Hypothesis 3, see below). Based on the gender difference results on relational outcome of trust in Study 3, I predict that female offer recipients will evaluate the first offer maker with higher score of trust in relation to male offer recipients (Hypothesis 5, see below).

H3: Male offer receivers will adjust less away from first offers than female offer receivers, resulting in more favorable counteroffers and final agreements for themselves.

H5: Male offer receivers will perceive the first offer maker as less trustworthy, compared to female offer receivers.

Moreover, to date, few studies have explored the intersection of gender disparities alongside ethnic, ethno-religious, or university ingroup biases in negotiation. One exception is the study conducted by Toosi et al. (2019), which investigated the intersectionality involving gender and race in negotiation. In their second study, the researchers focused on comparing the size of initial offers presented by White men, White women, Asian men, and Asian women. The findings indicated no gender gap between Asian men and Asian women, yet notable distinctions emerged between White men and White women. Specifically,

White men made higher initial salary offers than White women, and they also tended to request more compared to Asian men.

The focus of this chapter however is different from research by Toosi et al. (2019). First, rather than evaluating the magnitude of initial offers, the studies in this chapter were focused on examining how recipients of offers react to first offers and with what consequences for both economic and relational outcomes. Second, this chapter sought to explore whether and in what ways intergroup biases (based on university identity or interethnic/interethno-religious ingroup biases) were influenced by gender disparities. Taking the interaction between ethnic or ethno-religious ingroup biases and gender differences as an example, this chapter centered on examining whether there are divergent responses from White male and White female offer receivers towards White male first offer makers, compared to ethnic or ethno-religious outgroup male first offer makers. Based on the tentative findings obtained in Study 4, I expect that both male and female offer recipients will adjust less from the first offer made by university, ethnic, or ethno-religious ingroup member, compared to university, ethnic, or ethno-religious outgroup members in their counteroffers. In terms of the final deal, drawing from Study 4 I predict that male offer receivers will make less adjustment from the first offer proposed by their ethnic, ethno-religious, or university ingroup than their ethnic, ethno-religious, or university outgroup, while female offer receivers will adjust more from the first offer provided by their ingroup than their outgroup.

This chapter is made up of five studies investigating the influence of the group membership of the initial offer maker and the gender of the offer receiver on both economic and relational measures. The chapter begins with Study 5 examining the effects of group membership based on university and the gender of the offer receiver on both economic and relational outcomes. Leveraging the natural university identity, Study 5 used the negotiation scenario of a part-time job for a campus party. Study 6 shifted to another group category – group membership based on ethno-religion or race, to validate the findings of Study 5 by employing an online car sale negotiation setup. Manipulation was based solely on names, and participants were provided with information about a reference point. Study 7 sought to further enhance the experimental design and extrapolated the setting to a different interethno-religious context and different negotiation scenario - a salary negotiation - and utilized a first offer value that deviated even further from the reference point than prior studies. Study 8 reverted to salary negotiation setting and also presented a more ambitious initial offer (compared to the reference point). Finally, Study 9 used an online negotiation scenario involving the negotiation over the price of a used car in the UK. In this study, the race of the first offer maker was manipulated, either as racial ingroup White or outgroup Black, using both names and photos.

3.2 Study 5

Introduction

Study 5 opted to explore group categorization based on university affiliation. Given that the gender identity (as examined in Chapter 2) might have inadvertently triggered social desirability biases in participants, investigating university identity, which could be manipulated more effectively using the readily available university sample, seemed prudent. Existing literature suggested that group identity rooted in university affiliation significantly influences negotiation behavior and performance (Glac et al., 2014; Moore et al., 1999). Consequently, the current study aimed to investigate the impact of group membership based on university identity on both economic outcomes (i.e., counteroffers) and relational outcomes (i.e., trust).

Additionally, Study 5 adopted a negotiation scenario involving the salary for a part-time job. This scenario was chosen as it closely resonated with the participants of the convenience sample, potentially enhancing their motivation to engage actively in the negotiation process.

Method

Participants and design

Five hundred seventy-five students from Esade Business School participated in the study, using a survey programmed into Qualtrics. It was a convenience sample, with 575 participants being the maximum I was able to

achieve during that semester. Students participated through the lab and were rewarded with course credit. The experiment manipulated the university identity of first offer maker (ingroup vs. outgroup university). There were both males and females in the sample. Therefore, the design of the Study 9 constituted a 2 (university group membership of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subject design.

Similar as previous studies, first participants who did not answer the answer the manipulation check question correctly were removed ($n = 106$). Then, seven participants who provided an invalid answer to the question of counteroffer were not included. Counteroffers that were more than 3 standard deviations away from the mean were also excluded in the analyses ($n = 10$). The final sample used for data analysis comprised 452 participants in total (236 males, 216 females).

The average age of participants was 18.91 years ($SD = 0.96$).

Materials and procedure

After indicating their consent to participating in the experiment, participants were randomly assigned to one of the two conditions: one in which they would negotiate with a male counterpart called Jose who made the first offer in a part-time job salary negotiation, and belonged either to the ingroup university (being an Esade alumni) or to a key outgroup university (alumni of Universidad Autonoma de Barcelona, UAB; another university in Barcelona, Spain located close to Esade). Participants were asked to imagine that they were organizing a

student campus event that happens every year at their own university (i.e., the Esade campus party) and were searching for a part-time event manager. The manipulation the ingroup vs. outgroup membership of the first offer maker was achieved by mentioning that the first offer maker was an Esade (UAB) alumni and repeating the names of the university several times in the scenario. The negotiation scenario ended with the first offer maker giving a first offer of €420 (whereas participants were told their maximum budget to pay was €400 and if possible, they would like to pay less), upon which participants were asked to respond to this first offer. While Studies 1 and 3 used a relatively extreme first offer (25% above the reference point) in relation to the reference point, the current study was designed to test a more moderate first offer (5% above the reference). Also, compared to market benchmark in Studies 1 and 3, a reservation price was used. Drawing from White et al. (1994), it was suggested that reservation price provides a more accurate forecast of negotiation outcomes compared to aspiration price and market price. The experiment thus was designed to test whether same ingroup effect as in Study 1 would emerge with this moderate first offer and reservation reference price. The variable of estimation of final settlement was not measured in this study because of the constraints of length of study. A manipulation check was included following the key dependent variables, with the question of “The candidate is a former student. Which university was the candidate from?” embedded in a series of filler items.

Measures

Perception of trustworthiness. Participants were asked to rate “To what extent did you perceive the candidate as trustworthy?”. Participants were instructed to respond using a 5-point Likert scales from 1 (not at all) to 5 (extremely).

Counteroffer. Participants were asked “You are keen to bring Jose on board as you need to find someone quickly, but you want to make him a counteroffer to hire him at a lower salary. How much would you counteroffer him?”. Participants were instructed to type in their answer using a numerical value.

Results

A 2 (university group membership of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subjects ANOVA was conducted on all the dependent variables. The means and standard deviations are presented in Table 12.

Perception of trustworthiness. There was a significant main effect for first offer maker university group on the perception of trustworthiness, $F(1, 448) = 6.25, p = .01, partial \eta^2 = .01$. Offer receivers perceived the ingroup first offer maker as more trustworthy ($M = 5.05, SD = 1.12$) than the outgroup first offer maker ($M = 4.78, SD = 1.04$). There was a marginally significant main effect for offer receiver gender on how trustworthy they perceived the first offer maker, $F(1,$

448) = 2.81, $p = .10$, *partial* $\eta^2 = .01$. In a similar vein to what was found in Study 3, female offer receivers rated the first offer maker as more trustworthy ($M = 5.03$, $SD = 1.10$) than did male offer receivers ($M = 4.84$, $SD = 1.10$). The interaction effect of the perception of trustworthiness was not significant, $F(1, 448) = 0.04$, $p = .85$, *partial* $\eta^2 < .01$.

Counteroffer. As predicted in Hypothesis 1, there was a marginal significant main effect of first offer maker university group on counteroffer, $F(1, 448) = 3.17$, $p = .08$, *partial* $\eta^2 = .01$. Offer receivers made a higher counteroffer to the ingroup university alumni ($M = 355.20$, $SD = 33.83$) than to the outgroup university alumni ($M = 348.43$, $SD = 37.09$). Also, in alignment with Hypothesis 3, the results also indicated a significant main effect for offer receiver gender on counteroffer, $F(1, 448) = 15.75$, $p < .01$, *partial* $\eta^2 = .03$. Male offer receivers gave a lower counteroffer ($M = 345.61$, $SD = 35.76$) than female offer receivers ($M = 359.18$, $SD = 33.86$) in response to the first offer. No significant interaction effect emerged on counteroffer, $F(1, 448) = 0.04$, $p = .85$, *partial* $\eta^2 < .01$.

Table 12 Perception of trustworthiness, counteroffer by first offer maker university group and offer receiver gender, Study 5

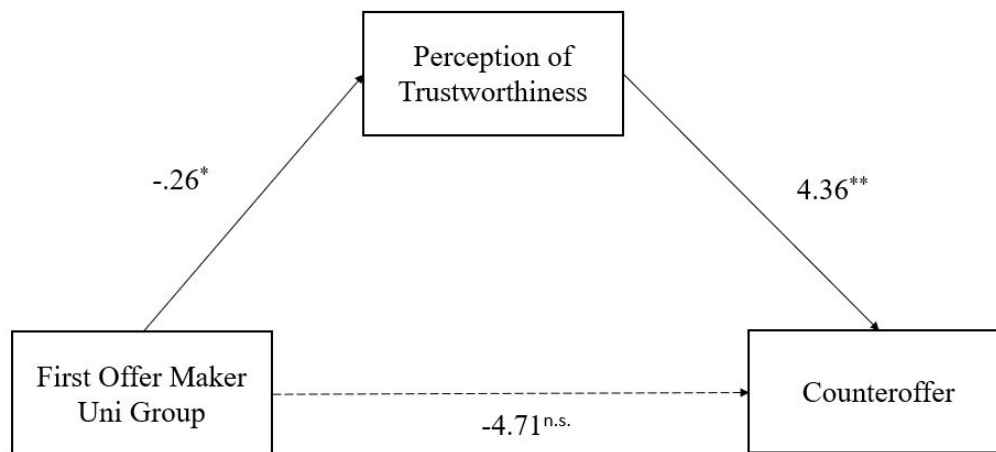
	Uni group of first offer maker	
	Ingroup	Outgroup
Perception of trustworthiness		
Male offer receiver	4.98 (1.15)	4.70 (1.02)
Female offer receiver	5.13 (1.10)	4.89 (1.07)
Counteroffer		
Male offer receiver	348.18 (35.50)	342.96 (35.99)
Female offer receiver	361.93 (30.82)	355.41 (37.49)

Note. Values in parentheses are standard deviations.

Mediation analysis on counteroffer. To test Hypothesis 2, and following Hayes' (2013) Macro Process via bootstrapping method, I examined the indirect effect of first offer maker university group membership on the counteroffer via trust while controlling the offer receiver gender. The results for counteroffer showed a significant negative association of first offer maker university group with perception of trustworthiness of the first offer maker ($B = -.26, p = .01$), such that ingroup university first offers maker were perceived as more trustworthy than outgroup university first offer makers. The covariate of offer receiver gender did not predict the perception of trustworthiness, $B = .17, p = .10$. In turn, the relationship between perception of trustworthiness and counteroffer was significant ($B = 4.36, p < .01$), showing that higher trust was associated with a

higher counteroffer (i.e., a more favorable counteroffer, in favor of the first offer maker). The covariate of offer receiver gender predicted the counteroffer ($B = 12.41, p < .01$), but it did not wipe out the significant effect of trustworthiness on counteroffer. The model indicated a significant negative indirect effect of first offer university group membership on counteroffer via perception of trustworthiness ($B = -1.13, CI\ 95\% = -2.59, -.12$), such that outgroup university first offer makers were given less favorable counteroffers via decreased trust. The direct effect of university group of first offer on counteroffer was not significant ($B = -4.71, p = .15$). These results confirmed Hypothesis 2.

Figure 6 Unstandardized regression coefficients for the relationship between first offer maker university group and counteroffer as mediated by perception of trustworthiness, Study 5



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

Furthermore, I conducted a two-way ANCOVA analysis incorporating the age covariate. No confounding effect was identified, and the significant results concerning counteroffers, and perception of trustworthiness persisted even after integrating the covariate variable (refer to the Appendix for details).

The Pearson correlations for variables included in this study is shown in Table 13 and 14.

Table 13 Descriptive statistics and correlations for study variables, male offer receivers, Study 5

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2
1. First offer maker group ^a	236				
2. Perception of trustworthiness	236	4.84	1.09	-.13	
3. Counteroffer	236	345.61	35.76	-.07	.15*

^a 0 = ingroup and 1 = outgroup

**p* < .05.

Table 14 Descriptive statistics and correlations for study variables, female offer receivers, Study 5

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2
1. First offer maker group ^a	216				
2. Perception of trustworthiness	216	5.03	1.09	-.11	
3. Counteroffer	216	359.18	33.86	-.10	.14*

^{+a} 0 = ingroup and 1 = outgroup

**p* < .05.

Discussion

Regarding the influence of the first offer maker university group membership on economic and relational outcomes, the present study showed that offer receivers perceived members of their ingroup as more trustworthy than outgroup members, aligning with existing literature on ingroup bias (Hypothesis 2). Mediation analyses further indicated that the increased level of trust was correlated with the counteroffer and university ingroup first offer maker achieved a more favorable counteroffer via this higher magnitude of trustworthiness perception.

Additionally, despite the effect being only marginally significant, the data pattern revealed that offer receivers tended to propose higher counteroffers to the ingroup member compared to the outgroup member, thus partially confirming Hypothesis 1. This implied less deviation from the initial offer made by the ingroup first offer maker, resulting in a more favorable economic outcome for them.

It also replicated the effect of offer receiver gender on the economic outcome of counteroffer. Consistent with the findings from Studies 3 and 4, it was observed that male recipients of offers tended to propose lower counteroffers compared to their female offer receivers. This indicated that males exhibited a greater deviation from the initial offers than females when responding to the initial offer maker. Study 5 also identified a trend where the gender of the offer receiver predicted perceptions of trustworthiness (although this effect was only

marginally significant). Specifically, females tended to perceive the initial offer maker as more trustworthy compared to males (same as what was found in Study 3).

While Study 5 offered some initial evidence of first offer maker ingroup effect and offer receiver gender differences, in the subsequent studies I aimed to manipulate the group membership based on other categories – ethnicity or ethno-religion. I sought to examine whether the same effects would persist when offer receivers negotiated with ethnic or ethno-religious ingroup vs. outgroup members.

3.3 Study 6

Introduction

Study 6 aimed to validate the results of Study 5 on economic outcomes (counteroffer and final settlement) and relational outcome (perception of trustworthiness) negotiation outcomes in a one-to-one distributive car sale negotiation. To manipulate the ethno-religious group of first offer maker, prototypical names were used to signify the ethno-religious ingroup European vs. outgroup non-European / Muslim membership.

Similar as Study 5, a reference point of a reservation price (€15,000) that was slightly higher than the first offer (€14,500) was introduced. On the one hand, drawing from White et al. (1994), it was suggested that reservation price provides a more accurate forecast of negotiation outcomes compared to aspiration price and market price. Therefore, the study continued to examine the impact of reservation price. On the other hand, Kristensen and Gärling (1997) claimed that when the initial offer was perceived as a gain relative to the reference point, participants tended to conclude negotiations with greater satisfaction. This study aimed to investigate this phenomenon within the context of relational outcomes, specifically focusing on the perception of trustworthiness. The objective was to determine whether a similar effect manifests in this domain.

Method

Participants and design

Two hundred and sixty two students recruited through the decision lab participant pool at Esade Business School participated in the study and were rewarded with course credit for their participation. The sample constituted a convenience sample and the 262 participants that participated in the study were the maximum I was able to achieve in that semester due to constraints set by the Esade Decision Lab surrounding participant recruitment. The experiment manipulated the ethno-religious group of the first offer maker (European ingroup vs. non-European/Muslim outgroup).

The design of the study constituted a 2 (group membership of first offer maker: ingroup European vs. outgroup non-European/Muslim) \times 2 (gender of offer receiver: male vs. female) between-subject design. The study was embedded in Qualtrics. Similar to previous studies, participants who did not answer the manipulation check question correctly were removed ($n = 43$). Moreover, since this study examined the effect of ethno-religious ingroup (European) vs. outgroup (non-European/Muslim) group membership, participants who indicated that their nationality was not European were excluded in the data ($n = 30$). Another two participants who answered the counteroffer question with invalid answers were not included. Lastly, I also double checked whether there were any counteroffers that fell more than 3 standard deviations away from the mean. It turned out that after the above steps of data exclusion, no extreme outliers were left in the data. The final sample used for data analysis comprised 187 participants in total ($n = 99$ males, $n = 88$ females).

The average age of participants was 18.76 years ($SD = 0.76$).

Materials and procedure

All materials were embedded in Qualtrics. Upon logging into the survey link, participants were given participant information and were asked their consent to participating in the experiment. After this, participants were randomly assigned to one of the two conditions: The ingroup condition, in which they would negotiate with a European/non-Muslim male, and the outgroup condition, in which they would negotiate with a non-European/Muslim male. In order to convey ingroup membership I chose a typical name ('Lucas') prevalent across several Western European countries, reflecting the profile of the students in the participant pool most of whom come from Western Europe; to define the outgroup I chose the most popular name in Arabic speaking countries like Middle East and North Africa ('Mohammad'). Participants were asked to imagine that they recently received their driving license and wanted to purchase a second-hand car. The manipulation the ingroup vs. outgroup membership was accomplished by repeating the ingroup vs. outgroup name several times throughout the scenario (see Appendix for materials). The negotiation scenario ended with the first offer maker giving a first offer of €14,500. Participants were also given a clear reservation value (i.e., a maximum budget) of €15,000. Following the receipt of the first offer, participants were asked to respond to this first offer. A manipulation check was included following the key dependent variables, with the

question of “What was the name of the seller you just negotiated with?” embedded in a series of filler items.

Measures

Perception of trustworthiness. Participants were asked about the trustworthiness of the first offer maker: “How trustworthy do you think the seller is?”. Responses were made on a 5-point Likert scale ranging from 1 (not at all) to 5 (extremely).

Counteroffer. Participants were asked “You are very interested in the car, but you would like to make a counteroffer to see whether you can get it at a cheaper price than the 14,500 euros Lucas (Mohammad) is asking for the car. What would your counteroffer be?”. Participants were then instructed to type in their counteroffer using a numerical value.

Estimation of final settlement. Participants were asked “Assume that you emailed the seller with your counteroffer. What do you think is the final price of the car that you and the seller would agree on in the end?”. Again, participants were asked to type in the estimation of the final price using a numerical value.

Demographic and control variables. The experiment also measured several potential control variables including negotiation training, knowledge of car price, preference for a used car, preference for the model of the used car and English proficiency. In terms of negotiation training, the majority (89%) said they had never attended any negotiation training course or program. Approximately

80% of the participants answered that they had no idea how much the second-hand car in the scenario would be sold in the market. Regarding the preference of buying a second-hand car, more than half (63%) indicated that they would be either somehow likely or extremely likely to buy a used car. When asked how much they liked the car they were negotiating, over 4.30% said they disliked it a great deal, 26.20% said they disliked it somewhat, 45.5% were neutral about it, 22.5% liked it somewhat and 1.6% liked it a great deal. Finally, since the majority of the participants were students from non-English speaking countries, self-reported level of proficiency reading in English was also measured. Most of the participants described their English proficiency level as above high level (86%).

Results

A 2 (ethno-religious group membership of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subjects ANOVA was conducted on all three dependent variables. The means and standard deviations are presented in Table 15.

Perception of trustworthiness. Contrary to Hypothesis 2, there was no significant main effect of first offer maker ethno-religious group membership on the perception of trustworthiness of the first offer maker, $F(1, 183) = 0.08$, $p = .77$, *partial* $\eta^2 < .01$. Offer receivers rated the ingroup first offer maker ($M = 2.91$, $SD = 0.77$) as similarly trustworthy as the outgroup first offer maker ($M = 2.94$, $SD = 0.79$). The results also failed to show a significant main effect for offer

receiver gender on perception of trustworthiness of the first offer maker, $F(1, 183) = 1.86, p = .18, \text{partial } \eta^2 = .01$, although male offer receivers did appear to perceive the first offer maker as slightly less trustworthy ($M = 2.85, SD = 0.75$) than did female offer receivers ($M = 3.01, SD = 0.81$). No significant interaction effect emerged on perception of trustworthiness, $F(1, 183) = 2.26, p = .14, \text{partial } \eta^2 = .01$.

Counteroffer. Counter to Hypothesis 1, there was no significant main effect for first offer maker group membership on counteroffer, $F(1, 183) = 1.05, p = .31, \text{partial } \eta^2 < .01$. Offer receivers made a similar counteroffer when the first offer maker was an ingroup ($M = 12432.23, SD = 983.24$) vs. an outgroup ($M = 12273.20, SD = 1296.72$) member. However, the results indicated a significant main effect of offer receiver gender on counteroffer, $F(1, 183) = 23.15, p < .01, \text{partial } \eta^2 = .11$, as predicted by Hypothesis 3. Male participants gave a lower counteroffer ($M = 11986.37, SD = 1192.56$) than female participants ($M = 12758.52, SD = 967.82$). In addition, a marginally significant interaction effect emerged on counteroffer, $F(1, 183) = 3.77, p = .05, \text{partial } \eta^2 = .02$ (see Table 5 for means and standard deviations). Male offer receivers gave a counteroffer of higher magnitude to the ingroup ($M = 12224.51, SD = 926.20$) than the outgroup ($M = 11753.00, SD = 1375.42$) first offer maker, i.e., an offer that adjusted less away from the first offer provided by the ingroup (as opposed to the outgroup) first offer maker ($p = .03$). On the contrary, female offer receivers gave a slightly higher counteroffer to the outgroup ($M = 12826.60, SD = 941.78$) than to the

ingroup ($M = 12680.49$, $SD = 1002.80$) first offer maker but this difference was non-significant ($p = .63$).

Estimation of final settlement. Also in contrast with Hypothesis 1, there was no significant main effect of first offer maker ethno-religious group membership on the estimation of the final settlement, $F(1, 183) < 0.01$, $p = .78$, $partial \eta^2 < .01$. Offer receivers expected the final price to be of similar magnitude to the ingroup ($M = 13427.22$, $SD = 602.16$) and outgroup ($M = 13400.52$, $SD = 664.49$) first offer maker. However, there was a significant main effect of offer receiver gender on the estimation of what the final price would be, $F(1, 183) = 16.71$, $p < .01$, $partial \eta^2 = .08$ (as per prediction of Hypothesis 3). Female offer receivers expected that they would end up paying a higher final price ($M = 13609.77$, $SD = 496.84$) than male offer receivers ($M = 13240.91$, $SD = 690.47$). The interaction effect on final settled price did not reach significance, $F(1, 181) = 3.09$, $p = .08$, $partial \eta^2 = .02$. Inspection of the means showed a marginal difference, such that males expected to reach a higher final settlement with the ingroup than the outgroup first offer maker, an effect that was reversed for females (see Table 15).

Since the results did not reveal a significant effect of ethno-religious group membership on perception of trustworthiness, I did not perform the mediation analysis.

Table 15 Perception of trustworthiness, counteroffer, estimation of final settlement by first offer maker ethno-religious group and offer receiver gender, Study 6

	Ethno-religious group of first offer maker	
	Ingroup	Outgroup
Perception of trustworthiness		
Male offer receivers	2.92 (0.79)	2.78 (0.71)
Female offer receivers	2.90 (0.77)	3.11 (0.84)
Counteroffer		
Male offer receivers	12224.51 (926.25)	11753.00 (1375.42)
Female offer receivers	12680.49 (1002.80)	12826.60 (941.78)
Final settlement		
Male offer receivers	13381.25 (533.12)	13235.71 (675.62)
Female offer receivers	13521.43 (563.22)	13671.74 (433.55)

Note. Values in parentheses are standard deviations.

I also conducted a series of two-way ANCOVA analyses using the following covariates: negotiation training, knowledge of car price, preference for a used car, preference for the model of the used car and English proficiency which were mentioned above but no confounding effect was revealed (see Appendix for results).

The Pearson correlations for variables included in this study is shown in Table 16 and 17.

Table 16 Descriptive statistics and correlations for study variables, male offer receivers, Study 6

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	99					
2. Perception of trustworthiness	99	2.85	0.75	-.09		
3. Counteroffer	99	11986.37	1192.56	-.20*	.03	
4. Final settlement	99	13240.91	690.47	-.13	.85**	.14

^a 0 = ingroup and 1 = outgroup

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

Table 17 Descriptive statistics and correlations for study variables, female offer receivers, Study 6

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	88					
2. Perception of trustworthiness	88	3.01	0.81	.13		
3. Counteroffer	88	12758.52	967.82	.08	-.07	
4. Final settlement	88	13609.77	496.84	.13	.80**	-.04

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Discussion

Study 6 examined the effects of first offer maker ingroup vs outgroup group membership (based on ethno-religious group) and offer receiver gender on counteroffer, final settlement estimation and perception of trustworthiness of the

first offer maker. Similar to Study 5 and in alignment with Hypothesis 3, results showed that male participants gave a lower counteroffer and expected to pay a lower final price than did females. In other words, males adjusted more away from first offers than did females, thus ensuring a more favorable deal for themselves than did females. In addition to what was found about counteroffer in Study 5, the present investigation also revealed that the gender of the offer receiver significantly influenced the final settlement. This difference could possibly be attributed to the inclusion of a reference point in this study, providing participants with more information about the magnitude of the initial offer. Consequently, the gender of the offer receiver emerged as a significant predictor for both economic outcomes (counteroffer, final settlement) in negotiation.

Again, counter to prediction of Hypothesis 2, the main effect of first offer maker ethno-religious membership did not reach significance. However, results did show a marginally significant interaction effect of first offer maker group membership and offer receiver gender, such that males adjusted less away from the ingroup than the outgroup on counteroffer. In other words, males generally ensured a more favorable outcome for themselves on economic outcomes than did females, and this was particularly so when negotiating with an ethno-religious outgroup member. For fellow ingroup members, males appeared more willing to make concessions in favor of the fellow ingroup. Males offer receivers thus gave a higher (i.e., more favorable) counteroffer to their ethno-religious ingroup, thereby confirming the predictions of Hypothesis 1 for males only. A similar

pattern (albeit non-significant) emerged for the estimation of the final settlement. For females, these ingroup favoring effects were not present, and on the contrary, females were marginally more likely to concede to the outgroup than the ingroup member. Why the effect was reversed for females is unclear. One potential reason is that for female first offer receivers the outgroup was actually an outgroup on two dimensions, ethno-religion and gender, which may have influenced effects.

However, these findings are interesting as they speak to work on the intersection of identities (Atewologun et al., 2016; de Vries, 2012; Settles, 2006; Toosi et al., 2018), and work on multiple categorization (e.g., Schmid and Hewstone, 2010). It may thus be that the intersection between two identities that are either aligned in status and (dis-)advantage may magnify or alter effects, such as in the case of the social categories of male and White Europeans, two advantaged group memberships, who may be biased in favor of the double ingroup status. For females, on the other hand, who are in the traditionally disadvantaged group, there may be a potential of a shared sense of minority group identity concerning the ethno-religious outgroup. Another work that is relevant to discuss these findings is group faultlines perspective (Lau & Murnighan, 1998). Faultlines refer to hypothetical divisions that can form within a group when multiple demographic characteristics (such as age, gender, ethnicity, etc.) align in ways that create subgroups. Taken this dataset as an example, a faultline could emerge between the female European participants (offer receiver) and the male non-European Muslim first offer maker (Mohammad) because their demographic

identities vary on two dimensions, compared to other negotiation pairs. Though Lau & Murnighan (1998) indicated that faultline can generate group conflicts, the results of this study indicated a different pattern – European female offer receivers tended to give the most favorable counteroffer and estimate to settle with most favorable final price with the non-European Muslim male first offer maker, in relation to all the other negotiation pairs. However, there is one factor that has to be taken into account – the salience of social categorization (Turner et al., 1987). The unexpected result may also be due to the fact whether participants perceive their gender or ethno-religious identity as salient.

Notwithstanding these findings, the findings are preliminary and require further substantiation. For one the small sample size, due to the fact of having to rely on a convenience sample, makes it difficult to draw firm conclusions concerning the obtained effects. Moreover, the manipulation of the ethno-religious group of first offer maker may not have been clear or strong enough, and the sample was somewhat diverse coming from different nationalities. The ingroup name may therefore not have been sufficiently distinct. Thus even though European participants were selected for the data analyses, participants from different European countries may perceive and react to the names of Lucas and Mohammad in more complex ways.

3.4 Study 7

Introduction

In response to Study 6, Study 7 aimed to validate and replicate the results of Study 6. Focusing only on examining economic outcomes of counteroffer and final settlement, Study 7 sought to enhance clarity of the manipulation by supplementing the information provided in Study 6, where only the name of the first offer maker was given. Specifically, it aimed to improve the differentiation between ingroup and outgroup members by including additional details regarding the citizenship (European citizen vs. North African citizen) of the initial offer maker. The negotiation entailed a salary negotiation for an entry-level position at a mid-sized firm.

Regarding the reference point, departing from the reservation price, this study adopted another potential benchmark (White et al., 1994) - market price - for participants to evaluate the value of the initial offer. In Study 6, the initial offer closely aligned with the reference point, potentially diminishing the incentive to deviate from the initial offer and complicating the examination of differences in responses to the initial offer between ingroup and outgroup members. Consequently, the magnitude of the reference point was adjusted to widen the gap between the reference and the initial offer. To adopt a more conservative approach, a moderate gap of 18% between the reference and initial offer was chosen, closely resembling the 15% moderate gap observed in Liebert et al. (1968) while also opting for a rounded figure.

Method

Participants and design

Four hundred fifty-two students from Esade Business School participated in the study, using a survey programmed into Qualtrics. It was a convenience sample and the 452 participants were the maximum I was able to achieve. The students participated through the decision lab and were rewarded with course credit. The experiment manipulated the ethno-religious group membership of the first offer maker as either ingroup European citizen or outgroup North African citizen.

Similar to the previous study, first participants who indicated their nationality was non-European was deleted ($n = 81$). Then, participants who did not pass the manipulation check were removed ($n = 104$). Next, six participants who gave invalid answer to the counteroffer question was not included. In the last place, counteroffers that were more than 3 standard deviations away from the mean were excluded in the analyses ($n = 3$). The final sample used for data analysis comprised 258 participants in total, including both males ($n = 125$) and females ($n = 133$) in the sample. Therefore, the design of the Study 3 is 2 (group membership of first offer maker: ingroup European vs. outgroup North African) \times 2 (gender of offer receiver: male vs. female) between-subjects design.

The average age of participants was 18.81 years ($SD = 1.02$).

Materials and procedure

After giving consent to participating in the study, participants were randomly assigned to one of the two conditions: one in which they negotiated with an ingroup member and the other in which they negotiated with an outgroup member who gave the first offer in the salary negotiation. As in Studies 5 and 6, the gender of the first offer maker was held constant. Participants were asked to imagine that they were a HR manager in a mid-size construction firm and that they would be negotiating with a candidate who would be joining the firm for the position of Project Assistant. The ethno-religious group of first offer maker was manipulated by using different names: Daniel vs. Hassan, to represent one of most common European male names in several European countries for the ingroup and one of the most common North African male names) and indicating their citizenship (EU citizen vs. North African citizen) (see Appendix for materials). The negotiation scenario ended with the first offer maker giving a first offer of €26,000 (whereas the benchmarking salary in the industry was €22,000), upon which participants were asked to respond to this first offer. A manipulation check was included on a separate page at the end of the survey, with the question of “Where was the candidate from?” embedded in a series of filler questions.

Measures

Counteroffer. Participants were asked “You are keen to bring Daniel (Hassan) on board, but you would like to pay him less than his expectation if at all possible. What would your counteroffer be?”. Participants were instructed to type in their answer with a numeric value.

Estimation of final settlement. Participants were first asked: “Do you think you would reach an agreement with Daniel (Hassan) about the yearly salary?”. If they answered yes ($n = 240$), they were asked to answer the question “If you think you would reach an agreement with Daniel (Hassan): What do you think is the final salary that you would agree on with him?”. Again, participants had to type in the number of final salary.

Demographic and control variables. In the study, a couple of control variables were measured as well: negotiation training, salary negotiation experience and English reading proficiency. Approximately 21% of the participants said they had received negotiation training before. In terms of salary negotiation experience, about 7% said they had a moderate amount of experience, while 28% with a little experience and 65% with no experience at all. Last, participants were surveyed how easy or difficult they found it to read and understand the contents of the study. The majority of the participants (87%) answered that it was somewhat easy or extremely easy.

Results

A 2 (ethno-religious group membership of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subjects ANOVA was conducted on all the dependent variables. The means and standard deviations are presented in Table 18.

Counteroffer. Contrary to Hypothesis 1, there was no significant main effect for first offer maker ethno-religious group on counteroffer, $F(1, 254) = 0.66, p = .42, \text{partial } \eta^2 < .01$. Offer receivers made a similar counteroffer when the first offer maker was an ingroup ($M = 22155.17, SD = 1614.36$) to an outgroup ($M = 22061.61, SD = 1651.39$) member. However, the results revealed a significant main effect for offer receiver gender on counteroffer, $F(1, 254) = 18.55, p < .01, \text{partial } \eta^2 = .07$, offering evidence to support Hypothesis 3. Male offer receivers gave a lower counteroffer ($M = 21662.00, SD = 1816.77$) than female offer receivers ($M = 22518.79, SD = 1314.84$). No significant interaction effect emerged on counteroffer, $F(1, 254) = 0.55, p = .46, \text{partial } \eta^2 < .01$.

Estimation of final settlement. There was a marginally significant main effect for first offer maker ethno-religious group on the estimation of the final settlement, $F(1, 236) = 2.90, p = .09, \text{partial } \eta^2 = .01$. Offer receivers expected the final price to be of similar magnitude for the ingroup European ($M = 23392.27, SD = 1059.95$) and the outgroup North African ($M = 23219.23, SD = 1139.50$) first offer maker. Again aligned with Hypothesis 3, results indicated a significant main effect for offer receiver gender on the final agreement estimation, $F(1, 236) = 13.10, p < .01, \text{partial } \eta^2 = .05$. Male offer receivers expected that they would

settle on a lower final salary with the first offer maker ($M = 23040.27$, $SD = 1232.90$) than did female offer receivers ($M = 23528.35$, $SD = 922.63$). The interaction effect on final agreement did not reach significance, $F(1, 236) = 0.54$, $p = .46$, $partial \eta^2 < .01$.

Table 18 Counteroffer and estimation of final agreement by first offer maker ethno-religious group and offer receiver gender, Study 7

	Ethno-religious group of first offer maker	
	Ingroup	Outgroup
Counteroffer		
Male offer receiver	21819.67 (1751.27)	21511.72 (1878.47)
Female offer receiver	22527.27 (1614.36)	22512.81 (1284.20)
Final settlement		
Male offer receiver	23204.24 (1183.37)	22861.11 (1271.67)
Female offer receiver	23609.80 (857.26)	23473.68 (965.73)

Note. Values in parentheses are standard deviations.

In addition, I conducted two-way ANCOVA analyses using the covariates mentioned above (negotiation training, salary negotiation experience and English reading proficiency) but no confounding effect was found and the significant results remained of counteroffers and final settlements remained the same despite adding the covariate variables (see Appendix for results).

The Pearson correlations for variables included in this study is shown in Table 19 and 20.

Table 19 Descriptive statistics and correlations for study variables, male offer receivers, Study 7

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2
1. First offer maker group ^a	125				
2. Counteroffer	125	21662.00	1816.77	-.09	
3. Final settlement	113	23040.27	1232.90	-.14	.81**

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Table 20 Descriptive statistics and correlations for study variables, female offer receivers, Study 7

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2
1. First offer maker group ^a	133				
2. Counteroffer	133	22518.79	1314.84	-.01	
3. Final settlement	127	23528.35	922.63	-.07	.59**

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Discussion

Study 7 investigated the influence of the ethno-religion-based ingroup versus outgroup membership of the initial offer maker and the gender of the offer receiver on counteroffer and final settlement estimations. Consistent with the findings of Studies 5 and 6, it was observed that male offer receivers proposed

lower counteroffers and anticipated paying a reduced final price compared to female offer receivers, as predicted in Hypothesis 3. This indicates that males tended to adjust further away from the initial offers than females, resulting in more advantageous outcomes for themselves.

Contrary to expectation of Hypothesis 1, the main effect of the initial offer maker's group membership did not achieve significance, such that the findings did not demonstrate significant differences in how offer receivers provided their counteroffers and final settlement estimations based on whether the first offer maker belonged to the ingroup or outgroup. However, despite the fact that the interaction did not reach significance, an examination of the counteroffer means revealed a similar pattern to Study 6 concerning the relationship between the initial offer maker's group membership and the gender of the offer receiver. Specifically, males tended to adjust their counteroffers less when negotiating with ingroup members compared to outgroup members. This suggested that males generally secured more advantageous outcomes for themselves in terms of economic measures than females did, an effect that was particularly magnified when negotiating with an ethno-religious outgroup member. When dealing with fellow ingroup members, males seemed more inclined to make concessions in support of their ingroup, a pattern that was not observed in females. The reason for this reversal in effect for females remains unclear. Again, I suspect that one possible explanation could be that for female initial offer receivers, the outgroup represented an outgroup on two dimensions—both ethno-religion and gender—

which might have impacted the effects, as predicted by the intersectionality (Atewologun et al., 2016; de Vries, 2012; Settles, 2006; Toosi et al., 2018). Also, it deserves consideration of the potential effect of social categorization salience (Turner et al., 1987).

Considering why the group identity of the initial offer maker did not yield strong results, this may have been due to the manipulation design used. In Study 7, I tried to enhance the ethno-religious group manipulation by incorporating the citizenship of the initial offer maker. It was worth considering whether mentioning nationality subtly activated social desirability biases among participants. Particularly when the citizenship of a North American candidate was explicitly stated, it was possible that this served as an obvious and potent cue, hinting at the study's focus on ethno-religion-related aspects. Furthermore, in comparison to the reference point, the initial offer was deemed relatively moderate. Existing literature on first offer extremity suggested that an extreme initial offer typically performs better in forecasting negotiation outcomes (Chertkoff and Conley, 1967; Liebert et al. (1968). Both Study 6 and Study 7 used either very moderate or moderate initial offers, prompting me to question whether the lack of significant results regarding the group identity of the initial offer maker was linked to the magnitude of the initial offer. Lastly, the small sample size of the convenience sample might pose challenges in drawing definitive conclusions regarding the observed effects.

3.5 Study 8

Introduction

Study 8 aimed to validate and improve the research design of prior studies in several key ways. First, the current study used a sufficiently large sample size to allow firmer conclusions. Additionally, concerns about potential social desirability biases that may have been triggered by the manipulation involving mentioning the nationality in Study 7, Study 8 reverted to using only typical and representative names to denote ingroup versus outgroup membership. Next, the study aimed to manipulate in more clear-cut ways the ingroup vs. outgroup membership, by on the one hand, using a more homogenous sample, and on the other, by strengthening the manipulation. Therefore, the data used a single, more defined ingroup composition, sampling White British Christians only. Moreover, Study 8 again included the relational outcome of trustworthiness perception. The current study therefore aimed to test the effects of group membership of the first offer maker and of offer receiver gender on the same negotiation outcomes measured in Studies 5 and 6: counteroffer, final agreement estimation, and trustworthiness of first offer maker.

Last, previous research on the extremity of initial offers has indicated that an extreme offer tends to be more effective in predicting negotiation outcomes (Chertkoff and Conley, 1967; Liebert et al., 1968). Since Studies 5, 6 and 7 employed more moderate initial offers, I in this study opted to examine a comparatively extreme initial offer in relation to the reference point. Regarding

the extremity of initial offers, some studies implemented aggressive first offers (100% above the reference point) and discovered their effectiveness in predicting negotiation performance (Chertkoff and Conley, 1967). However, other scholars argued that excessively extreme initial offers (also 100% above the reference point) could potentially backfire the initial offer maker and thus should be handled with caution (Schweinsberg et al., 2012). Given the varied opinions on offer extremity, I chose to adopt a first offer that was approximately 50% above the reference point. Hence, I used an initial offer of £65,000 relative to the market price of £45,000, rounding up the numbers and maintaining consistency in the thousand digits.

Method

Participants and design

One thousand five hundred UK Caucasian Christian adults completed an online survey for payment through *Academic Prolific*, using a survey programmed into Qualtrics. Participants received the minimum wage mandated by the platform. Sample size was determined by a priori power analysis (G*Power) with an $\alpha = 0.05$ and 90% power to detect an effect size of $f = 0.10$ of an ANOVA interaction effect indicated that a sample of $N = 1302$. However, since approximately 16% of the participants in Study 5 failed to pass the manipulation check, I deemed it preferable to recruit a sample of 1500 participants to account

for potential exclusion of data and ensure meeting the required sample size to detect significant effects in the final analyses.

The experiment manipulated the ethno-religious group of the first offer maker (non-Muslim ingroup vs. Muslim outgroup). Also, I sampled both male and female participants. Therefore, the design of this study was a 2 (group membership of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subject design.

Using the filter function in Prolific, I selected only participants whose ethnicity was listed as: British, White and Christian. To further ensure that these criteria were met, I excluded participants who reported holding another ethnic and religious background ($n = 3$). Then, participants who failed the manipulation check question were removed ($n = 221$). Finally, similar to previous studies, extreme outliers that fell within 3 standard deviations above and below the mean were excluded in the analyses ($n = 27$). Upon applying these exclusion criteria, the final sample used for data analysis comprised 1249 participants.

The study comprised 618 males and 631 females, with an average age of 43.99 years ($SD = 14.37$).

Materials and procedure

After giving consent to participating in the study, participants were randomly assigned to one of the two conditions: one in which they negotiated with an ingroup member who made the first offer, and the other in which they

negotiated with an outgroup member who gave the first offer in the salary negotiation. I held the gender of the first offer maker constant, i.e., participants would only be negotiating with a male counterpart in both conditions. Participants were asked to imagine that they were a senior management consultant in a leading consulting firm and that they would be negotiating with a candidate who would be joining the firm. The ingroup vs outgroup ethno-religion of the first offer maker was manipulated by using different names: John (ingroup) vs. Ahmad (outgroup), to represent one of most the common White British Christian male names for the ingroup and one of the most common non-White Muslim male names for the outgroup. Further, the name was repeated several times throughout the scenario (see Appendix for materials). The negotiation scenario ended with the first offer maker giving a first offer of £65,000 (whereas the benchmarking salary was £45,000), upon which participants were asked to respond to this first offer and then asked to complete the survey questions, A manipulation check was included as the last question of the survey, with the question of “Which of the following groups do you think the candidate belonged to?”. Participants were asked to choose from White British, Asian British, Black British, Mixed and Other.

Measures

Perception of trustworthiness. Participants were asked to rate the first offer maker “To what extent did you perceive the candidate as trustworthy?”.

Responses were made on a 7-point Likert scale ranging from 1 (not at all) to 7 (extremely).

Counteroffer. Participants were asked “You are keen to bring John (Ahmad) onboard, but you are unwilling to accept his salary expectations. You decide to make him a counteroffer to hire him at a lower salary. What would your counteroffer be?”. Participants were then instructed to provide their counteroffer, using a slider function in Qualtrics to indicate their counteroffer in response to the first offer of £65,000.

Estimation of final settlement. Participants were asked “Imagine that you made your counteroffer to John (Ahmad). What do you think is the final salary that you would agree on with him?”. Again, participants provided their response using the slider function to indicate their estimation of the final salary they expected to settle on.

Demographic and control variables. The study also measured education, negotiation experience and consulting experience. About half of the sample said they had completed at least some undergraduate education or more, with 34% indicating that they had finished the bachelor degree. Approximately 15% of the participants answered that they had been trained by a negotiation course or program. Most participants (95%) said they had a moderate amount of experience in salary negotiation or less, while 16% had a moderate amount, 31% had a little and 48% had no previous experience. Only about 12% of the participants indicated that they had prior experience in consulting.

Results

A 2 (ethno-religious group membership of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subjects ANOVA was conducted on all dependent variables. The means and standard deviations are presented in Table 21.

Perception of trustworthiness. There was no significant main effect for first offer maker ethno-religious group on the perception of trustworthiness, $F(1, 1245) = 1.18, p = .28, \text{partial } \eta^2 < .01$. Offer receivers rated the ingroup first offer maker ($M = 4.87, SD = 0.96$) as similarly trustworthy as the outgroup first offer maker ($M = 4.80, SD = 1.01$). However, there was a significant main effect for offer receiver gender on perception of trustworthiness, $F(1, 1245) = 19.32, p < .01, \text{partial } \eta^2 = .02$. Male offer receivers perceived the first offer maker as slightly less trustworthy ($M = 4.71, SD = 1.00$) than did female offer receivers ($M = 4.96, SD = 0.96$). No significant interaction effect emerged on perception of trustworthiness, $F(1, 1245) = 0.27, p = .61, \text{partial } \eta^2 < .01$.

Counteroffer. There was no significant main effect of first offer maker ethno-religious group on counteroffer, $F(1, 1245) = 0.02, p = .91, \text{partial } \eta^2 < .01$. Offer receivers made a similar counteroffer when the first offer maker was an ingroup member ($M = 48.61, SD = 4.26$) to when the first offer maker was an outgroup member ($M = 48.57, SD = 4.09$). However, the results indicated a significant main effect for offer receiver gender on counteroffer, $F(1, 1245) = 5.89, p = .02, \text{partial } \eta^2 = .01$. Males gave a lower counteroffer ($M = 48.30, SD =$

4.35) than females ($M = 48.87, SD = 3.97$). No significant interaction effect emerged on counteroffer, $F(1, 1245) = 0.05, p = .82, partial \eta^2 < .01$.

Estimation of final settlement. There was no significant main effect for first offer maker ethno-religious group on the estimation of final settlement, $F(1, 1245) = 0.46, p = .50, partial \eta^2 < .01$. Offer receivers expected to reach a similar salary agreement with the ingroup first offer maker ($M = 52.54, SD = 4.08$) and the outgroup first offer maker ($M = 52.38, SD = 3.84$). Similarly, there was no significant main effect for gender of offer receiver on the estimation of what final price it would be, $F(1, 1245) = 0.17, p = .68, partial \eta^2 < .01$. Both male and female offer receivers expected that they would finish the negotiation with a similar final price (Male: $M = 52.40, SD = 4.12$; Female: $M = 52.51, SD = 3.78$). The interaction effect on final settled price did not reach significance, $F(1, 1245) = 0.45, p = .50, partial \eta^2 < .01$.

Because the findings did not demonstrate a significant impact of ethno-religious group on perceptions of trustworthiness, I did not probe the mediation analysis.

Table 21 Perception of trustworthiness, counteroffer, estimation of final settlement by first offer maker ethno-religious group and offer received gender, Study 8

	Ethno-religious group of first offer maker	
	Ingroup	Outgroup
Perception of trustworthiness		
Male offer receiver	4.73 (0.93)	4.70 (1.06)
Female offer receiver	5.00 (0.98)	4.91 (0.95)
Counteroffer		
Male offer receiver	48.34 (4.67)	48.26 (4.07)
Female offer receiver	48.86 (3.84)	48.89 (4.10)
Final settlement		
Male offer receiver	52.57 (4.27)	52.26 (3.99)
Female offer receiver	52.51 (3.90)	52.51 (3.67)

Note. Values in parentheses are standard deviations.

Additionally, I performed a series of two-way ANCOVA analyses using the following covariates: education level, negotiation training, and experience in the consulting industry. However, no confounding effects were uncovered (refer to the Appendix for detailed results).

The Pearson correlations for variables included in this study is shown in Table 22 and 23.

Table 22 Descriptive statistics and correlations for study variables, male offer receivers, Study 8

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	618					
2. Perception of trustworthiness	618	4.71	1.00	-.02		
3. Counteroffer	618	48.30	4.35	-.01	.20**	
4. Final settlement	618	52.40	4.12	-.04	.76**	.21**

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Table 23 Descriptive statistics and correlations for study variables, female offer receivers, Study 8

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	631					
2. Perception of trustworthiness	631	4.96	0.96	-.05		
3. Counteroffer	631	48.87	3.97	<.01	.15**	
4. Final settlement	631	52.51	3.78	<.01	.78**	.17**

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Discussion

In line with the results of Studies 5, 6 and 7 in this chapter, and indeed studies 3 and 4 of chapter 2, this study showed that male recipients of offers put forward lower counteroffers than their female counterparts. This suggested that

males tended to deviate significantly more from the initial offers than females in their counteroffers to the initial offer maker.

Nonetheless, the outcomes of Study 8 diverged from those of Studies 5 and 6 in the assessment of perception of trustworthiness and final settlement estimation. With a more homogeneous sample, Study 8 was devoid of the complexities arising from the nationality composition present in the sample of Study 6, potentially enabling more robust conclusions regarding relational measures such as trustworthiness. In contrast to the findings of Study 6, Study 8 revealed that female recipients of first offers provided higher ratings of trustworthiness compared to male recipients. One potential explanation for this trend, albeit not direct, is that females often perceive their negotiation counterpart as similar to themselves, whereas males typically perceive themselves as fundamentally distinct from their counterparts (Gilkey and Greenhalgh, 1984; Zechmeister and Druckman, 1973). Due to the perceived similarities women see in their counterpart, they may experience a sense of familiarity and comfort, leading to interpersonal trust, as suggested by the similarity attraction theory (Byrne, 1971).

Regarding the economic outcome of final settlement, Study 8 did not observe the same pattern as Studies 6 and 7, where males adjusted more from the initial offers than females in their estimations of the final deal with the initial offer maker. The initial offer used in this study was relatively extreme: £65,000 compared to the benchmark of £45,000 provided to participants, representing a

44% increase above the benchmark, and using this extreme value might have overshadowed the significant main effect of offer receiver gender on the final price estimation. Consequently, both male and female offer receivers appeared to settle on final deals of similar magnitude. Further investigation is required to discern the threshold distinguishing between an extreme offer and an excessively extreme offer.

3.6 Study 9

Introduction

Study 9 sought to examine the impact of ethnic group affiliation of the initial offer maker and the gender of the offer recipient on economic outcomes (counteroffer and final settlement) and relational outcome (perception of trustworthiness) within a second-hand car sale negotiation. The study specifically investigated ethnicity as a proxy for ingroup versus outgroup membership, manipulating the ethnic identity of the individual initiating the initial offer in the negotiation scenario.

In terms of manipulating ethnic identity, besides using names to distinguish the identity of the initial offer maker, I also employed a more visible method to convey ingroup and outgroup membership – using photographs. The photos of the first offer makers were sourced from the Chicago Face Database, a trusted and freely available resource utilized in previous behavioral studies (Debbie et al., 2015). Following an assessment of rated age, attractiveness score, disgust score, masculinity score, prototyping score representing their respective ethnicities, as well as threatening and trustworthy scores, one White male and one Black male were chosen, ensuring their scores closely matched across all criteria.

Furthermore, the present study sought to use a more interactive and realistic setting. Participants were immersed in a scenario where they were led to believe that they were engaging in a competitive negotiation game to secure additional bonuses. They were informed of their random assignment to either the

seller or buyer role, as well as that they would be matched with a counterpart concurrently participating in the game. Prior to commencing the negotiation, participants received a briefing outlining the rules of the negotiation game and the criteria for winning the bonus. Additionally, supplementary check questions were incorporated to ensure participants comprehended the negotiation process and how to attain the bonus.

Concerning the reference point, considering the inconsistent findings about estimation of final settlement and perception of trustworthiness from Studies 5 to 8 where both moderate and extreme first offers were manipulated, the current experiment aimed to test a first offer value without mentioning any reference and explored whether it would lead to different findings.

Method

Participants and design

Six hundred UK adults completed an online survey for payment through *Academic Prolific*, using a survey programmed into Qualtrics. The sample size was constrained by a maximum budget I had at the time for collecting this data (given an additional bonus incentive I embedded into the data collection). The experiment manipulated the ethnicity of the first offer maker (White vs. Black) and I recruited both male and female participants. Therefore, the design was 2 (group membership of first offer maker: ingroup White vs. outgroup Black) \times 2 (gender of offer receiver: male vs. female) between-subject design. In order to

motivate participants to be more engaged with the study, they were granted an extra bonus in addition to the normal payment (details provided below).

Regarding data exclusion, all participants indicated that they were White British, so there were no exclusions in terms of participant ethnicity. Also, there was no data exclusion due to a failed manipulation check, since all participants answered this correctly. Similar as in previous studies, extreme outliers that fell within 3 standard deviations above and below the mean were not included in the analyses ($n = 8$). Upon applying these exclusion criteria, the final sample used for data analysis comprised 592 participants (294 males, 298 females).

The average age of participants was 41.27 years ($SD = 12.45$).

Materials and procedure

The study entailed an experimental design in which participants were placed in the role of buyer in the negotiation. The ingroup vs. outgroup membership of the first offer maker was manipulated. However, I aimed to make the negotiation more realistic, so after indicating their consent to participating in the experiment and answering some basic demographics questions, participants were provided key information about how the study would run. Participants were made to believe they had been randomly assigned to their role, as well as to a random counterpart who was also completing the study at the same time. However, the study only included participants in the buyer role that were then allocated into the ingroup or outgroup condition. Specifically, participants were

presented with information on how the negotiation game worked and how to get the bonus payment. In the briefing, participants were told that they would play a negotiation game with another random player from the same platform and that their role in the car sale negotiation would be randomly assigned. The game rules were that the seller would always make a first offer and that the buyer had to make a counteroffer to respond to it. After a few rounds of negotiation, the seller would decide whether to sell the car or not (whereas the experiment stopped after collecting the data of counteroffer and estimation of final deal). In terms of the bonus, participants were informed that the decisions they made during the negotiation would impact the compensation. In order to get the bonus, the buyer should aim to buy the car at the lowest price (while sellers should aim to sell for the highest price). Hence, they had to negotiate a lowest price that they thought the seller would accept, and vice versa. There was an attention check question to ensure participants had understood what participants should do to achieve the bonus before the negotiation started. If the participants failed to answer this question, the same information would be presented again and the attention check would be asked again. Eight participants failed the first attention check but passed the second one eventually.

Following this, participants proceeded to the study scenario. Since all participants were assigned the role of buyer they were first informed of the role they had ostensibly been allocated to before they commenced the study.

Next, participants were randomly assigned to one of the two conditions: one in which they would negotiate with a White British male first offer maker (ingroup) or the other in which they would negotiate with a Black British male first offer maker (outgroup) in the used car sale negotiation. I manipulated ingroup vs. outgroup membership in two ways. First, by using typical ingroup vs outgroup names, and second, by using pictures depicting and ingroup vs outgroup member. The choice of ingroup name (James) and outgroup name (Amari) was due to James being a typical White British male name in the UK, while Amari is a typical Black British male which has African origin. The photos of the sellers were taken from Chicago Face Database, which is a free and reliable resources used in prior behavioral researches (Debbie, et al., 2015). Based on the rated age, attractive score, disgust score, masculine score, prototyping score to represent their own race, threatening score and trustworthy score, one Caucasian male (WM-54) and one Black male (BM-029) were selected that matched the scores of all items as close as possible (but not exactly the same). The photo of the seller was presented twice on two different pages.

Participants were informed that they were shopping for a second-hand car and saw the advertisement on the used car sale website that a seller was selling the exact car that they wanted. Participants were told that they had made an enquiry to the seller and that the seller had responded with the first offer of €15,000. Following this, participants were instructed to provide their counteroffer, final price estimation and trust, followed by some additional items and a manipulation

check that was included following the key dependent variables. The manipulation check was “Which of the following individuals is the seller that you just negotiated with?” embedded in a series of filler items. Participants had to pick up one photo among the four options, which were photos of the Caucasian male and the Black male used in the manipulation and also two more photos of Asian males. Following this, participants were told the study was finished, and were debriefed.

Measures

Perception of trustworthiness. Participants were asked to rate “To what extent did you perceive the seller as trustworthy?”. Participants had to respond to it using the 7-point Likert scales from 1 (not at all) to 7 (extremely).

Counteroffer. Participants were asked “What would your counteroffer be? Remember, your decision will affect the bonus. It’s important to negotiate a low but reasonable price”. Participants were instructed to type in their answer using a numerical value.

Estimation of final settlement. First, participants were asked to indicate “Yes” or “No” to the question of “Do you think you will reach an agreement with the seller after a few rounds of negotiation?” ($n = 540$ people expected that they would reach an agreement). Next, participants were asked “If you think you would reach an agreement with the seller: What do you think is the final price that you would agree on with him?”.

Demographic and control variables. The study also measured a couple of control variables (education, negotiation training, car negotiation experience, affection for the model of the car). More than half of the sample said they had completed at least some undergraduate education or more, with 36% indicating that they had finished the bachelor degree. Approximately 5% of the participants answered that they had been trained by a negotiation course or program. Most participants (98%) said they had a moderate amount of experience in car negotiation or less, while 10% had a moderate amount, 45% had a little and 43% had no previous experience. In terms of the preference for the model used in the scenario, about 7% indicated that they liked it a lot, 36% liked it somewhat, 43% were neutral about it, 12% disliked it somewhat and 2% disliked it a great deal.

Results

A 2 (ethnic group membership of first offer maker: ingroup vs. outgroup) \times 2 (gender of offer receiver: male vs. female) between-subjects ANOVA was conducted on all the dependent variables. The means and standard deviations are presented in Table 24.

Perception of trustworthiness. There was a significant main effect for first offer maker ethnic group on the perception of trustworthiness, $F(1, 588) = 10.48$, $p < .01$, $partial \eta^2 = .02$. Unexpectedly, participants rated the ingroup first offer maker ($M = 4.46$, $SD = 0.93$) as less trustworthy than the Black first offer maker ($M = 4.73$, $SD = 1.11$). However, there was no significant main effect for offer

receiver gender on perception of trustworthiness, $F(1, 588) = 1.25, p = .26, \text{partial } \eta^2 < .01$, although male offer receivers did appear to perceive the first offer maker as slightly less trustworthy ($M = 4.54, SD = 1.00$) than did female offer receivers ($M = 4.64, SD = 1.06$). No significant interaction effect emerged on perception of trustworthiness, $F(1, 588) = 0.38, p = .54, \text{partial } \eta^2 < .01$.

Counteroffer. There was no significant main effect for first offer maker ethnic group on counteroffer, $F(1, 588) = 2.45, p = .12, \text{partial } \eta^2 < .01$. Offer receivers made a similar counteroffer when the first offer maker was ingroup White ($M = 11350.54, SD = 2038.94$) to when the first offer maker was outgroup Black ($M = 11095.27, SD = 2126.60$). However, the results indicated a significant main effect for offer receiver gender on counteroffer, $F(1, 588) = 4.74, p = .03, \text{partial } \eta^2 = .01$. Male offer receivers gave a lower counteroffer ($M = 11040.67, SD = 2127.71$) than female offer receivers ($M = 11404.42, SD = 2029.56$). No significant interaction effect emerged on counteroffer, $F(1, 588) = 0.33, p = .57, \text{partial } \eta^2 < .01$.

Estimation of final settlement. There was no significant main effect of first offer maker ethnic group on the estimation of final settlement, $F(1, 536) = 0.09, p = .78, \text{partial } \eta^2 < .01$. Offer receivers expected the final price to be of similar magnitude for the ingroup first offer maker ($M = 12835.35, SD = 1444.66$) and the outgroup first offer maker ($M = 12805.92, SD = 1250.51$). Also, there was no significant main effect for gender of offer receiver on the estimation of what final price it would be, $F(1, 536) = 0.34, p = .56, \text{partial } \eta^2 < .01$, although male

offer receivers did expect to settle on a slightly lower final price ($M = 12788.02$, $SD = 1398.36$) than did female offer receivers ($M = 12855.17$, $SD = 1302.15$).

The interaction effect on final settled price did not reach significance, $F(1, 536) = 0.50$, $p = .48$, *partial* $\eta^2 < .01$.

Table 24 Perception of trustworthiness, counteroffer, estimation of final settlement by first offer maker ethnic group and offer receiver gender, Study 9

	Ethnic group of first offer maker	
	Ingroup	Outgroup
Perception of trustworthiness		
Male offer receiver	4.39 (0.89)	4.71 (1.08)
Female offer receiver	4.53 (0.97)	4.75 (1.14)
Counteroffer		
Male offer receiver	11121.65 (2143.55)	10952.79 (2114.50)
Female offer receiver	11592.06 (1899.97)	11226.58 (2136.17)
Final settlement		
Male offer receiver	12765.61 (1515.90)	12813.56 (1256.47)
Female offer receiver	12916.06 (1359.04)	12798.72 (1249.44)

Note. Values in parentheses are standard deviations.

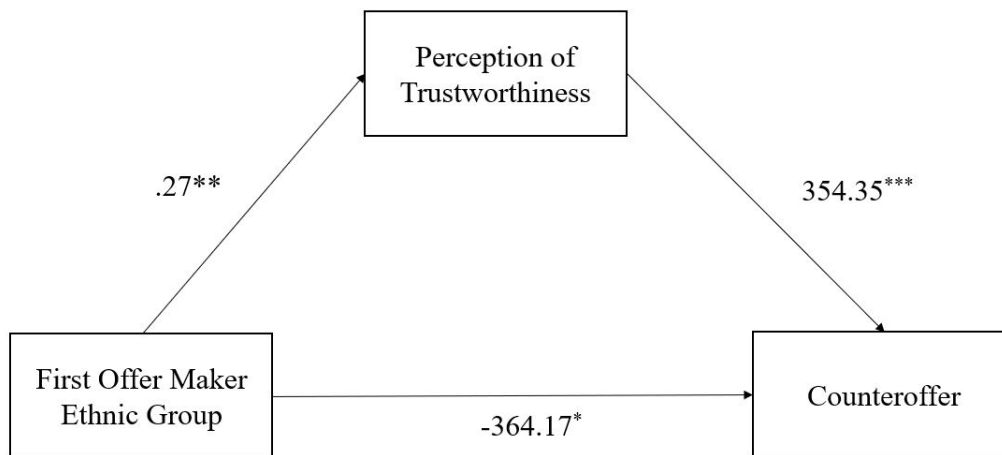
Mediation analysis on counteroffer. Following Hayes' (2013) Macro Process via bootstrapping method, I examined the indirect effect of first offer

maker ethnic group membership on the counteroffer via trust while controlling the offer receiver gender. The results for counteroffer showed a significant positive association of first offer maker ethnic group with perception of trustworthiness of the first offer maker ($B = .27, p < .01$), such that ethnic outgroup first offers maker were perceived as more trustworthy than ethnic ingroup first offer maker (see Figure 6). The covariate of offer receiver gender did not predict the perception of trustworthiness, $B = .09, p = .26$. In turn, the relationship between perception of trustworthiness and counteroffer was significant ($B = 354.35, p < .01$), showing that higher trust was associated with a higher counteroffer (i.e., a more favorable counteroffer, in favor of the first offer maker). The covariate of offer receiver gender predicted the counteroffer ($B = 339.40, p = .04$), but it did not take away the significant effect of trustworthiness on counteroffer. The model indicated a significant positive indirect effect of first offer ethnic group membership on counteroffer via perception of trustworthiness ($B = 96.29, CI\ 95\% = 31.58, 182.20$), such that ethnic outgroup first offer makers were given more favorable counteroffers via increased trust. Yet there was also a negative direct effect of group membership on counteroffers that remained significant ($B = -364.17, p = .03$), indicating that offer receivers provided lower counteroffers to their ethnic outgroup first offer maker than their ethnic ingroup first offer maker.

I also separated the sample by offer receiver gender to test whether there were any gender differences in the mediation. Results indicated that only in male

offer receivers (not female offer receivers) there existed the above-mentioned pattern of the indirect effect.

Figure 7 Unstandardized regression coefficients for the relationship between first offer maker ethnic group and counteroffer as mediated by perception of trustworthiness, Study 9



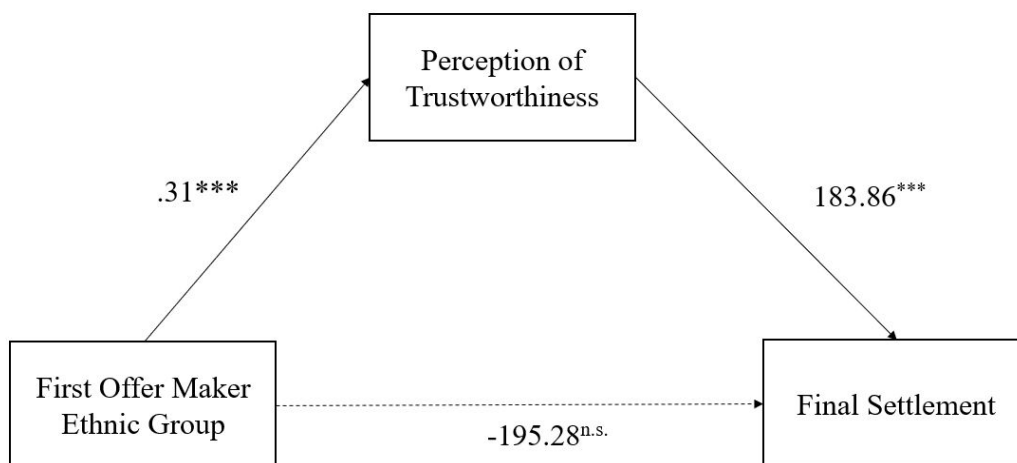
* $p < .05$. ** $p < .01$. *** $p < .001$.

Mediation analysis on final settlement. Using Hayes (2013) Macro Process via bootstrapping method, the results (as per Figure 8) indicated that there was a significant relationship between the ethnic group of first offer maker and perception of trustworthiness ($B = .31, p < .01$), showing that offer receivers rated their ethnic outgroup first offer maker as more trustworthy than their ethnic ingroup first offer maker. The covariate of offer receiver gender did not predict the perception of trustworthiness, $B = .07, p = .42$. Results further indicated a significant positive relationship between perception of trustworthiness and final

settlement ($B = 183.86, p = .01$), resulting in a significant positive indirect effect ($B = 56.56, CI\ 95\% = 17.61, 108.12$) with ethnic outgroup first offer makers yielding more favorable final settlements via higher perceived trust. The covariate of offer receiver gender did not significantly impact the counteroffer ($B = 31.26, p = .76$). Nonetheless, the direct negative association of female first offer maker group membership on final settlement was only marginally significant ($B = -195.28, p = .06$).

Again, I divided the whole sample by offer receiver gender to see whether males and females revealed different trends of mediation. Same as counteroffer, it uncovered that only the part of male offer receivers (not female offer receivers) demonstrated the above-mentioned indirect effect.

Figure 8 Unstandardized regression coefficients for the relationship between first offer maker ethnic group and final settlement as mediated by perception of trustworthiness, Study 9



*** $p < .001$.

Also, I tested two-way ANCOVA using the covariates mentioned above (age, education, negotiation training, car negotiation experience, preference for the model of the car) but the results did not reveal any confounding effect (see Appendix for results).

The Pearson correlations for variables included in this study is shown in Table 25 and 26.

Table 25 Descriptive statistics and correlations for study variables, male offer receivers, Study 9

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	294					
2. Perception of trustworthiness	294	4.54	1.00	.16**		
3. Counteroffer	294	11040.67	2127.71	-.04	.23**	
4. Final settlement	276	12788.02	1398.36	.02	.85**	.20**

^a 0 = ingroup and 1 = outgroup

***p* < .01.

Table 26 Descriptive statistics and correlations for study variables, female offer receivers, Study 9

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer maker group ^a	298					
2. Perception of trustworthiness	298	5.41	0.97	-.12		
3. Counteroffer	298	100.33	10.13	-.01	.19*	
4. Final settlement	264	109.18	7.88	-.09	.76**	.18*

^a 0 = ingroup and 1 = outgroup

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

Discussion

Study 9 examined how the ethnic group identity of the initial offer maker and the gender of the offer recipient influenced economic outcomes (counteroffer, final settlement) and relational measure of trust. Akin to Studies 3-8, results revealed a gender difference in how males and females responded to the first offer in their counteroffers. Specifically, male offer recipients adjusted more from the initial offer, employing negotiation strategies to maximize their own benefits.

Results did not find an ingroup bias main effect concerning the first offer maker in isolation, but in the context of the mediation analyses results did reveal a bias. While the mediation analyses unveiling a pattern counter to predictions, such that offer receivers perceived the Black outgroup as more trustworthy than the White ingroup, which further resulted in an indirect positive effect in favor of the Black outgroup member, there was also a negative direct effect on counteroffer, such that there was more adjustment away from the outgroup than the ingroup (which is in line with predictions). This mediation pattern was however observed exclusively within the subset of male recipients of offers. The findings are of interest as they indicate that although male recipients perceived initial offer makers from ethnic outgroups as more trustworthy, and this higher level of trustworthiness perception correlated with less adjustment from the initial offers, the indirect effect did not nullify the direct effect: male recipients still tended to adjust their counteroffers further away from initial offers made by ethnic outgroup offer makers (the direct effect on final settlement was not

significant). In contrast, despite being perceived as less trustworthy than outgroup initial offer makers, ingroup offer makers received more favorable counteroffers.

The non-significant findings regarding the impact of the initial offer maker's ethnic identity on both counteroffer and final settlement could be attributed to two possible factors. Firstly, the absence of a reference point to assess the initial offer's magnitude, coupled with participants being informed of the absence of budget constraints, may have made it challenging for participants to determine the optimal estimate of the final price. Moreover, participants may have anticipated several more negotiation rounds before reaching a final agreement, due to how the study game was initially described to participants (in reality, negotiations concluded after they indicated their final agreement estimate). Consequently, the estimation of the final settlement might not precisely reflect what would have transpired had negotiations continued until the end.

Another potential reason for the mixed findings in this study is that the manipulation involving the use of photographs, particularly the presence of a Black counterpart, which might have elicited social desirability biases among the participants. Indeed, contrary to predictions, White participants rated the outgroup Black first offer maker as more trustworthy than the ingroup White first offer maker, again suggesting the presence of social desirability concerns, particularly given the fact that the issue of ethnic equality plays a dominant focus in public debate in the UK.

3.7 Discussion

Chapter 3 examined the interplay between the group identity of the first offer maker and the gender of the offer receiver in shaping negotiators' responses to first offers in distributive negotiations. Using five studies, this chapter investigated the influence of different types of ingroup vs. outgroup memberships (specifically university group membership, Study 5, and ethnicity or ethno-religion, Studies 6-9) and whether first offers are perceived and responded to differently depending on the group membership of the person making the first offer. Moreover, this chapter examined whether the gender of the offer receivers systematically impacts responses to first offers in negotiations.

First, a consistent finding across all studies was that the gender of the offer receiver significantly predicted economic outcomes in different scenarios and samples. Study 5 utilized a negotiation scenario closely resembling the convenience sample's immediate context - negotiating part-time job salaries for managing a campus party. In the role of recruiter, male offer receivers responded to the initial offer with lower counteroffers, resulting in more favorable economic outcomes. In Study 6, a convenience sample was recruited to participate in a comparable car sale negotiation, where participants again acted as buyers and responded to the seller's initial offer. Similar to Study 5, the gender of the offer receiver was found to significantly impact both the counteroffers and the estimation of final prices given by offer receivers. Male offer receivers consistently proposed lower counteroffers and final prices in their responses

compared to female negotiators, resulting in them concluding the negotiation with greater economic advantages for themselves. Study 7 shifted from car sale negotiation to a salary negotiation within a mid-size construction firm, with participants assuming the role of the recruiter. This study effectively reproduced the results observed in Studies 5 and 6 regarding gender disparities in counteroffers and final settlement estimations. Again, male offer receivers demonstrated a tendency to be less influenced by the initial offer and concluded the negotiation with better economic terms compared to the female offer receivers. Study 8 used a salary negotiation scenario within a medium-size consulting company. Participants, acting as recruiters, exhibited differing responses to the initial offer in terms of counteroffers, dependent on their gender. Aligning with the findings of the previous three studies, male offer receivers displayed a propensity to be less swayed by the initial offer and ultimately managed to achieve more advantageous economic performance. In Study 9, a UK White sample recruited from Prolific was engaged in a car sale negotiation game to enhance realism and encourage participant involvement. Participants, acting as buyers, were tasked with responding to initial offers. Findings indicated that male offer receivers tended to offer lower counteroffers compared to the female offer receivers, showing that males made greater adjustments from the initial offer and consequently secured more advantageous outcomes for themselves. Finally, these consistent findings across five different experiments align with existing literature on gender differences in negotiation outcomes (Mazei et al., 2015; Stuhlmacher

and Walters, 1999), thus providing further evidence that males, in comparison to females, are more likely to achieve superior economic outcomes when responding to identical initial offers in distributive negotiation. Importantly, these findings from Studies 5-9 show, together with the findings of Studies 3 and 4, for the first time in a systematic investigation, persistent gender differences in how males and females respond to first offers in distributive negotiations, and with what consequences for economic outcomes, such as counteroffers given and final agreement estimations. Moreover, the studies in this chapter also show these effects to be robust regardless of the magnitude of the first offer, and even in the absence of a clear reference point (Study 9). One noteworthy observation regarding gender differences is that Studies 8 and 9 did not yield evidence of gender disparities in final settlement estimations. While the impact of the offer receiver was significant concerning counteroffers, it did not attain significance in terms of final prices. One possible explanation could be the absence of a clear initial offer in Study 9, in which participants were not provided with a reference point, leading to greater ambiguity in the context. Additionally, Study 8 featured a more extreme initial offer compared to Studies 5, 6 and 7, potentially making it challenging for offer receivers to gauge the magnitude of the initial offer and subsequently make judgments about the final deal. At the same time, it also needs to be kept in mind that final agreement estimations are also much more abstract an assessment for participants to make compared to the more immediate measure of

counteroffer, which is more concrete and over which participants have more (perceived) control.

However, concerning relational outcomes, significant gender differences were observed only in Study 8. It revealed that female offer receivers tended to assign more positive ratings regarding the trustworthiness of the first offer maker, in relation to male offer receivers. A plausible explanation for this trend could be that females frequently perceive their negotiation counterpart as resembling themselves, whereas males tend to regard themselves as fundamentally distinct from their counterparts (Gilkey and Greenhalgh, 1984; Zechmeister and Druckman, 1973). This perceived similarity may engender a feeling of familiarity and ease for women, fostering interpersonal trust, as proposed by the similarity attraction theory (Byrne, 1971).

Second, the results regarding ingroup biases presented inconsistent findings. In relation to university group membership, Study 5 uncovered marginally significant effects of university group on counteroffer, where offer receivers made a higher counteroffer to their university ingroup than their university outgroup (i.e., less adjustment from the first offer from their ingroup). Concerning ethnic or ethno-religious identity, with the exception of Study 6, the remaining three studies in this chapter that manipulated ethnic or ethno-religious identity of the first offer maker did not reveal strong evidence of the group membership of the initial offer proposer shaping negotiation outcomes. Study 6 did confirm hypothesis 1, but only for male negotiators. Specifically, male offer

receivers made fewer adjustments away from the ingroup compared to the outgroup regarding counteroffers, thus showing an ingroup bias in negotiation behavior. Essentially, males tended to secure more favorable economic outcomes for themselves compared to females, which was particularly evident when negotiating with an ethno-religious outgroup member. Conversely, females exhibited a marginal tendency to be more accommodating toward the outgroup than the ingroup member. The reason for this reversal effect in females remains unknown. One potential reason may be that for female first offer receivers, the outgroup member represented two dimensions—ethno-religion and gender—which could have influenced the observed effects. For males, however, the findings are interesting since they suggest a potential magnified ingroup bias on two category dimensions – the most favorable responses were given to the fellow male ethno-religious ingroup member. Another important factor to consider is the salience of social categorization (Turner et al., 1987). The unexpected result could also stem from whether participants view their gender or ethno-religious identity as prominent.

Regarding relational outcomes, in Study 5 offer receivers rated their university ingroup first offer maker with significant higher score of trustworthiness than university their outgroup first offer maker, as predicted in Hypothesis 2. Furthermore, perception of trustworthiness was found to be a significant mediator in the relationship of first offer maker university group on counteroffer, such as university ingroup was perceived with more trust and this

higher degree of trust was associated with more favorable counteroffer in the negotiation. No significant effect of first offer maker ethno-religious identity was found in Studies 6 and 8. However, first offer recipients were found to evaluate their ethno-religious outgroup as more trustworthy than their ethno-religious ingroup. Follow-up analyses revealed a mediation effect of ethno-religious group on economic outcomes via perception of trustworthiness within the subgroup of male first offer recipients. Similar as the mediation results in Study 1, this pattern suggested that although male recipients perceived initial offer makers from ethno-religious outgroups as more trustworthy, and this perception of higher trustworthiness was associated with lesser adjustments from the initial offers, the indirect effect did not negate the direct effect: male recipients still tended to deviate further from initial offers made by ethno-religious outgroup offer makers in their counteroffers. In contrast, despite being perceived as less trustworthy than outgroup initial offer makers, ingroup offer makers received more favorable counteroffers.

Upon reviewing the ethnicity or ethno-religion studies, the non-significant results may be attributed to several factors. The relatively small sample sizes of Studies 6 and 7 posed challenges in drawing firm conclusions. Manipulating ethnicity or ethno-religion can be inherently challenging, and while various methods were attempted to manipulate the ethnic or ethno-religious identity of the first offer maker, the effectiveness of these manipulations remained unclear. Furthermore, I suspect that the issue of social desirability associated with

ethnicity or ethno-religion manipulation persisted throughout the four studies. In sum, this chapter found no clear support for an interethnic or inter-ethno-religious bias when it comes to how first offers are responded to in a negotiation, yet this should certainly not be interpreted to say that an intergroup ethnic bias does not exist. One needs to keep in mind some of the difficulties in conducting research on intergroup comparison concerning ethnicity or ethno-religion, and indeed also concerning gender (as already discussed in Chapter 2), such as potential social desirability constraints. Public discourse also commonly focuses on equality surrounding gender, ethnicity, ethno-religion and various other disadvantaged minority groups, which may have posed challenges for uncovering some of the more subtle biases that may arise in more realistic settings. In the scenario studies, and the specific sample populations (i.e., Prolific and student samples) I had to rely on in this thesis the biases may have been masked or dampened by social desirability constraints. Future research should thus seek to gather data in field studies or finding ways to sample populations that may be less attuned to social desirability concerns, to have a clearer understanding on intergroup negotiation dynamics in the context of first offer effects.

**Chapter 4. Gender Differences, First Offer Extremity, and Intergroup Biases in
First Offer Effects**

4.1 Overview of studies

This chapter examines the interplay between negotiator gender and extremity of the first offers on economic and relational outcomes in negotiation. Existing literature on gender disparities in negotiation suggests that male negotiators often demonstrate a greater inclination to initiate negotiations and employ assertive and aggressive tactics, as evidenced by numerous studies (Small et al., 2007; Kimmel et al., 1980; Walters et al., 1998). Moreover, meta-analytical research conducted by Stuhlmacher and Walters (1999) and Mazei et al. (2015) consistently indicates that men tend to achieve more favorable outcomes in negotiations than women, highlighting the necessity for further systematic investigation into whether gender influences responses to initial offers, despite ample existing research on gender gaps in this realm. Yet research on gender differences in how negotiators react to first offers is sparse. Building upon my previous research findings obtained in Studies 3 - 9, I in this chapter seek to examine systematically whether differences in offer receiver gender vary depending on the extremity of the first offer that negotiators are faced with. Studies 3 – 9 showed consistent gender differences across different scenarios and with different types of first offers depending on extremity, but did not systematically vary whether a first offer was moderate or extreme.

Studies on offer extremity suggest that negotiators are significantly impacted by extreme initial offers, with proposing such offers potentially leading to improved negotiation outcomes for the proposer (Benton et al., 1972; Cherkoff

and Conley, 1967; Leonardelli et al., 2019; Loschelder et al., 2014; Yukl, 1974). Nevertheless, caution must be exercised when handling extreme offers, as overly aggressive behavior could yield unforeseen consequences, such as negotiators walking away from the bargaining table or harboring negative sentiments towards the initiator of the first offer (Lee et al., 2018; Schweinsberg et al., 2012).

To summarize, based on my prior studies (Studies 3-9), I expect a main effect of gender, such that I anticipate that male recipients of initial offers will experience more advantageous economic outcomes in negotiations compared to their female offer receivers due to their behavior in responding to first offers (as per prediction in Hypothesis 3, see below). With regards to the relational and subjective outcomes, based on the findings of Studies 3, 5 and 8 I predict that female offer receivers will rate the first offer maker as more positively in the scores of relational measures than will male offer receivers (as predicted in Hypothesis 5, see below). I test this in Studies 10-13.

H3: Male offer receivers will adjust less away from first offers than female offer receivers, resulting in more favorable counteroffers and final agreements for themselves.

H5: Male offer receivers will perceive the first offer maker as less trustworthy, compared to female offer receivers.

Additionally, based on the literature I expect a main effect of first offer extremity, such that offer receivers will be swayed more by an extreme first offer

than a moderate first offer, thus resulting in better economic outcomes (counteroffers, final settlements) for first offer proposers (Hypothesis 4, see below). Regarding the relational outcomes, I predict that an extreme first offer will trigger more negative evaluations in the offer receivers, compared to a moderate first offer (Hypothesis 6, as following). I test this in Studies 10-13.

H4: Offer receivers in a negotiation will adjust more away in their counteroffers and final agreements from extreme first offers than moderate first offers.

H6: Offer receivers will perceive the first offer maker with extreme first offer as less trustworthy than the one with moderate first offer.

Moreover, I aim to explore whether gender disparities among offer receivers depend on the extremity of the initial offer. Currently, there is a lack of research addressing the intersection of gender differences and the extremity of first offers. Consequently, I will approach this question in an exploratory manner, refraining from making definitive predictions. I will probe for this potential interaction between offer receiver gender and first offer extremity in Studies 10-13.

Furthermore, the current chapter considered the potential effect of intergroup bias in the interplay between offer receiver gender and first offer extremity. Incorporating insights from the ingroup bias literature, I thus sought to examine whether gender differences matter depending on whether an extreme vs.

moderate first offer is issued by a gender ingroup or outgroup member, respectively. In terms of economic outcomes, and drawing from existing literature and findings of Study 1, I predict that recipients of initial offers will respond more positively to offers from their gender ingroup compared to those from the gender outgroup, as hypothesized in Hypothesis 1 (as below; this is tested in Studies 12 and 13). Regarding relational and subjective outcomes, prior research on ingroup favoritism suggests that individuals typically perceive ingroups as more cooperative, trustworthy, and honest compared to their outgroups (Brewer, 1979; Gotte et al., 2006). Consequently, as people generally exhibit greater trust in ingroups over outgroups (Brewer, 1979; Gotte et al., 2006), my prediction is that individuals will evaluate their gender ingroup more positively than their gender outgroup (as predicted in Hypothesis 2, see below). However, the alternative perspective presented by the Stereotype Content Model and the findings of Studies 1 and 2 introduce another potential consideration regarding the perception of trustworthiness in first offer makers, which female first offer maker might be perceived as more trustworthy than male first offer maker. I will test these two competing theories about trust in Studies 12 and 13 (as per prediction in Hypothesis 2.1 and 2.2, as below).

H1: Offer receivers in a negotiation will adjust less away in their counteroffers and final agreements from first offers provided by ingroup first offer makers than outgroup first offer makers.

H2: Offer receivers in a negotiation will perceive an ingroup first offer makers as more trustworthy than an outgroup first offer maker. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs. outgroup first offer makers. First offer maker ingroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

H2.1: Male offer receivers in a negotiation will perceive ingroup male first offer makers as more trustworthy than outgroup female first offer makers. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs. outgroup first offer makers. First offer maker ingroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

H2.2: Male offer receivers in a negotiation will perceive outgroup female first offer makers as equally or more trustworthy than their ingroup male first offer makers. In turn, higher trust will be associated with more favorable economic outcomes for ingroup vs. outgroup first offer makers. First offer maker outgroup membership will thereby have a positive indirect effect on economic negotiation outcomes, via trust.

And in Studies 12 and 13, in addition to consider first offer extremity and offer receiver gender, first offer maker gender group membership was also included to further explore the interplay. Regarding the potential three-way interaction among first offer extremity, offer receiver gender and first offer maker

gender group, I do not derive strong predictions (also given the mixed evidence of prior studies) and thus these in a more exploratory manner.

This chapter comprises four experiments examining gender differences of the offer receiver, first offer extremity, and gender ingroup vs. outgroup membership of the first offer maker on economic, relational, and subjective negotiation outcomes. The chapter commences with Study 10, an online negotiation concerning the price of a second-hand smartphone in the UK. In this study, the first offer was manipulated to be either extreme or moderate compared to a market benchmark. Study 11 served as a validation and replication of Study 10, utilizing the same negotiation scenario for a used smartphone. Study 12 introduced another factor by incorporating the gender group of the first offer maker into the design. This experiment utilized a representative national sample from Spain and employed a salary negotiation scenario. In terms of manipulation, Study 12 utilized a less extreme first offer in the extreme offer condition to examine whether findings observed in Studies 10 and 11 would persist. Finally, Study 13 aimed to further validate the findings from Study 12 through an online negotiation for the sale of a second-hand car in the US context.

4.2 Study 10

Introduction

Study 10 used a negotiation scenario that entailed a sales negotiation concerning a second-hand mobile phone. I chose this scenario to provide an engaging, realistic negotiation, and one that I expected would be close to participants' daily life. The study experimentally manipulated the extremity of the first offer (i.e., the first number that was placed on the negotiation table; moderate first offer vs. extreme first offer) and aimed to test the effect of both first offer extremity and gender of offer receiver in the negotiation. The moderate vs. extreme first offers were manipulated by adding approximately 6% in the moderate condition (similar to the 5% that was used in Ames and Mason, 2015) and 26% in the extreme condition (similar as the 26% in Ames and Mason, 2015) to the upper limit of the reference range (£250), thus setting the two conditions at a moderate first offer of £265 and an extreme first offer of £315, respectively. No overtly extreme first offer was used because prior research revealed that such first offers may be considered as implausible and might cause the counterpart to leave the negotiation table (Schweinsberg et al., 2012). In relation to the reference price, a reference market range of £200 to £250 was taken, similar to Ames and Mason (2015).

Study 10 investigated both economic and subjective and relational outcomes in the negotiation. On the one hand, it measured the economic outcomes of counteroffer and estimation of final settlement, similar to those employed in

prior studies. On the other hand, it included not only the relational outcome of the first offer maker's trustworthiness, as in prior chapters, but I also included as an additional relational variable negotiators' willingness to engage in future negotiations. Taking all these variables together, Study 10 aimed to have a better overview of gender differences in first offer effects, and how first offer extremity interacted with this to affect not only economic outcomes but also relational outcomes.

Lastly, different from all the studies in the previous chapters the current experiment kept the identity of the first offer maker neutral. No information about the gender, ethnicity, name or other characteristics of the first offer maker were revealed. The first offer maker was constantly referred to as the "seller". While offer receiver gender differences were found in all prior studies when first offer maker's identity was accessible (either it was gender identity or ethnic identity), this study thus sought to explore whether same gender differences would persist when offer receivers had no clues of the identity of the first offer maker.

Method

Participants and design

Five hundred UK adults completed an online survey for payment through *Academic Prolific*, using a survey programmed into Qualtrics. Participants were compensated with the minimum wage as required by Prolific. The experiment manipulated the extremity of the first offer (moderate vs. extreme). I recruited

both male ($n = 220$) and female ($n = 236$) participants in the sample. The study was a 2 (gender of offer receiver: male vs. female) \times 2 (first offer extremity: moderate vs. extreme) between-subjects design. Sample sizes were determined by a priori power analysis (G*Power) with an $\alpha = 0.05$ and 90% power to detect an effect size of $f = 0.15$, which indicated that a total sample size of 469 would be sufficient. Anticipating potential exclusion of participants who failed the manipulation check, I recruited a sample of 500 participants to ensure meeting the necessary sample size for final analyses. Since the study aimed to compare male and female participants, four participants who reported their gender as non-binary were removed. Next, forty participants who failed the manipulation check were excluded. Lastly, one participant that gave an invalid answer for the counteroffer question was omitted from the analysis. Upon applying these exclusion criteria, the final sample used for data analysis comprised 455 participants (220 males, 235 females).

The average age of participants was 42.65 years ($SD = 13.35$).

Materials and procedure

After giving their consent, participants were randomly assigned to one of the two conditions in which they were placed in the role of a buyer interested in buying a second-hand smartphone: one in which they would ostensibly negotiate with a seller making a moderate first offer, and the other in which they would negotiate with a seller making an extreme first offer in a second-hand phone

negotiation. Participants were asked to imagine that they were looking for a second-hand phone and came across an ad that the seller was selling the exact phone they wanted. They were informed that the phone they were looking for was normally sold between £200 and £250. The moderate first offer was of £265 and the extreme first offer anchor of £315, respectively. The identity of the seller was kept constant and no information about their gender, ethnicity or other potentially confounding demographic background was mentioned. The negotiation scenario ended with the seller giving a first offer of £265 (£315), upon which participants were asked to respond to this first offer. A manipulation check was included following the key dependent variables, with the question of “What price did the seller ask for the phone?”.

Measures

Counteroffer. Participants were asked “You are keen to get this smartphone, but you want to make a counteroffer to buy it at a lower price. What would your counteroffer be?”. Participants were then instructed to provide their counteroffer, using a slider function in Qualtrics to indicate their counteroffer in response to the first offer of £265 (£315).

Estimation of final settlement. Participants were asked “Imagine that you made your counteroffer to the seller. What do you think is the final price that you would agree on with the seller?”. Again, participants provided their response

using the slider function to indicate their estimation of the final price they expected to settle on.

Perception of trustworthiness. Participants rated the first offer maker for questions of “How trustworthy do you think the seller is?”. Responses were made on a 7-point Likert scale ranging from 1 (not at all) to 7 (very much).

Willingness of future negotiation. Participants responded to the question of “How willing would you be to negotiate with the same seller again in the future?”. Participants were supposed to answer it using a 7-point Likert scales from 1 (not willing at all) to 5 (very willing).

Demographic and control variable. The study measured education as well. More than half of the participants (53%) said they had completed at least some undergraduate education or more, with 37% indicating that they had finished the bachelor degree. Since the covariate variables that were measured in previous studies (e.g., negotiation training, negotiation experience) did not produce any confounding effects, these variables were omitted in this study.

Results

A 2 (gender of offer receiver: male vs. female) \times 2 (first offer extremity: moderate vs. extreme) between-subjects ANOVA was conducted on all dependent measures. Means and standard deviations were presented in Table 27.

Counteroffer. The results indicated no significant main effect for offer receiver gender on counteroffer, $F(1, 451) = 0.94, p = .33, \text{partial } \eta^2 < .01,$

although male offer receivers did give a slightly lower counteroffer ($M = 223.92$, $SD = 25.94$) than did female offer receivers ($M = 226.58$, $SD = 24.99$). There was a significant main effect of first offer extremity on counteroffer, $F(1, 451) = 6.74$, $p = .01$, $partial \eta^2 = .02$. Offer receivers made a higher counteroffer when they had to respond to the extreme first offer ($M = 228.54$, $SD = 30.02$) than the moderate first offer ($M = 222.34$, $SD = 20.05$). No significant interaction effect emerged on counteroffer, $F(1, 451) = 0.64$, $p = .42$, $partial \eta^2 < .01$.

Estimation of final settlement. There was no significant main effect for gender of offer receiver on the estimation of what final price it would be, $F(1, 451) = 0.22$, $p = .64$, $partial \eta^2 < .01$. Male offer receivers estimated to have a similar final deal ($M = 242.41$, $SD = 23.25$) as the female offer receivers did ($M = 244.12$, $SD = 22.20$). But there was a significant main effect for first offer extremity on the estimation of the final settlement, $F(1, 451) = 75.50$, $p < .01$, $partial \eta^2 = .14$. Offer receivers expected to settle with a higher final price in the extreme offer condition ($M = 252.32$, $SD = 23.54$) than in the moderate offer condition ($M = 235.10$, $SD = 18.47$). The interaction effect on final settled price did not reach significance, $F(1, 451) = 0.36$, $p = .55$, $partial \eta^2 < .01$.

Perception of trustworthiness. The results indicated no significant main effect for gender of offer receiver on the trustworthiness perception, $F(1, 451) = 0.88$, $p = .35$, $partial \eta^2 < .01$, although male offer receivers did perceive the first offer maker as slightly more trustworthy ($M = 3.29$, $SD = 1.29$) than did female offer receivers ($M = 3.16$, $SD = 1.17$). However, there was a significant main

effect of first offer extremity on perception of trustworthiness, $F(1, 451) = 22.72$, $p < .01$, $partial \eta^2 = .05$. Offer receivers evaluated the first offer maker in the extreme first offer condition as less trustworthy ($M = 2.94$, $SD = 1.24$) than the one in the moderate first offer condition ($M = 3.48$, $SD = 1.17$). No significant interaction effect emerged on the perception of first offer maker's trustworthiness, $F(1, 451) = 0.01$, $p = .91$, $partial \eta^2 < .01$.

Willingness of future negotiation. The results did not reveal a significant main effect for offer receiver gender on willingness to negotiate in the future, $F(1, 451) = 0.26$, $p = .61$, $partial \eta^2 < .01$. Male offer receivers were equally willing to engage in future negotiations ($M = 3.83$, $SD = 1.59$) as were female offer receivers ($M = 3.85$, $SD = 1.63$). But there was a significant main effect of first offer extremity on how willing offer receivers were to negotiate with the same first offer maker in the future, $F(1, 451) = 82.77$, $p < .01$, $partial \eta^2 = .16$. Offer receivers were more willing to engage in future negotiations in the moderate first offer condition ($M = 4.45$, $SD = 1.42$) than in the extreme first offer condition ($M = 3.18$, $SD = 1.55$). The interaction effect for willingness for future negotiation did not reach significance, $F(1, 451) = 0.07$, $p = .79$, $partial \eta^2 < .01$.

Table 27 Counteroffer, final settlement, perception of trustworthiness, willingness of future negotiation by offer receiver gender and first offer extremity, Study 10

	First offer extremity	
	Moderate	Extreme
Counteroffer		
Male offer receiver	220.25 (20.16)	228.33 (31.05)
Female offer receiver	224.46 (19.80)	228.73 (29.24)
Final settlement		
Male offer receiver	234.04 (19.44)	252.46 (23.56)
Female offer receiver	236.17 (17.44)	252.21 (23.63)
Perception of trustworthiness		
Male offer receiver	3.53 (1.21)	3.00 (1.33)
Female offer receiver	3.43 (1.12)	2.88 (1.15)
Future negotiation		
Male offer receiver	4.39 (1.43)	3.16 (1.52)
Female offer receiver	4.50 (1.40)	3.19 (1.59)

Note. Values in parentheses are standard deviations.

To assess if any of the covariates (age, education) had a significant impact on the observed effects, a series of two-way ANCOVA analyses were performed. However, the effects and significance levels remained consistent across the board (refer to the Appendix for details).

The Pearson correlations for variables included in this study is shown in Table 28 and 29.

Table 28 Descriptive statistics and correlations for study variables, male offer receivers, Study 10

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3	4
1. First offer extremity ^a	220						
2. Counteroffer	220	223.92	25.94	.16*			
3. Final settlement	220	242.41	23.25	.40**	.77**		
4. Perception of trustworthiness	220	3.29	1.29	-.20**	.22**	.14*	
5. Future negotiation	220	3.83	1.59	-.39**	.07	-.05	.49**

^a 0 = moderate and 1 = extreme

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

Table 29 Descriptive statistics and correlations for study variables, female offer receivers, Study 10

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3	4
1. First offer extremity ^a	235						
2. Counteroffer	235	226.58	24.99	.09			
3. Final settlement	235	244.12	22.20	.36**	.69**		
4. Perception of trustworthiness	235	3.16	1.17	-.24**	.29**	.22**	
5. Future negotiation	235	3.86	1.62	-.40**	.17**	.05	.50**

^a 0 = moderate and 1 = extreme

***p* < .01.

Discussion

Different from the findings of offer receiver gender differences obtained in prior studies, Study 10 did not uncover consistent gender differences in how male and female offer receivers respond to first offers. Male and female offer receivers were largely found to have similar economic and relational outcomes when negotiating with the first offer maker. However, closer inspection of the means did reveal that males appeared to adjust marginally more away from the first offer than did females, in both the counteroffer and estimation of the final agreement, and in both the extreme and moderator conditions, akin to prior findings obtained in chapters 2 and 3.

Study 10 further discovered that first offer extremity significantly affected economic and relational outcomes in the negotiation. Confirming prior work on anchor extremity (Benton et al., 1972; Cherkoff and Conley, 1967; Leonardelli et al., 2019; Loschelder et al., 2014; Yukl, 1974), it was found that offer receivers made a higher counteroffer and expected to finish the negotiation with a higher final price when they encountered an extreme first offer than a moderate first offer. Further inspection on the estimation of the final deal also revealed an interesting finding such that offer receivers in the extreme offer condition (i.e., £252.32) did go above the upper limit of the reference range (£250), but not in the moderate offer condition (i.e., 235.10). Thus, even though negotiators might be constrained by the benchmark, they still were swayed by the first offer in the

extreme offer condition, providing further evidence for the well-documented anchoring effect.

Regarding the relational outcomes, results indicated that offer receivers perceived the first offer maker in the moderate offer condition as more trustworthy and were more willing to engage with the same first offer maker in future negotiations. The finding was in alignment with what Maaravi et al. (2014) uncovered about anchoring tactics (i.e., making first offers and proposing extreme offers). While using anchoring tactics can lead to more profitable outcomes for the first offer proposers (as confirmed by these findings), the offer receivers in the negotiation did rate the first offer maker as more negatively and reported being less likely to engage in a future negotiation (Maaravi et al., 2014). In a similar vein, Schweinsberg et al. (2012) also demonstrated that negotiators had a higher tendency to walk away from the negotiation if they were given an overtly extreme first offer. While Maaravi et al. (2014) did not directly manipulate the extremity of the first offer, Study 10 showed that offer receivers did perceive the first offer maker in the extreme first offer condition as less trustworthy and would also be less willing to negotiate with the first offer maker in the future, compared to the first offer maker in the moderate first offer condition.

In sum, Study 10 served as a first insight into the interplay between gender differences and first offer extremity effects on economic and relational outcomes. Given the tentative findings concerning gender differences, I sought to replicate this study in an attempt at providing stronger evidence in Study 11.

4.3 Study 11

Introduction

Study 11 targeted to replicate and validate the results of both economic negotiation outcomes (counteroffer, final settlement) and relational negotiation outcomes (trustworthiness perception, willingness for future negotiation). Study 11 used the same negotiation scenario as the one in Study 10, in which participants were asked to negotiate the price of a second-hand smartphone. The measurements of the above economic and relational outcomes remained the same.

Different from Study 10 where a reference range indicating the market price was taken, the current experiment employed a more clear-cut point value that indicated the reservation price (the bottom line they would accept) but did not include a benchmark in the negotiation. It was designed to create more uncertainty about what price to negotiate (since no market benchmark information was given) but retained a reservation price for the participants. The numeric value of the reservation price remained the same as the upper limit of the market reference range in Study 10 (£250). Moderate and extreme first offers were then set by adding approximately 6% and 26% from the reservation price, which again aligned with what was used in Ames and Mason (2015).

Another aspect different from Study 10 is that Study 11 added an additional question about negotiation decision right after the scenario and before the counteroffer and subsequent questions to let participants have the freedom to decide how they would like to respond to the first offer given – whether they

would accept the first offer, make a counteroffer, or walk away from the first offer, which was closer to the real-life negotiation context. The aim was to explore the propensity of negotiators to reach an impasse prior to negotiating, based on the first offer, and whether this would differ between males and females.

Method

Participants and design

Five hundred UK adults completed an online survey for payment through *Academic Prolific*, using a survey programmed into Qualtrics. Participants were paid with the minimum hourly rate as a compensation for their work. The experiment had the same 2 (gender of offer receiver: male vs. female) \times 2 (first offer extremity: moderate vs. extreme) between-subjects design as Study 10. Since the study focused on male and female participants, seven participants who answered their gender as non-binary were removed. Next, thirty one participants who failed the manipulation check were excluded. Upon applying these exclusion criteria, the final sample used for data analysis comprised 462 participants (195 males, 267 females).

The average age of participants was 42.79 years ($SD = 14.27$).

Materials and procedure

The experiment used largely the same materials and procedures as Study 10 except that participants were told that they were not exactly sure how much the

phone they were looking for would cost but they did not want to spend more than £250 on the phone if possible.

Measures

Negotiation choice. Different to prior study designs, I first asked respondents to answer the following question, after they received the first offer from the seller: “How would you like to respond to the seller?”. Participants were given three choices: a) Accept this offer, b) make a counteroffer (i.e., suggest a lower price), and c) walk away and don’t buy the phone. In the case that participants chose to accept this offer or walk away, they would skip the questions of counteroffer and estimation of final settlement and go to the next dependent variables.

Counteroffer. Participants were asked “You are keen to get this smartphone, but you want to make a counteroffer to buy it at a lower price. What would your counteroffer be?”. Participants were then instructed to provide their counteroffer, using a slider function in Qualtrics to indicate their counteroffer in response to the first offer of £265 (£315).

Estimation of final settlement. Participants were asked “Imagine that you made your counteroffer to the seller. What do you think is the final price that you would agree on with the seller?”. Again, participants provided their response using the slider function to indicate their estimation of the final price they expected to settle on.

Perception of trustworthiness. Participants rated the first offer maker for questions of “How trustworthy do you think the seller is?”. Responses were made on a 7-point Likert scale ranging from 1 (not at all) to 7 (very much).

Willingness of future negotiation. Participants responded to the question of “How willing would you be to negotiate with the same seller again in the future?”. Participants were supposed to answer it using a 7-point Likert scales from 1 (not willing at all) to 5 (very willing).

Demographic and control variable. The study also measured education. More than half of the participants (54%) said they had completed at least some undergraduate education or more, with 38% indicating that they had finished the bachelor degree.

Results

I first examined participants’ responses on the first decision point following receipt of the first offer. Out of 462 participants, 369 participants (80%) decided to make a counteroffer with a lower price, while 24 participants (5%) accepted the first offer right away. 69 participants (15%) chose not to purchase the phone, thus resulting in an impasse. Follow-up analyses revealed in the decision of accepting the first offer, 22 participants (9 males, 13 females) were offered a moderate offer while only 2 participants (both were males) were offered an extreme offer. A chi-squared test revealed that first offer extremity and decision of accepting the offer were significantly associated, $\chi^2(1, N = 462) =$

16.34, $p < .01$. For those participants who chose to make a counteroffer, 195 participants (79 males, 116 females) were in the moderate anchor condition and 174 participants (75 males, 99 females) were in the extreme anchor condition. The chi-squared test did not find a significant relationship between first offer extremity and decision of making a counteroffer, $\chi^2(1, N = 462) = 1.30, p = .30$. Lastly, for the decision of impasse, 21 participants (10 males, 11 females) were encountering a moderate first offer and 48 participants (20 males, 28 females) were facing an extreme first offer in the negotiation. A chi-squared test indicated that this difference was significant, $\chi^2(1, N = 462) = 14.43, p < .01$, such that impasses were more likely in the extreme than moderate condition.

Following these preliminary analyses I ran a 2 (gender of offer receiver: male vs. female) \times 2 (first offer extremity: moderate vs. extreme) between-subjects ANOVA on all dependent measures (including all participants for the subjective measures, but only those that chose to give a counteroffer in the first decision point for the counteroffer and final agreement). Means and standard deviations were presented in Table 30.

Counteroffer. Results revealed a marginally significant main effect of offer receiver gender on counteroffer, $F(1, 365) = 3.68, p = .06, partial \eta^2 = .01$. Male offer receivers gave a lower counteroffer ($M = 239.16, SD = 24.08$) than female offer receivers did ($M = 243.27, SD = 21.80$). There was a significant main effect of first offer extremity on counteroffer, $F(1, 365) = 11.57, p < .01, partial \eta^2 = .03$. Offer receivers made a higher counteroffer in the extreme first offer

condition ($M = 246.07$, $SD = 26.90$) than the moderate first offer condition ($M = 237.52$, $SD = 17.60$). No significant interaction effect emerged on counteroffer, $F(1, 365) = 2.64$, $p = .11$, $partial \eta^2 = .01$.

Estimation of final settlement. There was no significant main effect of gender of offer receiver on the estimation of what final price it would be, $F(1, 365) = 0.40$, $p = .53$, $partial \eta^2 < .01$. Male offer receivers estimated to have a similar final deal ($M = 258.03$, $SD = 16.78$) as female offer receivers did ($M = 258.37$, $SD = 19.73$). But there was a significant main effect of first offer extremity on the estimation of the final settlement, $F(1, 365) = 168.18$, $p < .01$, $partial \eta^2 = .32$. Offer receivers expected to settle with a higher final price in the extreme offer condition ($M = 269.43$, $SD = 18.27$) than in the moderate offer condition ($M = 248.23$, $SD = 11.87$). The interaction effect on final settled price did not reach significance, $F(1, 365) = 1.92$, $p = .17$, $partial \eta^2 = .01$. However, inspection of the means showed an interesting trend, such that males and females adjusted similarly away from a moderate first offer, but females adjusted notably less away from the extreme first offer than did males.

Perception of trustworthiness. The results indicated no significant main effect for gender of offer receiver on trustworthiness, $F(1, 458) = 0.18$, $p = .67$, $partial \eta^2 < .01$. Male and female offer receivers gave a similar score of trustworthiness to the first offer maker (Male: $M = 3.95$, $SD = 1.07$, Female: $M = 3.92$, $SD = 1.15$). There was a significant main effect of first offer extremity on perception of trustworthiness, $F(1, 458) = 8.69$, $p < .01$, $partial \eta^2 = .02$. Offer

receivers perceived the first offer maker in the extreme offer condition as less trustworthy ($M = 3.75, SD = 1.09$) than those in the moderate offer condition did ($M = 4.10, SD = 1.12$). A significant interaction effect did however emerge on the perception of trustworthiness, $F(1, 458) = 5.52, p = .02, partial \eta^2 = .01$. Further analysis of simple effect test revealed that male offer receivers perceived the first offer maker in the moderate offer condition as similarly trustworthy ($M = 3.98, SD = 1.08$) as the one in the extreme offer condition ($M = 3.92, SD = 1.07$), $p = .53$. On the contrary, female offer receivers perceived the first offer maker in the extreme offer condition as less trustworthy ($M = 3.63, SD = 1.10$) than the one in the moderate offer condition ($M = 4.18, SD = 1.13$), $p < .01$.

Willingness of future negotiation. The results did not reveal a significant main effect for offer receiver gender on willingness to negotiate again, $F(1, 458) = 0.44, p = .51, partial \eta^2 < .01$ (males: $M = 4.62, SD = 1.55$, females: $M = 4.73, SD = 1.45$). However, there was a significant main effect of first offer extremity on how willing offer receivers were to negotiate with the same first offer maker in the future, $F(1, 458) = 16.45, p < .01, partial \eta^2 = .04$. Offer receivers were more willing to engage in future negotiation in the moderate offer condition ($M = 4.96, SD = 1.38$) than in the extreme offer condition ($M = 4.38, SD = 1.56$). The interaction effect for willingness for future negotiation did not reach significance, $F(1, 458) = 0.58, p = .45, partial \eta^2 < .01$.

Table 30 Counteroffer, final settlement, perception of trustworthiness, willingness of future negotiation by offer receiver gender and first offer extremity, Study 11

	First offer extremity	
	Moderate	Extreme
Counteroffer		
Male offer receiver	237.11 (13.84)	241.31 (31.43)
Female offer receiver	237.80 (19.80)	249.68 (22.38)
Final settlement		
Male offer receiver	248.95 (9.52)	267.59 (17.49)
Female offer receiver	247.73 (13.25)	270.83 (18.81)
Perception of trustworthiness		
Male offer receiver	3.98 (1.08)	3.92 (1.07)
Female offer receiver	4.18 (1.13)	3.63 (1.10)
Future negotiation		
Male offer receiver	4.85 (1.40)	4.39 (1.66)
Female offer receiver	5.04 (1.35)	4.38 (1.48)

Note. Values in parentheses are standard deviations.

To evaluate whether covariates such as age and education exerted a significant influence on the observed effects, a set of two-way ANCOVA analyses was conducted. Nonetheless, the effects and significance levels remained uniform across all analyses (see the Appendix for further information).

The Pearson correlations for variables included in this study is shown in Table 31 and 32.

Table 31 Descriptive statistics and correlations for study variables, male offer receivers, Study 11

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3	4
1. First offer extremity ^a	195						
2. Counteroffer	154	239.16	24.08	.09			
3. Final settlement	154	258.03	16.78	.56**	.62**		
4. Perception of trustworthiness	195	3.95	1.07	-.03	.17*	.09	
5. Future negotiation	195	4.62	1.55	-.15*	-.06	-.11	.46**

^a 0 = moderate and 1 = extreme

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

Table 32 Descriptive statistics and correlations for study variables, female offer receivers, Study 11

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3	4
1. First offer extremity ^a	267						
2. Counteroffer	215	243.27	21.80	.27**			
3. Final settlement	215	258.37	19.73	.59**	.72**		
4. Perception of trustworthiness	267	3.92	1.15	-.24**	.16*	.14*	
5. Future negotiation	267	4.73	1.45	-.23**	.10	.12	.56**

^a 0 = moderate and 1 = extreme

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

Discussion

Study 11 largely replicated the findings of Study 10. Concerning gender differences, Study 11 did show a marginally significant effect, showing a similar trend to that obtained in Study 10, and indeed in prior studies, such that females were less likely to adjust away from a first offer. Moreover, inspection of the means in the interaction effect revealed a trend such that although the magnitude of adjustment away from the first offer was similar between males and females in the moderate offer, females appeared to adjust less away from the extreme first offer than males did. Additionally, a significant interaction effect of first offer extremity and offer receiver gender emerged on the perception of trustworthiness. Results revealed that male offer receivers perceived the first offer maker in the moderate offer condition as similarly trustworthy as the one in the extreme offer condition. On the contrary, female offer receivers perceived the first offer maker in the extreme offer condition as less trustworthy than the one in the moderate offer condition. This finding contradicts with what was observed about gender differences in trustworthiness perception in Studies 3, 5 and 8, where females generally gave more positive scores of trust to the first offer maker. However, most prior studies did not include an extreme offer – and in this study it was particularly for the extreme case that this effect occurred. Interesting in particular is that despite this lower perception of trust by females of the extreme first offer maker, female participants nonetheless appeared to adjust less away from the extreme first offer (although this effect was not statistically significant).

Study 11 also successfully replicated the significant effect of first offer extremity. It was revealed that the extremity of the initial offer significantly impacted economic and relational outcomes within the negotiation context. Specifically, when presented with an extreme initial offer compared to a moderate one, offer receivers tended to propose significantly higher counteroffers and anticipated concluding the negotiation at a higher final price. Examination of the anticipated final deal showed that while offer receivers in the extreme offer condition surpassed the reservation price (£250) with an average of £269.43, those in the moderate offer condition averaged £248.23, falling below the reservation price. This suggests that despite negotiators adhering to their reservation value, they were still influenced by the extremity of the first offer. Concerning the relational outcomes, offer receivers perceived the initial offer maker in the moderate offer condition as more trustworthy and expressed a greater willingness to engage in future negotiations with them.

Different from the design in Study 10, Study 11 included an extra question concerning the initial negotiation decision (i.e., whether to accept the first offer, make a counteroffer or walk away from the first offer). This allowed me to test a side-question, revealing new insights about how offer receivers made their decisions when facing moderate vs. extreme first offers. Results showed that more offer receivers were likely to immediately accept a first offer when being provided with a moderate first offer than an extreme first offer. In the contrast, more offer receivers decided to leave the negotiation table if they encountered an extreme

offer than a moderate offer. The results of negotiation impasse echoed what was found in Schweinsberg et al. (2012), where participants felt offended by the overtly extreme offer and decided to end the negotiation without any agreement.

While Studies 10 and 11 investigated the effect of first offer extremity and offer receiver gender, one thing to keep in mind is that both studies did not mention any identity information about the first offer maker. Throughout the negotiation scenario, the first offer maker was framed only as the “seller”. This may also be the reason the gender differences were not as pronounced as in earlier studies. Tanis and Postmes (2008) claimed that in online dyads the interpersonal perception and interaction relied on the cues to identity because these cues served as key information to reduce the uncertainties in initial contact with strangers. Thus, when cues were not available in experimental setting as Studies 10 and 11 negotiators would have more uncertainties in their judgements and reactions to the first offer maker. Future work is necessary to explain this phenomenon.

In the subsequent experiment I thus aimed to examine whether gender effects and first offer extremity effects differ when the gender identity of first offer maker is given. Therefore, Study 12 also included gender group membership as an extra factor to consider.

4.4 Study 12

Study 12 targeted to replicate and validate the findings of Studies 10 and 11 using a different scenario of salary negotiation. The scenario was based on a negotiation about job salary in a mid-size firm without explicit information of which industry or sector, in order to keep this context as neutral as possible. In addition to the factors of first offer extremity and offer receiver gender, Study 12 also manipulated the gender of the first offer maker. Offer receivers were thus either presented with a first offer from an ingroup member (if they negotiated with a first offer maker of the same gender group) or an outgroup member (if they negotiated with a different gender).

The current experiment was embedded in a national representative sample based in Spain. This allowed me to test my predictions in a more representative, general population sample to examine salary negotiation outcomes. Given the Spanish context, the manipulation of gender in the scenario used two of the most typical Spanish male and female names combined with an indication of the gender pronouns several times.

Due to the constraints of survey length, Study 12 only managed to measure one economic outcome (counteroffer) and one relational outcome (perception of trustworthiness). The choice to use counteroffer instead of estimation of final agreement was made due to counteroffer being a more immediate, and easily comprehensible response. Counteroffer was thus a more

direct and precise measure than the more vague estimation of final deal, which I expected to be more abstract for a general population sample to comprehend.

Last, in terms of the reference point, a market benchmark was given. Different from Studies 10 and 11 (26%), the value of the extreme first offer was about 12-13% above the reference point. This “softer” extreme offer was taken because in Yukl (1974) the authors used three types of anchors (moderate, less extreme and extreme). I thus aimed to explore whether results would differ when using a less extreme first offer for economic and relational outcomes.

Method

Participants and design

One thousand nine hundred and fifty-seven Spanish adults completed an online questionnaire for payment through an online survey agency that was specialized in collecting a nationally representative sample, using a survey programmed into Qualtrics. The experiment was implemented as part of a larger survey of the Spanish population, with quotas set on gender, region in Spain, social class and age, to ensure a balanced sample. All materials and questions were translated into Spanish using a professional translational service and cross checked with people who were bilingual in Spanish and English. The final sample of the contained 1957 participants. Participants were recruited by the survey company, relying on a panel of Spanish adult citizens, including both male and female participants. Same as in Study 12, Study 13 manipulated first offer

extremity (moderate vs. extreme) and gender of first offer maker (male vs. female). If the participants were matched with a first offer maker that held the same gender identity as they did (e.g., male participant / offer receiver with male first offer maker), then the gender group membership of the first offer maker was coded as ingroup. If the gender identities of both parties did not match, the first offer maker was considered as an outgroup member. Thus, the experiment entailed a 2 (gender of offer receiver: male vs. female) \times 2 (first offer extremity: moderate vs. extreme) \times 2 (gender group membership of first offer maker: ingroup vs. outgroup) between-subjects design. Participants who failed the manipulation checks ($n = 698$) were excluded. Then, thirty one participants who failed to give valid answers to the counteroffer question were removed. Upon applying these exclusion criteria, the final sample used for data analysis comprised 1228 participants (661 males, 567 females).

The average age of participants was 51.53 years ($SD = 15.48$).

Materials and procedure

After participants answered other questions in the survey that were unrelated to this experiment, participants were randomly allocated to one of the four conditions in the last part of the survey in which they would negotiate with: an ingroup member making a low first offer, an ingroup members making a high first offer, an outgroup member making a low first offer and an outgroup member making a high first offer. Participants were asked to imagine that they were the

director of a medium-size company and were looking for a new employee to work for their company. The manipulation of the gender of the first offer maker (male vs. female) was done by using different names (Pablo vs. María) and repeating the pronouns (he vs. she; him vs. her) several times in the scenario. The names were chosen since both Pablo and María are common first names in Spain. As part of the scenario participants were informed that people who occupied the same position in similar companies were typically paid €31,500. The negotiation scenario ended with the manipulation of anchor extremity, with the first offer maker giving a first offer of €32,500 in the low condition vs. €35,500 in the high condition, upon which participants were asked to respond to this first offer. The low anchor (€32,500) was approximately 3% below the reference point while the high anchor (€35,500) was approximately 13% above the reference point. Two manipulation check questions were included at the end of the survey, with the questions of “What was the gender of the candidate?” and “How much salary did the candidate ask for?”.

Measures

Counteroffer. Participants were asked “You decided to make a counteroffer. What would your counteroffer be?”. Participants were then instructed to type in their counteroffer using a numeric value.

Perception of trustworthiness. Participants rated the first offer maker for question of “How trustworthy do you think Pablo (María) is?”. Response was

made on a 7-point Likert scale ranging from 1 (not trustworthy at all) to 7 (very trustworthy).

Results

A 2 (gender of offer receiver: male vs. female) \times 2 (first offer extremity: moderate vs. extreme) \times 2 (gender group membership of first offer maker: ingroup vs. outgroup) between-subjects ANOVA was conducted on all dependent measures. Means and standard deviations were presented in Table 33 and 34.

Counteroffer. Results revealed a marginally significant main effect for gender of offer receiver on counteroffer, $F(1, 1220) = 3.53, p = .06, \text{partial } \eta^2 < .01$. Male offer receivers gave a lower counteroffer ($M = 31202.11, SD = 2473.84$) than female offer receivers did ($M = 31377.34, SD = 1855.11$). There was a significant main effect of first offer extremity on counteroffer, $F(1, 1220) = 24.59, p < .01, \text{partial } \eta^2 = .02$. Offer receivers made a higher counteroffer when they were given an extreme first offer ($M = 31573.08, SD = 2222.09$) than a moderate first offer ($M = 30983.35, SD = 2160.03$). There was no significant main effect for first offer maker gender group on counteroffer, $F(1, 1220) = 1.14, p = .29, \text{partial } \eta^2 < .01$. Offer receivers made a similar counteroffer to their ingroup first offer maker ($M = 31212.56, SD = 2561.00$) and their outgroup first offer maker ($M = 31344.66, SD = 1850.46$). The two-way interaction of offer receiver gender and first offer extremity was significant, $F(1, 1220) = 4.44, p = .04, \text{partial } \eta^2 < .01$. Simple effect analysis revealed that in the moderate offer condition both male and

female offer receivers made a similar counteroffer (Male: $M = 31020.18$, $SD = 2316.35$; Female: $M = 30944.01$, $SD = 1982.65$), $p = .67$. However, females provided a significantly higher counteroffer ($M = 31837.45$, $SD = 1587.94$) than did males ($M = 31364.76$, $SD = 2599.13$) in the extreme offer condition, $p = .01$. Results indicated a significant two-way interaction of offer receiver gender and first offer maker gender group, $F(1, 1220) = 12.12$, $p < .01$, $partial \eta^2 = .01$. A further simple effect analysis uncovered that male offer receivers made a significantly higher counteroffer to the outgroup (female first offer maker) ($M = 31442.33$, $SD = 1609.49$) than to their ingroup (male first offer maker) ($M = 30881.25$, $SD = 3267.93$), $p < .01$. However, the difference between how female offer receivers responded to their ingroup (female first offer maker) ($M = 31535.86$, $SD = 1532.38$) and to their outgroup (male first offer maker) ($M = 31211.37$, $SD = 2131.80$) did not reach significance, $p = .08$. However, there was no significant two-way interaction of first offer extremity and first offer maker gender group, $F(1, 1220) = 0.06$, $p = .81$, $partial \eta^2 < .01$. Last, no significant three-way interaction effect emerged on counteroffer, $F(1, 1220) = 0.01$, $p = .94$, $partial \eta^2 < .01$.

Perception of trustworthiness. Results did not reveal a significant main effect of offer receiver gender on trustworthiness, $F(1, 1220) = 1.48$, $p = .23$, $partial \eta^2 < .01$. Male and female offer receivers rated the first offer maker as similarly trustworthy (Male: $M = 5.07$, $SD = 1.17$; Female: $M = 4.98$, $SD = 1.14$). There was a marginally significant main effect of first offer extremity on

perception of trustworthiness, $F(1, 1220) = 3.17, p = .08, \text{partial } \eta^2 < .01$. Offer receivers perceived the first offer maker in the extreme anchor condition as less trustworthy ($M = 4.97, SD = 1.19$) than the one in the moderate anchor condition ($M = 5.09, SD = 1.13$). There was no significant main effect for gender group membership of first offer maker on perception of trustworthiness, $F(1, 1220) = 1.73, p = .19, \text{partial } \eta^2 < .01$. Ingroup first offer makers were perceived with similar magnitude of trustworthiness ($M = 4.97, SD = 1.14$) as outgroup first offer makers ($M = 5.08, SD = 1.17$). There was no two-way interaction of offer receiver and first offer extremity on perception of trustworthiness, $F(1, 1220) = 1.81, p = .18, \text{partial } \eta^2 < .01$. However, the interaction between offer receiver gender and first offer maker gender group membership was significant, $F(1, 1220) = 10.25, p < .01, \text{partial } \eta^2 = .01$. A follow-up simple effect analysis showed that male offer receivers perceived their outgroup (female first offer maker) ($M = 5.20, SD = 1.21$) as more trustworthy than their ingroup (male first offer maker) ($M = 4.89, SD = 1.10$), $p < .01$, whereas female offer receivers rated their ingroup and outgroup member with similar magnitude of trustworthiness (Ingroup: $M = 5.04, SD = 1.18$; Outgroup: $M = 4.91, SD = 1.10$), $p = .20$. No interaction between first offer extremity and first offer maker gender group membership emerged on trustworthiness perception, $F(1, 1220) = 0.13, p = .72, \text{partial } \eta^2 < .01$. Lastly, the three-way interaction effect on the perception of trustworthiness did not reach significance, $F(1, 1220) = 0.08, p = .77, \text{partial } \eta^2 < .01$.

Table 33 Counteroffer by offer receiver gender, first offer extremity, first offer maker gender group, Study 12

	First offer extremity	
	Moderate	Extreme
Counteroffer:		
Ingroup offer maker		
Male offer receiver	30706.99 (3366.40)	31025.16 (3188.08)
Female offer receiver	31106.16 (1536.55)	31971.53 (1404.27)
Counteroffer:		
Outgroup offer maker		
Male offer receiver	31238.04 (1066.46)	31636.08 (1975.90)
Female offer receiver	30781.85 (2339.87)	31690.08 (1761.72)

Note. Values in parentheses are standard deviations.

Table 34 Perception of trustworthiness by offer receiver gender, first offer extremity, first offer maker gender group, Study 12

	First offer extremity	
	Moderate	Extreme
Trustworthiness: Ingroup offer maker		
Male offer receiver	5.03 (1.08)	4.78 (1.11)
Female offer receiver	5.05 (1.11)	5.02 (1.25)
Trustworthiness: Outgroup offer maker		
Male offer receiver	5.29 (1.16)	5.12 (1.25)
Female offer receiver	4.92 (1.12)	4.90 (1.08)

Note. Values in parentheses are standard deviations.

The Pearson correlations for variables included in this study is shown in Table 35 and 36.

Table 35 Descriptive statistics and correlations for study variables, male offer receivers, Study 12

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2
1. First offer extremity ^a	661				
2. Counteroffer	661	31202.11	2473.84	.07	
3. Perception of trustworthiness	661	5.07	1.17	-.09*	.27**

^a 0 = moderate and 1 = extreme

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

Table 36 Descriptive statistics and correlations for study variables, female offer receivers, Study 12

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2
1. First offer extremity ^a	567				
2. Counteroffer	567	31377.34	1855.11	.24**	
3. Perception of trustworthiness	567	4.98	1.14	-.01	.28**

^a 0 = moderate and 1 = extreme

***p* < .01.

Discussion

Study 12 aimed to confirm and extend the findings of Studies 10 and 11. It explored the joint influences of offer receiver gender, extremity of the initial offer, and the gender group membership of the initial offer maker in affecting two crucial outcomes: the economic outcome of counteroffer and the relational outcome of perceived trustworthiness of the initial offer maker.

In terms of the main effect of offer receiver gender, and in a similar vein with Study 11, Study 12 discovered that the gender of the offer receiver impacted responses to the first offer. While the main effect revealed a marginally significant effect on counteroffer, such that female offer receivers tended to make a higher counteroffer than did male offer receivers to the first offer maker, this effect was further qualified by the significant interaction between gender of the offer receiver and extremity of the first offer. Interestingly, males and females responded with similar counteroffers when faced with a moderate first offer, yet females were

found to give a significantly higher counteroffer than did males in the extreme offer condition, thereby diminishing their potential profit in favor of the first offer maker more so than males. This showed that the effect of offer receiver gender was dependent on the first offer extremity and offers new insights about how gender and first offer extremity jointly influence economic outcomes in negotiation.

Concerning first offer extremity, similar to Studies 10 and 11, the current experiment found the significant main effect of first offer extremity on the counteroffer, thereby again confirming prior research. Different from Studies 10 and 11, however, the main effect of first offer extremity on perception of trustworthiness only reached marginal significance though the mean difference did show that first offer maker was rated as less trustworthy in the extreme offer condition than in the moderate offer condition. This finding of trustworthiness may be due to the less extreme first offer (12-13% above the reference point, compared to the 26% above the reference in Studies 10 and 11) that was set up in this experiment. Since the extreme first offer was less extreme or moderately extreme, it did not trigger a significant difference when comparing the moderate first offer and the extreme first offer.

Interestingly, Study 12 also uncovered a two-way interaction of offer receiver gender and gender group membership of the first offer maker. While female offer receivers provided similar counteroffers to their female ingroup and males outgroup member, male offer receivers made a higher counteroffer (more

favorable counteroffer to the first offer maker) to the outgroup female first offer maker than to the ingroup male first offer maker. Similarly, a two-way interaction of offer receiver gender and gender group of first offer maker was discovered on perception of trustworthiness. Whereas female offer receivers evaluated their gender ingroup and outgroup member with similar magnitude of trustworthiness, male offer receivers rated their outgroup (female first offer maker) as more trustworthy than their ingroup (male first offer maker). This is counter to predictions, but may be due to the fact that male offer receivers also perceived the female first offer maker as more trustworthy than the male first offer maker. The exact reason of these findings remained unclear, though it may suggest that males may in fact hold more competitive orientations when it comes to negotiating with a male counterpart, yet see females as more trustworthy, aligned with the predictions of stereotype content model. These findings resonate with the findings obtained in Studies 1 and 2.

Notwithstanding these findings, one concern with this study was that the sample size was smaller than expected, due to a relatively large number of participants failing the manipulation check. This may have been due to the sample consisting of a general population sample, and the fact that the experiment was embedded at the end of a larger survey, which may have impacted participants' responses. Thus while Study 12 offered some preliminary insights about how offer receiver gender, first offer extremity, and gender group of first offer maker interacted to influence the economic and relational outcomes in the intergroup

negotiation, I set out to further validate these findings in a more higher powered sample.

4.5 Study 13

Introduction

Study 13 served as a validation to the results of Study 12 and tested the combined effect of offer receiver gender, first offer extremity, and gender group of first offer maker in a different scenario – a car sale negotiation. The current study extended the economic outcomes from only measuring counteroffer to including both counteroffer and estimation of the final deal. It also measured the key relational outcome of trustworthiness perception.

Regarding the reference point, Study 13 used a market reference range, same as what was used in Study 10. The decision of extreme first offer value went back to the same as applied in Studies 10 and 11, which was about 26% above the reference. In Study 12, the effect of first offer extremity on trustworthiness was only marginally significant, potentially due to the less extreme first offer in the study. Therefore, the current experiment returned to a more extreme first offer as used in Studies 10 and 11.

Method

Participants and design

One thousand six hundred US adults completed an online survey for payment through *Academic Prolific*, using a survey programmed into Qualtrics. Participants received their payment based on the minimum hourly rate decided by Prolific. Sample sizes were determined by a priori power analysis (G*Power) with

an $\alpha = 0.05$ and 95% power to detect an effect size of $f = 0.10$ indicated that a total sample of $N = 1548$ would be sufficient. To account for the participants who did not pass the manipulation check, recruiting a sample of 1600 participants ensured meeting the necessary sample size for final analyses. Study 13 manipulated first offer extremity (moderate vs. extreme) and the gender group membership of first offer maker (ingroup vs. outgroup). I recruited both male ($n = 764$) and female ($n = 766$) participants in the sample. The experiment used a 2 (gender of offer receiver: male vs. female) \times 2 (first offer extremity: moderate vs. extreme) \times 2 (gender group membership of first offer maker: ingroup vs. outgroup) between-subjects design. Since the study focused on male and female participants, fifteen participants who answered their gender as non-binary were removed. Next, fifty one participants who failed the manipulation check were excluded. Lastly, four participants who did not give a valid answer for the counteroffer question were not included. Upon applying these exclusion criteria, the final sample used for data analysis comprised 1529 participants (763 males, 766 females).

The average age of participants was 40.98 years ($SD = 14.18$).

Materials and procedure

After indicating their consent to participating in the experiment, participants were randomly assigned to one of the four conditions in which they would negotiate either with: an ingroup making a low first offer, an ingroup

making a high first offer, an outgroup making a low first offer and an outgroup making a high first offer. Participants were asked to imagine that they were shopping for a used car and that they had seen an online advert from a male (female) seller. The negotiation scenario was based on the scenario of Study 4 in Ames and Mason (2015). The manipulation of the ingroup gender of the first offer maker (male vs. female) was achieved by using different names (John vs. Jennifer) and repeating the pronouns (he vs. she; him vs. her) several times in the scenario. The names were chosen since both John and Jennifer are very common names used in the United States. If the participants were matched with a first offer maker that held the same gender identity as they did (e.g., male participant / offer receiver with male first offer maker), then the gender group membership of the first offer maker would be ingroup. If the gender identities of both parties did not match, the first offer maker was considered as an outgroup member. The negotiation scenario ended with the manipulation of anchor extremity, a first offer maker giving a first offer of \$7,500 in the low condition vs. \$9,500 in the high condition. The low anchor was set as the value of the upper bound (\$7,500), while the high anchor was at about 26% above the upper bound. These values were based on what were used in Ames and Mason (2015). Participants were further informed that the car they were looking for typically was sold between \$6,500 to \$7,500. After reading the scenario and being provided the first offer by the seller, participants were asked to respond to this first offer and complete the survey questions. Two manipulation checks were included following the key dependent

variables, with the questions of “What was the seller’s asking price?” and “What was the seller’s name?” embedded in a series of filler items.

Measures

Counteroffer. Participants were asked “You’d like to get this car from John (Jennifer) if possible. You’d also like to pay the least you possibly can for it so you decide to make a counteroffer. What would your counteroffer be?”.

Participants were then instructed to type in their answer using a numeric value.

Estimation of final settlement. Participants were first asked: “Do you think you would reach an agreement on a final sales price with John (Jennifer)?”.

If they answered yes ($n = 1281$), they were asked “If you think you would reach an agreement with John (Jennifer): What do you think is the final price that you would agree on with the him (her)?”. Again, participants provided their response by typing in their answer with a numeric value.

Perception of trustworthiness. Participants rated the first offer maker using the following item: “To what extent did you perceive the seller as trustworthy?”. Responses were made on a 7-point Likert scale ranging from 1 (not at all) to 7 (extremely).

Demographic and control variable. The study also measured education. More than half of the participants (58%) said they had completed at least some undergraduate education or more, with 39% indicating that they had finished the bachelor degree.

Results

A 2 (gender of offer receiver: male vs. female) \times 2 (first offer extremity: moderate vs. extreme) \times 2 (gender group membership of first offer maker: ingroup vs. outgroup) between-subjects ANOVA was conducted on all dependent measures. Means and standard deviations were illustrated in Table 37, 38 and 39.

Counteroffer. Results revealed a significant main effect for offer receiver gender on counteroffer, $F(1, 1521) = 30.36, p < .01, \text{partial } \eta^2 = .02$. Male offer receivers gave a lower counteroffer ($M = 6746.22, SD = 758.98$) than did female offer receivers ($M = 6929.72, SD = 719.16$). There was also a significant main effect of first offer extremity on counteroffer, $F(1, 1521) = 248.74, p < .01, \text{partial } \eta^2 = .14$. Offer receivers made a higher counteroffer when they had to respond to the extreme first offer ($M = 7114.08, SD = 820.15$) than the moderate first offer ($M = 6564.01, SD = 535.84$). But there was no significant main effect of first offer maker gender group on counteroffer, $F(1, 1521) = 0.87, p = .35, \text{partial } \eta^2 < .01$. Ingroup and outgroup first offer makers were given a counteroffer of similar magnitude (Ingroup: $M = 6851.44, SD = 714.27$; Outgroup: $M = 6825.11, SD = 773.69$). The two-way interaction between offer receiver gender and first offer extremity was not significant, $F(1, 1521) = 2.61, p = .11, \text{partial } \eta^2 < .01$. Neither was the two-way interaction of offer receiver gender and first offer maker gender group, $F(1, 1521) = 0.02, p = .90, \text{partial } \eta^2 < .01$, nor was the two-way interaction of first offer extremity and first offer maker gender group significant,

$F(1, 1521) = 0.83, p = .36, \text{partial } \eta^2 < .01$. The three-way interaction effect also failed to reach significance, $F(1, 1521) = 0.86, p = .35, \text{partial } \eta^2 < .01$.

Estimation of final settlement. There was a significant main effect of offer receiver gender on the estimation of what the final price would be, $F(1, 1273) = 14.65, p < .01, \text{partial } \eta^2 = .01$. Male offer receivers estimated to have a lower final deal ($M = 7297.28, SD = 621.16$) than did female offer receivers ($M = 7417.86, SD = 663.96$). There was also a significant main effect of first offer extremity on the estimation of the final settlement, $F(1, 1273) = 1162.22, p < .01, \text{partial } \eta^2 = .48$. Offer receivers expected to settle with a higher final price in the extreme offer condition ($M = 7880.30, SD = 620.43$) than in the moderate offer condition ($M = 6975.75, SD = 307.42$). However, there was no significant main effect of first offer maker gender group on the estimation of the final price, $F(1, 1273) = 0.89, p = .35, \text{partial } \eta^2 < .01$. Offer receivers estimated to settle with ingroup and outgroup first offer makers on a similar final price (Ingroup: $M = 7334.54, SD = 635.33$; Outgroup: $M = 7384.41, SD = 656.29$). The two-way interaction between offer receiver gender and first offer extremity did reach significance, $F(1, 1273) = 6.06, p = .01, \text{partial } \eta^2 = .01$. A simple effect test revealed that in the moderate first offer condition, both males and females estimated to end the negotiation with similar price (Male: $M = 6957.51, SD = 327.13$; Female: $M = 6993.64, SD = 286.08$), $p = .29$. Whereas in the extreme first offer condition, female offer receivers expected to agree on a higher final price ($M = 7956.47, SD = 614.92$) than did male offer receivers ($M = 7791.38, SD =$

616.19), $p < .01$. The two-way interaction of offer receiver gender and first offer maker gender group was not significant, $F(1, 1273) = 0.29, p = .59, \text{partial } \eta^2 < .01$, nor was the interaction between first offer extremity and first offer maker gender group significant, $F(1, 1273) = 2.17, p = .14, \text{partial } \eta^2 < .01$. The three-way interaction effect on final settled price did not reach significance, $F(1, 1273) = 0.19, p = .66, \text{partial } \eta^2 < .01$.

Perception of trustworthiness. The results indicated a marginally significant main effect of offer receiver gender on perceived trustworthiness, $F(1, 1521) = 3.78, p = .05, \text{partial } \eta^2 < .01$. Female offer receivers rated the first offer maker as marginally more trustworthy ($M = 4.82, SD = 1.22$) than did male offer receivers ($M = 4.70, SD = 1.22$). There was a significant main effect of first offer extremity on perception of trustworthiness as well, $F(1, 1521) = 81.02, p < .01, \text{partial } \eta^2 = .05$. Offer receivers perceived the first offer maker who proposed the extreme anchor as less trustworthy ($M = 4.48, SD = 1.22$) than the one of moderate anchor ($M = 5.03, SD = 1.15$). There was no significant main effect of gender group membership of the first offer maker on perception of trustworthiness, $F(1, 1521) = 0.29, p = .59, \text{partial } \eta^2 < .01$. Ingroup first offer makers were perceived as similarly trustworthy ($M = 4.78, SD = 1.22$) as outgroup first offer makers ($M = 4.74, SD = 1.22$). No significant two-way interaction of gender of offer receiver and first offer extremity was found on perception of trustworthiness, $F(1, 1521) = 0.19, p = .66, \text{partial } \eta^2 < .01$. However, a significant interaction of offer receiver gender and first offer maker gender group

membership was uncovered on perception of trustworthiness, $F(1, 1521) = 22.40$, $p < .01$, $partial \eta^2 = .02$. A further simple effect analysis uncovered that male offer receivers perceived their outgroup (female first offer maker) as more trustworthy ($M = 4.82$, $SD = 1.21$) than their ingroup (male first offer maker) ($M = 4.57$, $SD = 1.21$), $p < .01$. Females offer receivers rated their ingroup (female first offer maker) as more trustworthy ($M = 4.99$, $SD = 1.19$) than their outgroup (male first offer maker) ($M = 4.65$, $SD = 1.23$), $p < .01$. The two-way interaction of first offer extremity and first offer maker gender group membership on trustworthiness perception was not significant, $F(1, 1521) = 0.07$, $p = .79$, $partial \eta^2 < .01$. The three-way interaction effect on the perception of first offer maker's trustworthiness did not emerge, $F(1, 1521) = 0.03$, $p = .87$, $partial \eta^2 < .01$.

Table 37 Counteroffer by offer receiver gender, first offer extremity, first offer maker gender group, Study 13

	First offer extremity	
	Moderate	Extreme
Counteroffer:		
Ingroup offer maker		
Male offer receiver	6540.95 (530.88)	6973.04 (819.24)
Female offer receiver	6649.60 (446.86)	7260.13 (771.09)
Counteroffer:		
Outgroup offer maker		
Male offer receiver	6448.17 (638.67)	7009.38 (828.70)
Female offer receiver	6612.76 (493.20)	7222.28 (825.19)

Note. Values in parentheses are standard deviations.

Table 38 Final settlement by offer receiver gender, first offer extremity, first offer maker gender group, Study 13

	First offer extremity	
	Moderate	Extreme
Final settlement:		
Ingroup offer maker		
Male offer receiver	6965.80 (323.02)	7770.61 (620.55)
Female offer receiver	6999.14 (295.05)	7910.56 (650.85)
Final settlement:		
Outgroup offer maker		
Male offer receiver	6949.27 (331.85)	7808.66 (614.28)
Female offer receiver	6987.78 (276.89)	7999.64 (577.95)

Note. Values in parentheses are standard deviations.

Table 39 Perception of trustworthiness by offer receiver gender, first offer extremity, first offer maker gender group, Study 13

	First offer extremity	
	Moderate	Extreme
Trustworthiness: Ingroup offer maker		
Male offer receiver	4.83 (1.13)	4.31 (1.23)
Female offer receiver	5.27 (1.12)	4.68 (1.18)
Trustworthiness: Outgroup offer maker		
Male offer receiver	5.08 (1.16)	4.57 (1.21)
Female offer receiver	4.93 (1.15)	4.38 (1.25)

Note. Values in parentheses are standard deviations.

To assess whether factors like age and education had a notable impact on the observed outcomes, a series of two-way ANCOVA analyses were performed. However, the effects and significance levels were consistent across all analyses (refer to the Appendix for more details).

The Pearson correlations for variables included in this study is shown in Table 40 and 41.

Table 40 Descriptive statistics and correlations for study variables, male offer receivers, Study 13

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer extremity ^a	764					
2. Counteroffer	764	6750.41	767.29	.33**		
3. Final settlement	764	7297.93	622.04	.66**	.79**	
4. Perception of trustworthiness	764	4.70	1.22	-.21**	.04	-.02

^a 0 = moderate and 1 = extreme

***p* < .01.

Table 41 Descriptive statistics and correlations for study variables, female offer receivers, Study 13

Variable	<i>n</i>	<i>M</i>	<i>SD</i>	1	2	3
1. First offer extremity ^a	766					
2. Counteroffer	766	6929.72	719.16	.42**		
3. Final settlement	766	7417.96	664.96	.72**	.81**	
4. Perception of trustworthiness	766	4.82	1.22	-.24**	.10**	-.01

^a 0 = moderate and 1 = extreme

***p* < .01.

Discussion

Study 13 served to validate the results of Study 12. It re-examined the combined impacts of the gender of offer receiver, the initial offer's extremity, and the gender group membership of first offer maker on three key outcomes: the

economic outcomes of counteroffer, the final settlement, and the relational outcome of perceived trustworthiness of the initial offer maker.

Regarding the main effect of offer receiver gender, this study found that the gender of offer receiver significantly impacted both the counteroffer and the final settlement estimation, consistent with prior findings throughout this thesis. Examination of the means thus indicated that female offer receivers tended to propose higher counteroffers and anticipated settling at a higher final price compared to male offer receivers in relation to the initial offer maker. In other words, their higher counteroffers and expectations of final settlements reflected a relatively lower economic outcome than for males. This offer receiver gender disparity remained consistent with the trends observed in Studies 3 to 12. Despite the inclusion of an extra factor of initial offer extremity in the experimental design, the gender of offer receiver continued to exhibit its effect on the counteroffer and the estimation of final price.

Interestingly, offer receiver gender also had a marginally significant effect on perceptions of trustworthiness, showing that female offer receivers perceived the first offer maker as more trustworthy than did male offer receivers. This finding aligned with the findings in Studies 3, 5 and 8 and provided further evidence that females in general appeared to give more positive relational ratings about their counterpart than males did in the intergroup negotiations.

In addition, the current study unveiled a two-way interaction between offer receiver gender and first offer extremity concerning the estimation of the final

price was observed. While both males and females in the moderate offer condition anticipated settling at similar prices, females were inclined to conclude negotiations with a significantly higher price than males in the extreme offer condition. This pattern echoes the results found regarding the counteroffer in Study 12. These findings together shed light on a novel understanding: the impact of offer receiver gender appears to be contingent upon the extremity of the initial offer, with the joint influence of offer receiver gender first offer extremity and significantly affecting the economic outcomes in negotiations. Moreover, a two-way interaction emerged between offer receiver gender and the gender group of initial offer maker regarding the perception of trustworthiness. Both male and female offer receivers assessed members of their gender ingroup and outgroup differently in terms of trustworthiness. Upon further analysis of the means, it became evident that both male and female offer receivers rated the female initial offer maker, who was an ingroup member for female offer receivers and an outgroup member for male offer receivers, as more trustworthy than the male initial offer maker. This outcome once again confirms prior findings.

Consistent with prior studies in this chapter, the present experiment again uncovered the significant main effect of initial offer extremity on both the counteroffer and the estimation of final agreement. Echoing the outcomes of Studies 10 and 11, offer receivers in the extreme offer condition anticipated concluding negotiations with a price of \$7880.30, surpassing the upper limit of the market reference range of \$7,500, whereas those in the moderate offer

condition did not (\$6975.75). Concerning the relational outcome, akin to Studies 10 and 11, Study 13 also demonstrated a significant main effect of the extremity of first offer on the perception of trustworthiness, indicating that the initial offer maker was perceived as less trustworthy in the extreme offer condition. This finding contrasts with the results of Study 12, where only marginal significance was observed with a less extreme initial offer value. Consequently, it suggests that the more extreme a first offer, the more pronounced the effect of the first offer on lower perceptions of trust are.

4.6 Discussion

In four studies, Chapter 4 systematically examined the interplay between the gender of the offer receiver, the extremity of the first offer, and, in two of the four studies, the group identity of the first offer maker, in influencing negotiators' reactions to initial offers in distributive negotiations. Through the first two studies, this chapter delved into the impact of offer receiver gender and assessed whether gender differences hinge on the extremity of the initial offer. In the latter two studies within this chapter, it delved deeper into the three-way interplay among offer receiver gender, first offer extremity, and the gender group of the first offer maker.

First, concerning gender differences in how offer receivers respond to moderate or extreme first offers, the studies in this chapter provided consistent support for gender differences in how males and females respond to first offers, and how this may differ depending on the extremity of the first offer. Indeed, Studies 12 and 13 unveiled an interaction between offer receiver gender and first offer extremity concerning counteroffer (Study 12) and final settlement (Study 13). It was observed that when confronted with moderate first offers, both male and female offer receivers presented similar counteroffers and final prices. However, in negotiations involving first offer proposers with extreme offers, female offer receivers tended to counteroffer with higher amounts and settle on higher final prices (indicating less adjustment from the initial offer) compared to male offer receivers. Although the interaction was non-significant in Study 11, an

inspection of the mean tables revealed a similar pattern as what was found with counteroffer in Study 12 and final settlement in Study 13. Additionally, Study 13 found a significant main effect of gender. This finding is interesting and novel as it demonstrates that gender differences in negotiation may be contingent upon the extremity of the initial offer. While males and females exhibited similar behaviors when encountering moderate initial offers, females were more swayed by extreme initial offers, resulting in less favorable economic outcomes for themselves.

Additionally, in Study 13, a significant main effect of offer receiver gender on economic outcomes was evident, while marginal effects were observed for the main effect in Studies 11 and 12. Aligning with findings from Studies 3-9 regarding gender disparities, female offer receivers thus consistently presented higher counteroffers (less adjustment from the initial offer) and estimated higher final prices (again, less adjustment from the initial offer) compared to male offer receivers. Taken together, these findings show that females negotiators' behavior and responses to first offers, particularly when faced with an extreme first offer, allow them to claim less value in a deal compared to male negotiators.

Concerning gender differences in relational outcomes, only Study 13 exhibited a marginally significant effect of offer receiver gender on trustworthiness, with females attributing higher trust scores to the first offer maker, consistent with observations from Studies 3, 5, and 8. A noteworthy discovery in Studies 10 and 11 was that offer receiver gender did not significantly predict economic or relational outcomes to the same extent as in Studies 12 and

13, except for the marginal effect on counteroffers obtained in Study 11. One possible explanation lies in the design of these two studies, in that no information about the gender identity of the initial offer maker was provided. Tanis and Postmes (2008) posited that in online dyads, interpersonal perception and interaction rely heavily on identity cues, as these cues offer crucial information to alleviate uncertainties in initial contact with strangers. Consequently, when such cues are absent, negotiators may experience greater uncertainty in their judgments and reactions to the first offer maker. It is perhaps for this reason that the observed gender differences obtained in all other studies in this thesis were more pronounced than in Studies 10 and 11.

Second, across all four studies, a consistent observation was the significant impact of first offer extremity on economic and relational outcomes across various negotiation scenarios and participant samples, confirming prior work in this area (Benton et al., 1972; Cherkoff and Conley, 1967; Leonardelli et al., 2019; Loschelder et al., 2014; Yukl, 1974). It was evident that offer receivers were heavily influenced by more extreme initial offers, leading to higher counteroffers and expectations of concluding negotiations with higher prices in all studies. Regarding the relational outcome of trust, it was consistently found that first offer makers who proposed extreme offers were perceived as less trustworthy, resulting in a decreased likelihood of engaging in future negotiations. This observation resonates with the insights uncovered by Maaravi et al. (2014) concerning anchoring tactics, wherein making extreme first offers can lead to

more advantageous outcomes for the proposers, yet elicit negative emotional responses from counterparts, reducing the likelihood of future negotiation engagement. While Study 12 only showed marginal significance of first offer extremity on trust, this may be attributed to the manipulation of a less extreme first offer in the extreme condition.

Third, concerning the gender ingroup vs. outgroup membership of the first offer maker, results showed mixed findings in Studies 12 and 13 in which I manipulated the gender ingroup vs. outgroup membership of the first offer maker. In Study 13, the gender group membership of the first offer maker did not exert a significant effect on outcomes, yet in Study 12 it did. Additionally, a significant two-way interaction of offer receiver gender and first offer maker gender group was observed. Examination of the means revealed that both male and female offer receivers rated the female initial offer maker, who was the ingroup fellow member for female offer receivers and the outgroup member for male offer receivers, as more trustworthy than the male initial offer maker. This outcome was consistent with the findings of Studies 1 and 2, such that females first offer makers are perceived as more trustworthy, particularly among males. This however did not consistently translate into more favorable economic outcomes in favor of females.

One potential reason for these mixed findings could be the issue of social desirability associated with the gender manipulation. Specifically, Study 12 was embedded in a national survey concerning immigrants and political policies surrounding minority immigrant groups and was also placed at the end of the

survey due to design constraints. This arrangement might have potentially biased participants' reactions towards females, as they were immersed in the topic of minority groups throughout the survey. This may have made them become more conscious of other potentially disadvantaged groups, such as women. In summary, this chapter did not find clear evidence of gender bias in how first offers are responded to in negotiations. However, the mixed findings throughout this chapter, and indeed the thesis, should not be interpreted as denying the existence of gender bias in first offer effects. Rather, there may simply be inherent complexities in how to test the impact of gender ingroup membership on how negotiators respond to first offers provided by males and females, as already discussed in Chapter 3. Being constrained by using scenario studies may have made it more difficult to unveil potential effects, and indeed, interestingly, Study 4, in which I was able to make use of a more naturalistic dyadic negotiation, is the one study which showed a trend reflecting males offer receivers adjusted less away from first offers provided by their gender ingroup members than their outgroup members in their counteroffers and final deals. It is clear that future research should seek to gain a clearer understanding of intergroup negotiation dynamics in the context of first offer effects.

Chapter 5. General Discussion

First offers in negotiations can significantly impact economic outcomes, including counteroffers and final agreements (Chertkoff and Conley, 1967; Kristensen and Gärling, 2000; Leonardelli et al., 2019; Liebert et al., 1968; Magee et al., 2007; Mason et al., 2013), as well as the likelihood of deadlock (Ames and Mason, 2015; Galinsky and Mussweiler, 2001; Kristensen and Gärling, 1997). Recent research has also increasingly recognized the pivotal role that relational and subjective measures play in shaping negotiation success (Maaravi et al., 2014; Oliver et al., 1994; Rosette et al., 2014), although research on first offers on relational outcomes was sparse. This thesis set out to provide a systematic investigation into first offer consequences for both economic outcomes (in particular, counteroffers and final agreements) and relational outcomes (in particular, trust, as well as willingness to engage in future negotiations). More specifically, across 13 studies, it investigated in a systematic manner the interplay between intergroup biases, gender differences and offer extremity in the first offer effect, and its consequences on economic and relational outcomes. A consistent finding across all studies in this thesis was that I observed persistent gender differences in how males and females respond to first offers, with males across the board responding in ways to first offers that ensured higher value claiming than females. Findings concerning potential intergroup biases were more mixed, with some studies finding support for an ingroup bias in first offer effects, but others failing to provide clear support. Additionally, the studies in this thesis provided additional support for the role that anchor extremity plays in first offers,

and effect that further intersected with gender differences in how males and females respond to more or less extreme first offers. In the following I discuss the findings, theoretical and practical implications of this thesis in detail, first, with regard to gender differences in first offer effects, second, with regard to ingroup biases in first offer effects, third, with regard to first offer extremity, and fourth, with regard to limitations and future directions.

5.1 Gender differences in the first offer effect

The findings obtained in this thesis add new insights into the dynamics of gender in negotiation. Prior literature has shown that male negotiators often have a higher tendency to initiate negotiations (Small et al., 2007; Leibrandt and List, 2015), exhibit more aggressive negotiation behaviors (Stuhlmacher et al., 2007; Walters et al., 1998), and negotiate better outcomes (Mazei et al., 2015; Stuhlmacher and Walters, 1999) than female negotiators. The current thesis contributes to the literature by uncovering evidence of gender differences in the very early stage of negotiations with a systematic examination. Across 9 studies with different samples and negotiation scenarios my research found that the gender of the offer recipient significantly predicted the economic outcomes of counteroffers and final settlements, as predicted in Hypothesis 3. With diverse samples (including a convenience sample, online samples from the UK and US, and a nationally representative sample from Spain) and using a range of different negotiation scenarios (salary negotiations, used car or smartphone sales negotiation, real estate negotiation simulation), these studies consistently discovered that male offer receivers tended to be less influenced by the first offer and thus made less adjustment from the first offer in their counteroffers and final settlements, compared to female offer receivers. Put differently, it showed that male offer recipients were more likely to secure a better economic outcome and achieve an economic advantage for themselves in the negotiations. This trend of gender difference was revealed in most of the studies that included both economic

measures, except for the estimation of the final deal in Studies 8 and 9 (the latter being potentially due to the overtly extreme first offer and design of the game). It is however important to remember that final agreement estimations pose a significantly more abstract evaluation for participants compared to the more tangible measure of counteroffers.

With respect to first offers in negotiation specifically, research on gender differences is more scant. While Miles (2010) found that women were less likely than men to follow through on their intended first offers in their decision of actual first offer and men's planned first offers were linked to their counteroffers, this connection was absent for women. This research complements prior research by uncovering how male and female negotiators respond to first offers interacting with the extremity of the initial offer. In this research, it was uncovered that in the moderate first offer condition, both men and women issued counteroffers of comparable magnitude (Study 12) and expected to reach similar settlement prices (Study 13). However, females were more swayed by an extreme initial offer, resulting in less deviation away from extreme first offers compared to males, and consequently lower economic outcomes. Collectively, these findings extend the current research on gender difference in the first offer effect and illuminate a new insight: gender differences between offer recipients seem to depend on the extremity of the initial offer, with both factors jointly affecting economic outcomes in negotiations. Another condition that received less attention in prior literature is gender differences when no information about the identity of the first

offer maker is revealed. My research contributes to the literature by adding some initial insight into this void. When the offer recipient did not have any cue concerning the identity of the first offer maker, I did not obtain the main effect of offer receiver gender on counteroffers and estimation of the final deal (except for the marginally significant effect of offer receiver gender on counteroffer in Study 11). As suggested by Tanis and Postmes (2008), in online dyads interpersonal perception and interaction heavily rely on identity cues, which provide essential information to mitigate uncertainties in initial encounters with strangers. Consequently, when such cues are lacking, negotiators might encounter heightened uncertainty in their assessments and responses to the initial offer proposer. It is plausible that this factor contributed to the observed gender differences being less prominent in Studies 10 and 11 compared to other studies in this thesis.

When it comes to the area of gender differences concerning relational outcomes in negotiation, to my knowledge very little research attention has been given to this to date. This thesis added more insights in this area, specifically Studies 3, 5, 8 and 13 (albeit in Studies 5 and 13 the effects were only marginally significant). Specifically, these studies demonstrated that female offer receivers were more inclined to rate the first offer maker with a higher score of trustworthiness than were male offer receivers. The perception of one's negotiating partner involves various processes and components associated with broader concepts such as person perception and impression formation (Thompson,

1990). One possible explanation for this pattern could be that females may, at times, perceive their negotiation counterpart as resembling themselves, while males typically perceive themselves as fundamentally different from their counterparts in negotiations (Gilkey and Greenhalgh, 1984; Zechmeister and Druckman, 1973). Due to perceived potential similarities with their counterpart, women may experience a sense of familiarity and ease, leading to interpersonal trust, as suggested by the similarity attraction theory (Byrne, 1971).

Overall, the results of gender differences from these 9 different studies are insightful because they constitute the first systematic examination of gender disparities in their reactions to initial proposals in distributive negotiations, along with their implications for economic outcomes like counteroffers and final deals, as well as for relational outcomes. Furthermore, the investigations in this thesis demonstrate this powerful gender difference effect to be robust irrespective of the magnitude of the first offer (moderate or extreme), and even in scenarios lacking a reference point (Studies 4 and 5).

In addition to the theoretical contributions, the findings of gender differences in the first offer effect also give valuable insights to the negotiators, especially females in the negotiation. The result of female negotiators, compared to male negotiators, making less aggressive counteroffer and therefore achieving worse economic outcome (especially when the first offer is an extreme one) is an important finding that females should be aware of. It serves as a reminder to the female negotiators, prior to entering any negotiation (either a salary negotiation or

a negotiation about the price of anything), that they naturally tend to behave in this less competitive way. It can motivate females to look for and apply negotiation strategies to overcome this tendency of behavior. In practice, there are a few strategies that we can adopt to help females overcome this disadvantage. First, provide tailored negotiation training programs to help women build confidence in making more assertive counteroffers. Training can focus on understanding the value of initial offers, recognizing negotiation tactics, and practicing assertive communication. Second, encourage and increase the awareness of gender differences in negotiation. Female negotiators could benefit from individualized coaching that helps them overcome psychological barriers, such as fear of appearing too demanding, which might limit their assertiveness. Third, making market and industry data more transparent allows female negotiators to base their counteroffers on factual information, which can boost confidence and reduce the likelihood of making less aggressive counteroffers. Last, establish mentorship programs where experienced negotiators can mentor women, offering guidance on strategies to improve counteroffers and overall negotiation performance.

5.2 Intergroup biases and the first offer effect

Another factor the current thesis set out to investigate was whether first offer effects were subject to intergroup biases on economic and relational measures in intergroup negotiation. Throughout the three chapters, I manipulated the group identity of first offer makers based on different social categories such as gender, ethnicity, ethno-religion, and affiliation to university, and compared the different responses offer receivers gave to ingroup vs. outgroup counterparts.

In the literature, a small yet growing body of research has examined how intergroup biases related to categories like gender or race may impact negotiation processes and outcomes. This thesis extends the current literature of intergroup bias in negotiation and enriches our understanding about intergroup bias and first offer effect. On one hand, in terms of the gender bias, the results corroborate the findings of Dittrich et al. (2014) and Pardal et al. (2020), which highlighted how men's gender biases can result in suboptimal negotiation outcomes when negotiating with female counterparts compared to male counterparts. It unveiled that male negotiators adjusted less away from the first offer provided by their gender ingroup male first offer maker than their gender outgroup female first offer maker, confirming Hypothesis 1. In other words, male offer recipients were more inclined to sacrifice some of their own benefits in the negotiation when paired with a male negotiator from their own group rather than a female negotiator from a different gender group. A similar trend, albeit non-significant, was observed in the male subsample of Studies 4 and 6 such that male offer receivers were

inclined to give more favorable economic outcomes to their gender ingroup member (final settlement adjustment in Study 4). On the other hand, this thesis also tested the intergroup bias based on university affiliation, which was rarely done in the prior literature of intergroup negotiation. In a similar vein, Study 5 revealed an ingroup bias (albeit being marginally significant) when offer receivers negotiated with an ingroup university vs. outgroup university first offer maker. First offer recipients were found to give more favorable responses in their counteroffers to the alumni who belonged to the same university compared to the one coming from another university.

Despite the literature of gender and race in negotiation, up to date not much research has examined the intersection of different identity categories in negotiation. Toosi et al. (2019) is one example but mainly focuses on the studying the difference in first offer proposed by males and females holding different racial identity. In this thesis, I extend this part of the literature by looking at the interaction of ethnicity or ethno-religious ingroup bias and gender differences in the economic outcomes such as counteroffers and final settled prices. Specifically, in Study 6 males tended to adjust their counteroffers less when negotiating with ethno-religious ingroup members compared to ethno-religious outgroup members. This suggested that males generally aimed for more favorable economic outcomes for themselves when negotiating with outgroup members and were more inclined to make concessions in favor of their ingroup, supporting the prediction of Hypothesis 1. A similar trend, although not statistically significant, was observed

in the final settlement estimation. However, for females, the ingroup bias effect was absent, and they were marginally more likely to concede to the outgroup than to ingroup members. The reason for this reversal in effect for females is unclear, but one possibility is that for female offer receivers, the outgroup represented a double outgroup in terms of ethno-religion and gender, which might have influenced the outcomes. According to prior research on identity intersection (Atewologun et al., 2016; de Vries, 2012; Settles, 2006; Toosi et al., 2018) and multiple categorizations (e.g., Schmid and Hewstone, 2010), it is possible that the intersection of two identities, especially when they align in status and advantage, can mitigate effects. For instance, in the case of social categories like males or White people, both of which belong to advantaged groups in many Western societies, there may be biases in favor of the double ingroup status. Conversely, for females, who typically belong to the more disadvantaged groups, there may be a shared sense of minority group identity concerning the ethno-religious outgroup.

In relation to the relational outcome in intergroup negotiation, there is very limited research in the field. As noted by Kramer and Carnevale (2001), trust has surprisingly received little attention within the context of intergroup negotiation. This thesis contributes to the literature by offering insights about the effect of ingroup bias on relational measure of trust and mediation effect of ingroup bias on economic outcome (counteroffers, final agreements) via relational outcome of trust. Studies in the thesis have yielded mixed findings. On the one hand, confirming Hypothesis 2, Study 5 revealed that offer recipients gave a higher

score of trust to their university ingroup than to their university outgroup member and higher levels of trust were associated with more favorable economic outcomes. First offer maker university ingroup membership therefore had a positive indirect effect on economic negotiation outcomes, via trust. On the other hand, Studies 1, 2 and 9 indicated that offer receivers tended to perceive their gender or ethnicity outgroup first offer maker as more trustworthy and perception of trustworthiness was correlated with more advantageous economic outcomes for the first offer maker. Interestingly, this surprising pattern only existed in the male sample (Studies 1, 2 and 9). However, despite outgroup members being given a more positive evaluation on trustworthiness and more trust was associated with better economic outcomes, the indirect effect did not wipe out the main effect that male offer receivers gave more favorable outcomes to their ingroup member (Study 1 counteroffer and final settlement; Study 9 counteroffer). Status characteristics theory could potentially explain the negotiation behavior of male (sub)sample. According to the diffuse status characteristics theory (Berger et al., 1972), individuals have certain beliefs about the social status of their counterpart in the interpersonal interaction and these beliefs of status can result in different expectations of their counterpart's performance in the task. Consequently, individuals' expectations about their counterpart shape their responses and behaviors towards their counterpart. In general, women and colored people are believed to hold lower status in the society and thus are expected to be less competent and less worthy in the interpersonal interaction. As a result, male

participants adjusted their negotiation behaviors according to their expectations by giving less desirable economic outcomes to their gender and ethnic outgroup members.

The finding of female first offer maker being perceived as more trustworthy (Studies 1 and 2) confirmed Hypothesis 2.2 and rejected Hypothesis 2.1, which was based on Stereotype Content Model (Fiske, 1998). Interestingly, a similar trend was found in Studies 12 and 13 when examining the interaction of offer receiver gender and first offer maker gender group. It was evident that both male and female recipients of first offers regarded the female who made the initial offer—considered an ingroup member by female offer recipients and an outgroup member by male offer recipients—as more trustworthy than the male initial offer proposer. Nevertheless, important to keep in mind is that despite female first offer makers rendering more trust perceptions, they did not eventually achieve better economic outcomes in the intergroup negotiation. One plausible explanation could be drawn from Gladstone and O’Connor (2014). In their study, the authors discovered that negotiators in general preferred to negotiate with a feminine counterpart because they expected the feminine counterpart to be more cooperative and therefore they were more likely to achieve more concessions in the negotiation. The above findings of relational outcome of trust are important because they add evidence on relational measures in negotiation research, addressing a gap in the literature which has traditionally prioritized economic indicators. Moreover, unlike the study by Jeong et al. (2020) which only

examined trust and information disclosure, this thesis went further by exploring the mediating effect of trust, thereby establishing a connection between economic measures and relational measure.

From the practical perspective, the current thesis also sheds light on the importance of negotiating fairly with counterpart such as women, ethnic/ethno-religious outgroups or member of other outgroups. The results indicated that our unconscious biases may influence our negotiation behavior correspondingly. There are practical implications for individuals, organizations, and policymakers. On the level of individuals, negotiators should be encouraged to reflect on their own potential biases and make conscious efforts to treat all counterparts equitably, regardless of gender, race or any other identity category. Providing training on negotiation tactics, especially for underrepresented groups, can empower these individuals to negotiate more confidently and effectively. For organizations, it suggests the need for bias awareness and training programs in organizations to help negotiators recognize and mitigate their unconscious biases during negotiations. Organizations can also implement standardized negotiation frameworks that minimize subjective judgment and ensure that decisions are based on objective criteria, reducing the influence of gender and ethnic/ethno-religious biases. Regarding the impact on policymaking, it could lead to new policies aiming at promoting equity in negotiation settings, such as labor laws that encourage or require transparent and standardized negotiation procedures. Governments or regulatory bodies could provide incentives for companies that

actively implement bias-reducing strategies in negotiations and hiring practices as well.

5.3 First offer extremity and the first offer effect

The current thesis also investigated the effect of first offer extremity in intergroup negotiation. Past research indicates that extreme initial offers can lead to poorer outcomes for the offer receiver compared to more moderate offers (Chertkoff & Conley, 1967; Liebert et al., 1968). There is also evidence that sellers received the least favorable outcomes when the buyer made a hard (extreme) first offer, and buyers achieved better deals with smaller concessions (Yukl, 1974), and starting with an extreme offer and then adjusting it as needed led to the best economic results, higher satisfaction, and a greater sense of responsibility in negotiations (Benton et al., 1972). This thesis confirms the prior literature concerning the impact of anchor extremity by its results. Aligned with predictions in Hypothesis 4, the four studies in Chapter 4 indicated that offer receivers were greatly influenced by the extremity of the first offer. Negotiators were found to be more swayed by the extreme first offer and make less adjustment from it, compared to the moderate first offer. But the extreme offer on the other hand triggered a negative evaluation of the first offer issuer.

In addition to confirming the existing literature, the current research also contributes to the literature by adding new insights about first offer extremity. First, while prior research did not pay so much attention to the relationship between first offer and reference point, I found that when offer receivers were presented with an extreme first offer, they tended to expect that they would end the negotiation with a price that went beyond the reference point, which was

either a market benchmark price or a reservation price (as shown in Studies 10, 11 and 13). Conversely, in the moderate offer condition offer receivers estimated to conclude with a price that was below or within the range of their reference.

Second, the results also add a novel contribution concerning the interplay between extremity and gender in negotiation. Specifically, the studies in chapter 4 showed that the effectiveness of the more extreme first offer in generating an anchoring effect was particularly pronounced among females, more so than males. Thus, although both males and females were more influenced by the extreme first offer than the moderate one, the effect was magnified for females.

In terms of the practical impact of first offer extremity, this thesis offers the following insights to the negotiators. First, negotiators can leverage the power of extreme first offers to create a strong anchor in negotiations. Starting with an extreme offer can set the stage for more favorable outcomes by skewing the counterpart's perception and expectations, even possible to get such favorable outcome when the counterpart has a reservation price or knows the market benchmark. Using extreme offers to shape the counterpart's reference points and perceptions of value. It can help in positioning one's own offers more favorably and achieving better negotiation terms. Second, in situations where negotiators want to maintain a positive negotiation atmosphere, negotiators might choose moderate offers to avoid potential negative perceptions and reactions. Extreme offers should be used strategically, considering the context and the nature of the negotiation. When negotiating with ongoing or future relationships in mind, be

cautious with extreme offers as they can impact rapport and trust. Ensure that the use of extreme offers aligns with long-term relationship goals.

5.4 Limitations and future directions

Notwithstanding the contributions of the studies compiled in this thesis, the research presented is not without limitations. First, a few studies in the thesis had a relatively small sample size due to the constraints on the research budget or having to rely on convenience samples. This could potentially have led to a lower level of power to detect the significance of some results. Future research should utilize samples with sufficient power to test for example whether the intergroup biases persist. Second, the majority of the studies have used a scenario-based negotiation (except for Study 4). Again this was due to constraints in the type of data I was able to collect, and budget constraints. However, one needs to keep in mind that compared to realistic dyadic negotiations, scenario-based studies do not afford the same richness in experience, which may have affected participants' levels of engagement or motivation in the negotiation. Negotiation involves communication, information exchange, and decision-making among two or more parties to achieve an agreement. It encompasses more than just the exchange of tangible offers and concessions; it entails a nuanced web of social interactions. Scenario studies, while they allow for high internal validity, may miss out some of the external validity that would be achieved when relying on more realistic scenarios. Study 4 was one such study that included more richness, and future research may seek to complement the evidence with more realistic examinations as considered in Study 4. Third, for the construct of trust in all the studies, I have used only one item for the measurement. This could potentially trigger concerns

about validity and reliability. This decision was largely a trade-off based on research budget and time. In addition, because trust is generally a straightforward concept for participants to understand and is often assessed with a single-item measure. Fourth, due to the length of experiments and research budget, I did not measure the salience of social categorization (Turner et al., 1987). It is important because it influences how individuals perceive themselves and others within a group. When a particular social category is salient, people tend to identify more strongly with that aspect of their identity, shaping their attitudes, behaviors, and responses in group contexts. Also, the salience of social categories may also heighten awareness of stereotypes or biases, influencing how people interpret others' behaviors and how they themselves behave.

Last, the social desirability issue associated with manipulations of gender, ethnicity, and ethno-religion made it challenging for some studies to show significant effects. And in Study 9, despite attempts to keep all key aspects of perception (including trustworthy score) of the White and Black counterpart as equivalent as possible, participants (especially male participants) still rated the outgroup Black counterpart as more trustworthy. Social desirability biases could potentially affect the results. In the case of gender, given the prominence of gender equality in current public discourse and its extensive coverage in the media, participants might have been especially sensitive to this issue and thus inclined to adjust their responses accordingly. A recent study has shown that men's endorsement of gender equality is linked to their inclination towards

socially desirable behaviors (Sudkämper et al., 2020). Future research with improvement to address the social desirability bias is necessary in order to have a more accurate overview of the intergroup dynamics in negotiation.

The current thesis also has shed light on several other future research directions. Through three chapters, I have uncovered a persistent gender difference in how male and female negotiators respond to first offers, and with what consequences for economic and relational outcomes. Future research should investigate the mechanism underlying the gender differences in how males and females respond differently to first offers. One plausible explanation is the similarity attraction theory (Byrne, 1971), which has been discussed earlier. Additionally, women may be behaving in ways that conform to the stereotypes that are expected to them. Based on the Stereotype Content Model (Fiske, 1998), female negotiators may believe that aiming or claiming for more value in a negotiation could lead to penalties in how they are perceived in terms of warmth. Another aspect to consider is negotiators' self-perceptions about why they chose the counteroffer and final deal. Do they have relational concerns or stereotype concerns? Understanding these factors can provide deeper insights into the gender dynamics at play in the responses to first offers in negotiation. Moreover, future research should explore possible solutions to mitigate this gender imbalance. What strategies can female negotiators use to offset this gender disparity? Are there any specific aspects they should keep in mind during the negotiation?

Many negotiations involve counterparts from diverse social categories and with varying social identities. Social identity is an important part of self-categorization because individuals feel connections to groups where they share the same values to define their identities (Villesèche et al., 2018). In the context of intergroup negotiation, how negotiators perceive and respond to first offers from counterparts holding different identities is crucial to understand intergroup dynamics. Despite the mixed findings on intergroup biases, one should not assume their absence. Future research should aim to optimize study designs to investigate these potential biases more deeply. This could involve using more realistic scenarios, like in Study 4, but with larger sample sizes, which I could not achieve due to cost and opportunity constraints. Ideally, researchers should obtain real company data documenting first offers and starting salaries to provide more robust insights. Furthermore, not limited to gender, race, ethno-religion, and university affiliation, future research can investigate other social categories to broaden the scope of potential intergroup biases in negotiation. Also, future research can pay more attention to the intersection of social groups and how holding multiple identities impact economic and relational outcomes in negotiation.

Last but not the least, future research could extend the research questions to areas such as integrative negotiations. Researchers can explore the first offer effect in a package of issues, not just single issue in distributive negotiation. For instance, investigations can be done to see whether gender differences prevail

when negotiators have to negotiate multiple issues. Also, since integrative negotiations focus on the concept of win-win and long-term relationship building, it will be interesting to see explore the relationship between economic outcomes and relational outcomes.

In sum, this thesis has highlighted the intersection between gender and first offers in negotiation, with results consistently showing that male negotiators tend to respond to first offers in a way that ensures higher economic outcomes compared to female negotiators. In particular, male negotiators were consistently less affected by relatively more extreme first offers in distributive negotiations than women, thus leading to more favorable economic outcomes for male negotiators. However, the evidence on whether negotiators favor ingroup over outgroup members in response to first offers is mixed. Taken together, the studies in this thesis enhance our understanding of how first offers impact distributive negotiations, and particularly highlight the complex gender dynamics that may affect negotiation outcomes even at a very early stage in a negotiation.

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Appendix I: Stimulus materials

Chapter 1 Study 1

Please read the following text very carefully. You will be asked some questions about it later.

Imagine that you are a senior management consultant at a leading consulting firm.

You are currently looking to expand your team, and for this you need to hire a full-time management consultant who will work under your supervision.

After interviewing several candidates you and the rest of the leadership team have decided on one candidate – John (Jane) Wilson. John (Jane) is thirty-two years old and looks like a good fit. He (She) has several years experience in consultancy, and also holds a Masters of Business Administration (MBA) degree, which he (she) completed last year. He (She) is currently between jobs but has worked for three other consulting companies in the past. During this time he (she) appears to have gained extensive experience in leading teams, managing client relationships and identifying strategic solutions to improving clients' performance.

The average yearly base salary of similar positions in your company is about £100,000, yet the final salary is often agreed during negotiations with the selected candidate.

You sent John (Jane) an email informing him (her) about your decision to hire him (her). In this mail you also asked him (her) about his (her) salary expectations.

This morning you received the following reply:

Good morning.

Thank you very much for your mail.

I am very excited about the possibility of joining your team.

**Based on my background and experience, I would like to start at £125,000
per year.**

I look forward to hearing from you.

Sincerely,

John (Jane)

Chapter 1 Study 2

Please read the following text very carefully. You will be asked some questions about it later.

Imagine that you are a management consultant. You have worked for five years in a reputable management consultancy firm, and although you like your current job you have decided to look for a new job as a senior consultant at another company. After having interviewed with several management consultancy firms, you have just received an attractive offer from one of these companies firm that you would like to accept. The position would offer you a great opportunity to gain new experience, improve your professional skills and advance your career. The work location and the working hours also look great.

The only thing to be agreed is the starting salary. Today you received the following email from John Wilson, a senior manager at the company. You already met John during the interview stage and know that he has been working with the firm for three years. He is currently managing the team of five people that you would be joining.

This is the email you received from John:

Good morning.

Thank you very much for your interest in working with us.

I am pleased to let you know that I would like to offer you the position in my team.

Based on your background and experience, I can offer you a starting salary of £75,000 per year.

Please let me know whether you accept this offer. I look forward to hearing from you.

Sincerely,

John

Chapter 2 Study 5

Instructions: *Please read the information below carefully. It is a negotiation task, in which you will be asked to imagine that you are an organizer for the ESADE campus party. You will then have to make some negotiation decisions.*

As you may know, ESADE organises a campus party every year. Imagine that you are one of the organizers of the next campus party. One of your key tasks is finding an event manager to help run the event on the day. The tasks of this event manager will include designing, planning and running the party games, as well as managing everything to do with the catering company. The event manager will be employed on a short-term basis, for a one-week contract.

You have a budget of maximum €400 to pay the event manager for the week, but you would like to pay a bit less than that if possible; any money that is left over can be used for future ESADE events. Also, you want to show that you are a good negotiator so you want to try and negotiate a good deal for ESADE. You expect that if you negotiate a good deal you will be likely be asked to organise events for ESADE in the future.

Time is running out but luckily you have just found someone that you think will be a suitable candidate. Jose is a former ESADE (Universidad Autonoma de Barcelona, UAB) student and looks like a good fit for the job. He has previous experience in helping out with events at ESADE (UAB) and has good communication and coordination skills.

Today you contact Jose on WhatsApp to discuss the details of the contract. After some small talk about campus life in ESADE (UAB), you two move on to the topic of payment. You explain to Jose that you are interested in offering him the job and ask him how much payment he expects to receive. Jose says, **“I’d like to have €420 for the week.”**

Chapter 2 Study 6

Please read the following text very carefully. You will be asked to make some decisions based on this on the next page.

Please imagine that you recently got your driving license and want to purchase a car. After comparing different car brands and models, you decided to take a Ford Focus 1.5 Ecoboost. A brand-new Ford Focus costs approximately 20,000 euros, but you have decided to buy one second-hand as you are unable to pay more than 15,000 euros for the car.

In the past week, you spent time on a private used car website and narrowed down your choice to one seller, a guy named Lucas G. (Mohammad G.), who is selling exactly the car you are looking for. The car looks good in the pictures. It is only 2 years old and all the conditions and specifications have met your criteria.

You decided to contact the seller via email to ask about the price.

Today, Lucas (Mohammad) (the seller) responded with the email below:

Hi, thanks for your message.

The car is in a very good condition. So I would like to sell it for 14,500 euros.

Best regards,

Lucas (Mohammad)

Chapter 2 Study 7

Please read the following text very carefully. You will be asked some questions about it later.

Imagine that you are a HR Manager at a construction company. Your company has about 60 employees. The company is growing its business and thus is currently looking for a full-time entry-level project assistant. The project assistant will mainly support the project manager in the new projects, helping the project manager coordinate the communication with customers and internal departments. After interviewing several candidates, you and the rest of the leadership team decided on one candidate – Daniel (Hassan).

Daniel (Hassan) is a twenty-two year old EU (North African) citizen that just graduated from university. He holds a Bachelor Degree in Project Management. He also completed one internship with another firm in the same industry. During his internship, Daniel (Hassan) appeared to have gained some experience about project management and team work.

Although you would like Daniel (Hassan) to join the company, there are limits to what you can afford to pay him—you are on a tight budget. You know that people in similar positions at similar companies make around €22,000 annually, depending on experience level.

In your meeting with Daniel (Hassan), you explain that the company is interested in hiring him. You ask about about his salary expectations. Daniel (Hassan) says, **“I’d like to start at €26,000.”**

Chapter 2 Study 8

Please read the following text very carefully. You will be asked some questions about it later.

Imagine that you are a senior management consultant at a mid-sized consulting firm. You are currently looking to expand your team, and for this you need to hire a full-time entry-level consultant who will work under your supervision.

After interviewing several candidates you decided on one candidate – John Wilson (Ahmad Khan). John (Ahmad) is twenty-five years old and looks like a good fit. He holds a Bachelor Degree in Business Administration and completed two internships with consulting firms during his studies. He is currently between jobs, but has worked for another consulting company in the past. During his internships and last employment he appears to have gained experience in working in a team and managing client relationships.

You sent John (Ahmad) an email informing him about your decision to hire him. Note that the average yearly starting salary for jobs of this kind is typically around £45,000, yet you often agree the final salary during negotiations with the candidate. In your mail to John (Ahmad) you therefore asked him about his salary expectations.

This morning you received the following reply:

Good morning.

Thank you very much for your mail.

I am very excited about the possibility of joining your team.

Based on my background and experience, I would like to start at £65,000 per year.

I look forward to hearing from you.


Sincerely,


John (Ahmad)

Chapter 2 Study 9




You are shopping for a second-hand car. You've thought carefully about your options and concluded that your ideal car would be a Ford Fiesta that is 3-5 years old. You do not have any particular budget constraints for purchasing such a car. Today you read the following ad on the used car sale website.


NEW AD **2018 Ford Fiesta For SALE!**

 In your area






- James
- 30 years old
- Male
- British

 Email  Chat  Call




- Purchased in 2018
- First time for sale
- In good shape and condition
- Full manufacturer warranty
- Low mileage
- No seller's admin fee

 106 views  Created 7 days ago  Updated 2 days ago

NEW AD

2018 Ford Fiesta For SALE!

 In your area



- Amari
- 30 years old
- Male
- British

 Email

 Chat

 Call




106 views


Created 7 days ago


Updated 2 days ago

You made an enquiry to the seller mentioning you are interested in the car. The seller responded with message below.



Hi, I want to sell my car for
£15000.



Hi, I want to sell my car for
£15000.

Appendix II: Control variables measurements and ANCOVA analyses

Study 1

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Education. Participants were asked “What is the highest level of education you have completed to date?”. Participants were asked to choose from “left school at 16 or younger with no qualifications (or with qualifications lower than O level)”, “left school at 16 with O levels or CSE equivalent”, “left school at 17/18 with A levels/GCSE (or equivalent) or vocational education (such as HNC/HND etc. completed instead of A levels)”, “completed higher diploma below degree level (HND, HNC degree completed after finishing high school; other degrees below university level)”, “completed first degree (BA/BSc, Bachelors)”, or “completed higher/postgraduate degree (MA, MSc, Masters, PhD, etc.)”.

Management experience. Participants were asked “Roughly how many years of management experience do you have?”. Participants were asked to indicate the number of years in the blank.

Negotiation training. Participants were asked “Have you ever attended any negotiation course or training program before?”. Participants had to answer with either “Yes” or “No”.

Salary negotiation experience. Participants were asked “How much experience do you have with salary negotiation?”. Participants had to choose one

answer from “none at all”, “a little”, “a moderate amount”, “a lot”, or “a great deal”.

Consulting experience. Participants were asked “Do you have experience in management consulting?”. Participants indicated their answer with either “Yes” or “No”.

Results of ANCOVA

Perception of Trustworthiness. A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for age of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver age, $F(1, 439) = 6.85, p = .01$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for education of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver education, $F(1, 439) = 7.54, p = .01$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for management

experience of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver management experience, $F(1, 439) = 7.04, p = .01$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for negotiation training of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver negotiation training, $F(1, 439) = 7.15, p = .01$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for salary negotiation experience of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver salary negotiation experience, $F(1, 439) = 7.43, p = .01$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for consulting experience of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver consulting experience, $F(1, 439) = 7.14, p = .01$.

Counteroffer. A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on counteroffer controlling for age of offer receiver. There is a significant effect of first offer maker gender group on counteroffer after controlling for offer receiver age, $F(1, 439) = 4.39, p = .04$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on counteroffer controlling for education of offer receiver. There is a significant effect of first offer maker gender group on counteroffer after controlling for offer receiver education, $F(1, 439) = 4.48, p = .04$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on counteroffer controlling for management experience of offer receiver. There is a significant effect of first offer maker gender group on counteroffer after controlling for offer receiver management experience, $F(1, 439) = 4.57, p = .03$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on counteroffer controlling for negotiation training of offer receiver. There is a significant effect of first offer maker gender group on counteroffer after controlling for offer receiver negotiation training, $F(1, 439) = 4.50, p = .03$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on

counteroffer controlling for salary negotiation experience of offer receiver. There is a significant effect of first offer maker gender group on counteroffer after controlling for offer receiver salary negotiation experience, $F(1, 439) = 4.18, p = .01$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on counteroffer controlling for consulting experience of offer receiver. There is a significant effect of first offer maker gender group on counteroffer after controlling for offer receiver consulting experience, $F(1, 439) = 4.51, p = .03$.

Estimation of Final Settlement. A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of final settlement controlling for age of offer receiver. There is a significant effect of first offer maker gender group on estimation of final settlement after controlling for offer receiver age, $F(1, 439) = 4.47, p = .04$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of final settlement controlling for education of offer receiver. There is a significant effect of first offer maker gender group on estimation of final settlement after controlling for offer receiver education, $F(1, 439) = 5.08, p = .03$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on

estimation of final settlement controlling for management experience of offer receiver. There is a significant effect of first offer maker gender group on estimation of final settlement after controlling for offer receiver management experience, $F(1, 439) = 5.06, p = .03$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of final settlement controlling for negotiation training of offer receiver. There is a significant effect of first offer maker gender group on estimation of final settlement after controlling for offer receiver negotiation training, $F(1, 439) = 5.02, p = .03$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of final settlement controlling for salary negotiation experience of offer receiver. There is a significant effect of first offer maker gender group on estimation of final settlement after controlling for offer receiver salary negotiation experience, $F(1, 439) = 4.78, p = .03$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of final settlement controlling for consulting experience of offer receiver. There is a significant effect of first offer maker gender group on estimation of final settlement after controlling for offer receiver consulting experience, $F(1, 439) = 5.03, p = .03$.

Study 2

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Education. Participants were asked “What is the highest level of education you have completed to date?”. Participants were asked to choose from “left school at 16 or younger with no qualifications (or with qualifications lower than O level)”, “left school at 16 with O levels or CSE equivalent”, “left school at 17/18 with A levels/GCSE (or equivalent) or vocational education (such as HNC/HND etc. completed instead of A levels)”, “completed higher diploma below degree level (HND, HNC degree completed after finishing high school; other degrees below university level)”, “completed first degree (BA/BSc, Bachelors)”, or “completed higher/postgraduate degree (MA, MSc, Masters, PhD, etc.)”.

Negotiation training. Participants were asked “Have you ever attended any negotiation course or training program before?”. Participants had to answer with either “Yes” or “No”.

Salary negotiation experience. Participants were asked “How much experience do you have with salary negotiation?”. Participants had to choose one answer from “none at all”, “a little”, “a moderate amount”, “a lot”, or “a great deal”.

Consulting experience. Participants were asked “Do you have experience in management consulting?”. Participants indicated their answer with either “Yes” or “No”.

Results of ANCOVA

Perception of Trustworthiness. A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for age of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver age, $F(1, 565) = 5.38, p = .02$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for education of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver education, $F(1, 565) = 4.96, p = .03$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for negotiation training of offer receiver. There is a significant effect of first offer maker gender group on

perception of trustworthiness after controlling for offer receiver negotiation training, $F(1, 565) = 5.18, p = .02$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for salary negotiation experience of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver salary negotiation experience, $F(1, 565) = 4.66, p = .03$.

A one-way ANCOVA was conducted to determine a statistically significant difference between first offer maker gender ingroup and outgroup on estimation of perception of trustworthiness controlling for consulting experience of offer receiver. There is a significant effect of first offer maker gender group on perception of trustworthiness after controlling for offer receiver consulting experience, $F(1, 565) = 5.27, p = .02$.

Study 3

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Results of ANCOVA

Perception of trustworthiness. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker gender group and offer receiver gender on trustworthiness perception controlling for age of offer receiver. There was no significant main effect for first offer maker gender group on perception of trustworthiness after controlling for offer receiver age, $F(1, 356) = 1.46, p = .23, \text{partial } \eta^2 < .01$. However, a significant main effect emerged for offer receiver gender on perception of trustworthiness after controlling for offer receiver age, $F(1, 356) = 7.08, p = .01, \text{partial } \eta^2 = .02$. However, no significant interaction effect between first offer maker gender group and offer receiver gender emerged on perception of first offer makers' trustworthiness after controlling for offer receiver age, $F(1, 356) = 1.57, p = .21, \text{partial } \eta^2 < .01$.

Counteroffer. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker gender group and offer receiver gender on counteroffer controlling for age of offer receiver. There was no significant main effect for the gender group of first offer maker on

counteroffer after controlling the offer receiver age, $F(1, 356) = 0.47, p = .49$, $partial \eta^2 < .01$. The results indicated a significant main effect for gender of offer receiver on counteroffer after controlling the offer receiver age, $F(1, 356) = 4.89, p = .03, partial \eta^2 = .01$. Yet no significant interaction effect emerged on counteroffer after controlling the offer receiver age, $F(1, 356) = 1.01, p = .32, partial \eta^2 < .01$.

Estimation of final settlement. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker gender group and offer receiver gender on estimation of final settlement controlling for age of offer receiver. There was no significant main effect for first offer maker gender group on final settlement after controlling the offer receiver age, $F(1, 356) = 0.01, p = .93, partial \eta^2 < .01$. However, there was a significant main effect of offer receiver gender on final settlement after controlling the offer receiver age, $F(1, 356) = 5.00, p = .03, partial \eta^2 = .01$. The interaction effect on final settled salary failed to reach significance after controlling the offer receiver age, $F(1, 356) = 1.16, p = .28, partial \eta^2 < .01$.

Study 4

Measures of Control Variables

Who made first offer. Participants were asked “How old are you this year?”. Participants were asked to choose either “Buyer” or “Seller”.

Results of ANCOVA

Counteroffer adjustment. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker gender group and offer receiver gender on counteroffer adjustment controlling for who made the first offer. There was no significant main effect for first offer maker gender group on counteroffer adjustment after controlling for who made the first offer, $F(1, 118) = 0.54, p = .46, \text{partial } \eta^2 = .01$. The results did however indicate a significant main effect of gender of offer receiver on counteroffer adjustment after controlling for who made the first offer, $F(1, 118) = 4.59, p = .03, \text{partial } \eta^2 = .04$. No significant interaction effect emerged on counteroffer adjustment after controlling for who made the first offer, $F(1, 118) = 0.11, p = .74, \text{partial } \eta^2 < .01$.

Final settlement adjustment. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker gender group and offer receiver gender on final settlement adjustment controlling for who made the first offer. There was no significant main effect of gender group of the first offer maker on the final agreement price after controlling for who made the first offer, $F(1, 116) = 0.28, p = .60, \text{partial } \eta^2 < .01$. However, there was a

significant main effect of offer receiver gender on the final agreement after controlling for who made the first offer, $F(1, 116) = 11.64, p < .01, \text{partial } \eta^2 = .09$. The interaction effect on final settled price failed to reach significance after controlling for who made the first offer, $F(1, 116) = 2.75, p = .10, \text{partial } \eta^2 = .02$.

Study 5

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Results of ANCOVA

Perception of trustworthiness. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker university group and offer receiver gender on trustworthiness perception controlling for age of offer receiver. There was a significant main effect for first offer maker university group on the perception of trustworthiness after controlling for age of offer receiver, $F(1, 448) = 5.84, p = .02, \text{partial } \eta^2 = .01$. There was no significant main effect for offer receiver gender on how trustworthy they perceived the first offer maker after controlling for age of offer receiver, $F(1, 448) = 2.37, p = .13, \text{partial } \eta^2 = .01$. The interaction effect of the perception of trustworthiness was not significant after controlling for age of offer receiver, $F(1, 448) = 0.02, p = .88, \text{partial } \eta^2 < .01$.

Counteroffer. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker university group and offer receiver gender on counteroffer controlling for age of offer receiver. There was no main effect of first offer maker university group on counteroffer after controlling for age of offer receiver, $F(1, 448) = 2.67, p = .10, \text{partial } \eta^2 = .01$.

The results indicated a significant main effect for offer receiver gender on counteroffer after controlling for age of offer receiver, $F(1, 448) = 13.89, p < .01, partial \eta^2 = .03$. No significant interaction effect emerged on counteroffer after controlling for age of offer receiver, $F(1, 448) = 0.07, p = .79, partial \eta^2 < .01$.

Study 6

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Negotiation training. Participants were asked “Have you ever attended any negotiation course or training program before?”. Participants had to answer with either “Yes” or “No”.

Knowledge about price of the car. Participants were asked “Do you know approximately how much a 2-year old second-hand Ford Focus 1.5 Ecoboost currently sells for in the market?”. Participants had to answer with either “Yes” or “No”.

Likelihood to buy a second-hand car. Participants were asked “In general, how likely would you be to buy a second-hand car?”. Participants had to choose one answer from “extremely unlikely”, “somewhat unlikely”, “neither likely nor unlikely”, “somewhat likely”, or “extremely likely”.

Affection for the car model. Participants were asked “Generally speaking, how much do you like a Ford Focus 1.5 Ecoboost?”. Participants had to choose one answer from “dislike a great deal”, “dislike somewhat”, “neither like nor dislike”, “like somewhat”, or “like a great deal”.

English reading proficiency. Participants were asked “How would you describe your level of reading in English?”. Participants had to choose one answer from “very low”, “low”, “medium”, “high”, “very high”, or “native speaker”.

Results of ANCOVA

Perception of trustworthiness. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on trustworthiness perception controlling for age of offer receiver. There was no significant main effect of first offer maker ethno-religious group on the perception of trustworthiness after controlling for age of offer receiver, $F(1, 183) = 0.01, p = .91, \text{partial } \eta^2 < .01$. The results also failed to show a significant main effect for offer receiver gender on perception of trustworthiness after controlling for age of offer receiver, $F(1, 183) = 1.43, p = .23, \text{partial } \eta^2 = .01$. A marginally significant interaction effect emerged on perception of trustworthiness after controlling for age of offer receiver, $F(1, 183) = 2.85, p = .09, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on trustworthiness perception controlling for negotiation training of offer receiver. There was no significant main effect of first offer maker ethno-religious group on the perception of trustworthiness after controlling for negotiation training of offer receiver, $F(1, 183) = 0.12, p = .73, \text{partial } \eta^2 < .01$. The results also failed to show a significant main effect for offer receiver gender on perception of trustworthiness after controlling for negotiation training of offer receiver, $F(1, 183) = 2.16, p = .14, \text{partial } \eta^2 = .01$. No significant interaction

effect emerged on perception of trustworthiness after controlling for negotiation training of offer receiver, $F(1, 183) = 2.63, p = .11, \text{partial } \eta^2 = .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on trustworthiness perception controlling for offer receiver's knowledge of the car price. There was no significant main effect of first offer maker ethno-religious group on the perception of trustworthiness of the first offer maker after controlling for offer receiver's knowledge of the car price, $F(1, 183) = 0.16, p = .69, \text{partial } \eta^2 < .01$. The results also failed to show a significant main effect for offer receiver gender on perception of trustworthiness after controlling for offer receiver's knowledge of the car price, $F(1, 183) = 0.58, p = .45, \text{partial } \eta^2 < .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for offer receiver's knowledge of the car price, $F(1, 183) = 1.73, p = .19, \text{partial } \eta^2 = .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on trustworthiness perception controlling for offer receiver's likelihood to buy a second-hand car. There was no significant main effect of first offer maker ethno-religious group on the perception of trustworthiness after controlling for offer receiver's likelihood to buy a second-hand car, $F(1, 183) = 0.02, p = .90, \text{partial } \eta^2 < .01$. The results also failed to show a significant main effect for offer receiver gender on perception of trustworthiness after controlling

for offer receiver's likelihood to buy a second-hand car, $F(1, 183) = 2.26, p = .13$, $partial \eta^2 = .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for offer receiver's likelihood to buy a second-hand car, $F(1, 183) = 1.90, p = .17, partial \eta^2 = .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on trustworthiness perception controlling for offer receiver's affection for the car. There was no significant main effect of first offer maker ethno-religious group on the perception of trustworthiness after controlling for offer receiver's affection for the car, $F(1, 183) = 0.01, p = .94, partial \eta^2 < .01$. The results also failed to show a significant main effect for offer receiver gender on perception of trustworthiness after controlling for offer receiver's affection for the car, $F(1, 183) = 2.00, p = .16, partial \eta^2 = .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for offer receiver's affection for the car, $F(1, 183) = 1.91, p = .17, partial \eta^2 = .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on trustworthiness perception controlling for the English proficiency of offer receiver. There was no significant main effect of first offer maker ethno-religious group on the perception of trustworthiness after controlling for the English proficiency of offer receiver, $F(1, 183) = 0.08, p = .78, partial \eta^2 < .01$. The results also failed to show a significant main effect for offer receiver

gender on perception of trustworthiness after controlling for the English proficiency of offer receiver, $F(1, 183) = 1.69, p = .20, \text{partial } \eta^2 = .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for the English proficiency of offer receiver, $F(1, 183) = 2.40, p = .12, \text{partial } \eta^2 = .01$.

Counteroffer. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for age of offer receiver. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for age of offer receiver, $F(1, 183) = 0.92, p = .34, \text{partial } \eta^2 = .01$. The results showed a significant main effect for offer receiver gender after controlling for age of offer receiver, $F(1, 183) = 23.93, p < .01, \text{partial } \eta^2 = .12$. A marginally significant interaction effect emerged on perception of trustworthiness after controlling for age of offer receiver, $F(1, 183) = 3.80, p = .05, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for negotiation training of offer receiver. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for negotiation training of offer receiver, $F(1, 183) = 1.00, p = .32, \text{partial } \eta^2 = .01$. The results showed a significant main effect for offer receiver gender after controlling for negotiation training of offer

receiver, $F(1, 183) = 23.30, p < .01, \text{partial } \eta^2 = .11$. A marginally significant interaction effect emerged on perception of trustworthiness after controlling for negotiation training of offer receiver, $F(1, 183) = 3.90, p = .05, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for offer receiver's knowledge of car price. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for offer receiver's knowledge of car price, $F(1, 183) = 1.25, p = .27, \text{partial } \eta^2 = .01$. The results showed a significant main effect for offer receiver gender after controlling for offer receiver's knowledge of car price, $F(1, 183) = 26.18, p < .01, \text{partial } \eta^2 = .13$. A marginally significant interaction effect emerged on perception of trustworthiness after controlling for offer receiver's knowledge of car price, $F(1, 183) = 3.80, p = .05, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for offer receiver's likelihood to buy a second-hand car. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for offer receiver's likelihood to buy a second-hand car, $F(1, 183) = 0.96, p = .33, \text{partial } \eta^2 = .01$. The results showed a significant main effect for offer receiver gender after controlling for offer receiver's likelihood to buy a second-hand car, $F(1, 183) = 22.50, p < .01, \text{partial } \eta^2 = .11$. A marginally significant interaction effect emerged on perception

of trustworthiness after controlling for offer receiver's likelihood to buy a second-hand car, $F(1, 183) = 3.83, p = .05, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for offer receiver's affection for the car. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for offer receiver's affection for the car, $F(1, 183) = 1.07, p = .30, \text{partial } \eta^2 = .01$. The results showed a significant main effect for offer receiver gender after controlling for offer receiver's affection for the car, $F(1, 183) = 23.06, p < .01, \text{partial } \eta^2 = .11$. A marginally significant interaction effect emerged on perception of trustworthiness after controlling for offer receiver's affection for the car, $F(1, 183) = 3.67, p = .06, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for English proficiency of offer receiver. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for English proficiency of offer receiver, $F(1, 183) = 1.05, p = .31, \text{partial } \eta^2 = .01$. The results showed a significant main effect for offer receiver gender after controlling for English proficiency of offer receiver, $F(1, 183) = 22.65, p < .01, \text{partial } \eta^2 = .11$. A marginally significant interaction effect emerged on perception of trustworthiness after controlling for English proficiency of offer receiver, $F(1, 183) = 3.84, p = .05, \text{partial } \eta^2 = .02$.

Estimation of final settlement. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for age of offer receiver. There was no significant main effect of first offer maker ethno-religious group on final settlement after controlling for age of offer receiver, $F(1, 183) = 0.01, p = .93, \text{partial } \eta^2 < .01$. The results showed a significant main effect for offer receiver gender after controlling for age of offer receiver, $F(1, 183) = 12.80, p < .01, \text{partial } \eta^2 = .07$. A marginally significant interaction effect emerged on final settlement after controlling for age of offer receiver, $F(1, 183) = 3.15, p = .08, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for negotiation training of offer receiver. There was no significant main effect of first offer maker ethno-religious group on final settlement after controlling for negotiation training of offer receiver, $F(1, 183) < 0.01, p = .97, \text{partial } \eta^2 < .01$. The results showed a significant main effect for offer receiver gender after controlling for negotiation training of offer receiver, $F(1, 183) = 12.24, p < .01, \text{partial } \eta^2 = .06$. A marginally significant interaction effect emerged on final settlement after controlling for negotiation training of offer receiver, $F(1, 183) = 3.27, p = .07, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for offer receiver's knowledge of car price. There was no significant main effect of first offer maker ethno-religious group on final settlement after controlling for offer receiver's knowledge of car price, $F(1, 183) = 0.03, p = .87, \text{partial } \eta^2 < .01$. The results showed a significant main effect for offer receiver gender after controlling for offer receiver's knowledge of car price, $F(1, 183) = 16.45, p < .01, \text{partial } \eta^2 = .08$. A marginally significant interaction effect emerged on final settlement after controlling for offer receiver's knowledge of car price, $F(1, 183) = 3.80, p = .05, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for offer receiver's likelihood to buy a second-hand car. There was no significant main effect of first offer maker ethno-religious group on final settlement after controlling for offer receiver's likelihood to buy a second-hand car, $F(1, 183) < 0.01, p = .99, \text{partial } \eta^2 < .01$. The results showed a significant main effect for offer receiver gender after controlling for offer receiver's likelihood to buy a second-hand car, $F(1, 183) = 12.29, p < .01, \text{partial } \eta^2 = .06$. A marginally significant interaction effect emerged on final settlement after controlling for offer receiver's likelihood to buy a second-hand car, $F(1, 183) = 3.09, p = .08, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for offer receiver's affection for the car. There was no significant main effect of first offer maker ethno-religious group on final settlement after controlling for offer receiver's affection for the car, $F(1, 183) < 0.01, p = .96, \text{partial } \eta^2 < .01$. The results showed a significant main effect for offer receiver gender after controlling for offer receiver's affection for the car, $F(1, 183) = 12.09, p < .01, \text{partial } \eta^2 = .06$. A marginally significant interaction effect emerged on final settlement after controlling for offer receiver's affection for the car, $F(1, 183) = 3.21, p = .08, \text{partial } \eta^2 = .02$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for English proficiency of offer receiver. There was no significant main effect of first offer maker ethno-religious group on final settlement after controlling for English proficiency of offer receiver, $F(1, 183) < 0.01, p = .98, \text{partial } \eta^2 < .01$. The results showed a significant main effect for offer receiver gender after controlling for English proficiency of offer receiver, $F(1, 183) = 12.00, p < .01, \text{partial } \eta^2 = .06$. A marginally significant interaction effect emerged on final settlement after controlling for English proficiency of offer receiver, $F(1, 183) = 3.23, p = .07, \text{partial } \eta^2 = .02$.

Study 7

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Negotiation training. Participants were asked “Have you ever attended any negotiation course or training program before?”. Participants had to answer with either “Yes” or “No”.

Salary negotiation experience. Participants were asked “How much experience do you have with salary negotiation?”. Participants had to choose one answer from “none at all”, “a little”, “a moderate amount”, “a lot”, or “a great deal”.

English reading proficiency. Participants were asked “How would you describe your level of reading in English?”. Participants had to choose one answer from “very low”, “low”, “medium”, “high”, “very high”, or “native speaker”.

Results of ANCOVA

Counteroffer. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for age of offer receiver. There was no significant main effect for first offer maker ethno-religious group on counteroffer after controlling for age of offer receiver, $F(1, 254) = 0.60, p = .44,$

partial $\eta^2 < .01$. However, the results revealed a significant main effect for offer receiver gender on counteroffer after controlling for age of offer receiver, $F(1, 254) = 18.49, p < .01, \textit{partial} \eta^2 = .07$. No significant interaction effect emerged on counteroffer after controlling for age of offer receiver, $F(1, 254) = 0.51, p = .48, \textit{partial} \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for negotiation training of offer receiver. There was no significant main effect for first offer maker ethno-religious group on counteroffer after controlling for negotiation training of offer receiver, $F(1, 254) = 0.82, p = .37, \textit{partial} \eta^2 < .01$. However, the results revealed a significant main effect for offer receiver gender on counteroffer after controlling for negotiation training of offer receiver, $F(1, 254) = 19.26, p < .01, \textit{partial} \eta^2 = .07$. No significant interaction effect emerged on counteroffer after controlling for negotiation training of offer receiver, $F(1, 254) = 0.45, p = .50, \textit{partial} \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for salary negotiation experience of offer receiver. There was no significant main effect for first offer maker ethno-religious group on counteroffer after controlling for salary negotiation experience of offer receiver, $F(1, 254) = 0.67, p = .41, \textit{partial} \eta^2 < .01$. However, the results revealed a significant main effect for offer receiver gender on counteroffer after

controlling for salary negotiation experience of offer receiver, $F(1, 254) = 17.80$, $p < .01$, $partial \eta^2 = .07$. No significant interaction effect emerged on counteroffer after controlling for salary negotiation experience of offer receiver, $F(1, 254) = 0.53$, $p = .47$, $partial \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for English proficiency of offer receiver. There was no significant main effect for first offer maker ethno-religious group on counteroffer after controlling for English proficiency of offer receiver, $F(1, 254) = 0.71$, $p = .40$, $partial \eta^2 < .01$. However, the results revealed a significant main effect for offer receiver gender on counteroffer after controlling for English proficiency of offer receiver, $F(1, 254) = 18.20$, $p < .01$, $partial \eta^2 = .07$. No significant interaction effect emerged on counteroffer after controlling for English proficiency of offer receiver, $F(1, 254) = 0.53$, $p = .47$, $partial \eta^2 < .01$.

Estimation of final settlement. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for age of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the estimation of the final settlement after controlling for age of offer receiver, $F(1, 236) = 1.90$, $p = .17$, $partial \eta^2 = .01$. Results indicated a significant main effect for offer receiver gender on the final agreement estimation after controlling for age of offer receiver, $F(1, 236) = 9.04$,

$p < .01$, $partial \eta^2 = .04$. The interaction effect on final agreement did not reach significance after controlling for age of offer receiver, $F(1, 236) = 0.05$, $p = .83$, $partial \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for negotiation training of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the estimation of the final settlement after controlling for negotiation training of offer receiver, $F(1, 236) = 2.29$, $p = .13$, $partial \eta^2 = .01$. Results indicated a significant main effect for offer receiver gender on the final agreement estimation after controlling for negotiation training of offer receiver, $F(1, 236) = 8.43$, $p < .01$, $partial \eta^2 = .03$. The interaction effect on final agreement did not reach significance after controlling for negotiation training of offer receiver, $F(1, 236) = 0.13$, $p = .72$, $partial \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for salary negotiation experience of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the estimation of the final settlement after controlling for salary negotiation experience of offer receiver, $F(1, 236) = 2.40$, $p = .12$, $partial \eta^2 = .01$. Results indicated a significant main effect for offer receiver gender on the final agreement estimation after controlling for salary negotiation

experience of offer receiver, $F(1, 236) = 6.93, p = .01, \text{partial } \eta^2 = .03$. The interaction effect on final agreement did not reach significance after controlling for salary negotiation experience of offer receiver, $F(1, 236) = 0.07, p = .79, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on estimation of final settlement controlling for English proficiency of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the estimation of the final settlement after controlling for English proficiency of offer receiver, $F(1, 236) = 2.16, p = .14, \text{partial } \eta^2 = .01$. Results indicated a significant main effect for offer receiver gender on the final agreement estimation after controlling for English proficiency of offer receiver, $F(1, 236) = 8.63, p < .01, \text{partial } \eta^2 = .03$. The interaction effect on final agreement did not reach significance after controlling for English proficiency of offer receiver, $F(1, 236) = 0.11, p = .74, \text{partial } \eta^2 < .01$.

Study 8

Measures of Covariates

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Education. Participants were asked “What is the highest level of education you have completed to date?”. Participants were asked to choose from “left school at 16 or younger with no qualifications (or with qualifications lower than O level)”, “left school at 16 with O levels or CSE equivalent”, “left school at 17/18 with A levels/GCSE (or equivalent) or vocational education (such as HNC/HND etc. completed instead of A levels)”, “completed higher diploma below degree level (HND, HNC degree completed after finishing high school; other degrees below university level)”, “completed first degree (BA/BSc, Bachelors)”, or “completed higher/postgraduate degree (MA, MSc, Masters, PhD, etc.)”.

Negotiation training. Participants were asked “Have you ever attended any negotiation course or training program before?”. Participants had to answer with either “Yes” or “No”.

Salary negotiation experience. Participants were asked “How much experience do you have with salary negotiation?”. Participants had to choose one answer from “none at all”, “a little”, “a moderate amount”, “a lot”, or “a great deal”.

Consulting experience. Participants were asked “Do you have experience in management consulting?”. Participants indicated their answer with either “Yes” or “No”.

Results of ANCOVA

Perception of trustworthiness. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on perception of trustworthiness controlling for age of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the perception of trustworthiness after controlling for age of offer receiver, $F(1, 1245) = 1.61, p = .21, \text{partial } \eta^2 < .01$. However, there was a significant main effect for offer receiver gender on perception of trustworthiness after controlling for age of offer receiver, $F(1, 1245) = 18.53, p = .02, \text{partial } \eta^2 = .02$. No significant interaction effect emerged on perception of trustworthiness after controlling for age of offer receiver, $F(1, 1245) = 0.17, p = .69, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on perception of trustworthiness controlling for education of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the perception of trustworthiness after controlling for education of offer receiver, $F(1, 1245) = 1.72, p = .19, \text{partial } \eta^2 < .01$. However, there was a

significant main effect for offer receiver gender on perception of trustworthiness after controlling for education of offer receiver, $F(1, 1245) = 25.68, p < .01$, $partial \eta^2 = .02$. No significant interaction effect emerged on perception of trustworthiness after controlling for education of offer receiver, $F(1, 1245) = 0.01, p = .91, partial \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on perception of trustworthiness controlling for negotiation training of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the perception of trustworthiness after controlling for negotiation training of offer receiver, $F(1, 1245) = 1.02, p = .31, partial \eta^2 < .01$. However, there was a significant main effect for offer receiver gender on perception of trustworthiness after controlling for negotiation training of offer receiver, $F(1, 1245) = 18.49, p < .01, partial \eta^2 = .02$. No significant interaction effect emerged on perception of trustworthiness after controlling for negotiation training of offer receiver, $F(1, 1245) = 0.18, p = .68, partial \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on perception of trustworthiness controlling for salary negotiation experience of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the perception of trustworthiness after controlling for salary negotiation experience of offer receiver, $F(1, 1245) = 0.97, p = .33$,

partial $\eta^2 < .01$. However, there was a significant main effect for offer receiver gender on perception of trustworthiness after controlling for salary negotiation experience of offer receiver, $F(1, 1245) = 15.19, p < .01, \textit{partial} \eta^2 = .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for salary negotiation experience of offer receiver, $F(1, 1245) = 0.15, p = .69, \textit{partial} \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on perception of trustworthiness controlling for consulting experience of offer receiver. There was no significant main effect for first offer maker ethno-religious group on the perception of trustworthiness after controlling for consulting experience of offer receiver, $F(1, 1245) = 1.06, p = .30, \textit{partial} \eta^2 < .01$. However, there was a significant main effect for offer receiver gender on perception of trustworthiness after controlling for consulting experience of offer receiver, $F(1, 1245) = 18.80, p < .01, \textit{partial} \eta^2 = .02$. No significant interaction effect emerged on perception of trustworthiness after controlling for consulting experience of offer receiver, $F(1, 1245) = 0.28, p = .60, \textit{partial} \eta^2 < .01$.

Counteroffer. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for age of offer receiver. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for age of offer receiver, $F(1, 1245) < 0.01, p = .98,$

partial $\eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for age of offer receiver, $F(1, 1245) = 6.17, p = .01, \textit{partial} \eta^2 = .01$. No significant interaction effect emerged on counteroffer after controlling for age of offer receiver, $F(1, 1245) = 0.03, p = .85, \textit{partial} \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for education of offer receiver. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for education of offer receiver, $F(1, 1245) = 0.03, p = .86, \textit{partial} \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for education of offer receiver, $F(1, 1245) = 6.66, p = .01, \textit{partial} \eta^2 = .01$. No significant interaction effect emerged on counteroffer after controlling for education of offer receiver, $F(1, 1245) = 0.12, p = .74, \textit{partial} \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for negotiation training of offer receiver. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for negotiation training of offer receiver, $F(1, 1245) = 0.01, p = .92, \textit{partial} \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling

for negotiation training of offer receiver, $F(1, 1245) = 5.90, p = .02, \text{partial } \eta^2 = .01$. No significant interaction effect emerged on counteroffer after controlling for negotiation training of offer receiver, $F(1, 1245) = 0.07, p = .79, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for salary negotiation experience of offer receiver. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for salary negotiation experience of offer receiver, $F(1, 1245) = 0.02, p = .90, \text{partial } \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for salary negotiation experience of offer receiver, $F(1, 1245) = 5.62, p = .02, \text{partial } \eta^2 < .01$. No significant interaction effect emerged on counteroffer after controlling for salary negotiation experience of offer receiver, $F(1, 1245) = 0.05, p = .82, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethno-religious group and offer receiver gender on counteroffer controlling for consulting experience of offer receiver. There was no significant main effect of first offer maker ethno-religious group on counteroffer after controlling for consulting experience of offer receiver, $F(1, 1245) = 0.02, p = .89, \text{partial } \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for consulting experience of offer receiver, $F(1, 1245) = 5.97, p = .02, \text{partial } \eta^2 <$

.01. No significant interaction effect emerged on counteroffer after controlling for consulting experience of offer receiver, $F(1, 1245) = 0.06, p = .81, \text{partial } \eta^2 < .01$.

Study 9

Measures of Covariates

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Education. Participants were asked “What is the highest level of education you have completed to date?”. Participants were asked to choose from “left school at 16 or younger with no qualifications (or with qualifications lower than O level)”, “left school at 16 with O levels or CSE equivalent”, “left school at 17/18 with A levels/GCSE (or equivalent) or vocational education (such as HNC/HND etc. completed instead of A levels)”, “completed higher diploma below degree level (HND, HNC degree completed after finishing high school; other degrees below university level)”, “completed first degree (BA/BSc, Bachelors)”, or “completed higher/postgraduate degree (MA, MSc, Masters, PhD, etc.)”.

Negotiation training. Participants were asked “Have you ever attended any negotiation course or training program before?”. Participants had to answer with either “Yes” or “No”.

Car negotiation experience. Participants were asked “How much experience do you have with second-hand car negotiations?”. Participants had to choose one option from “none at all”, “a little”, “a moderate amount”, “a lot”, or “a great deal”.

Affection for the car. Participants were asked “How do you like Ford Fiesta?”. Participants had to choose one option from “dislike a great deal”,

“dislike somewhat”, “neither like nor dislike”, “like somewhat”, or “like a great deal”.

Results of ANCOVA

Perception of trustworthiness. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on perception of trustworthiness controlling for age of offer receiver. There was a significant main effect for first offer maker ethnic group on the perception of trustworthiness after controlling for age of offer receiver, $F(1, 588) = 10.51, p < .01, \text{partial } \eta^2 = .02$. However, there was no significant main effect for offer receiver gender on perception of trustworthiness after controlling for age of offer receiver, $F(1, 588) = 0.65, p = .42, \text{partial } \eta^2 < .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for age of offer receiver, $F(1, 588) = 0.36, p = .55, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on perception of trustworthiness controlling for education of offer receiver. There was a significant main effect for first offer maker ethnic group on the perception of trustworthiness after controlling for education of offer receiver, $F(1, 588) = 10.51, p < .01, \text{partial } \eta^2 = .02$. However, there was no significant main effect for offer receiver gender on perception of trustworthiness after

controlling for education of offer receiver, $F(1, 588) = 1.28, p = .26, \text{partial } \eta^2 < .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for education of offer receiver, $F(1, 588) = 0.40, p = .53, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on perception of trustworthiness controlling for education of offer receiver. There was a significant main effect for first offer maker ethnic group on the perception of trustworthiness after controlling for education of offer receiver, $F(1, 588) = 10.51, p < .01, \text{partial } \eta^2 = .02$. However, there was no significant main effect for offer receiver gender on perception of trustworthiness after controlling for education of offer receiver, $F(1, 588) = 1.28, p = .26, \text{partial } \eta^2 < .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for education of offer receiver, $F(1, 588) = 0.40, p = .53, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on perception of trustworthiness controlling for car negotiation experience of offer receiver. There was a significant main effect for first offer maker ethnic group on the perception of trustworthiness after controlling for car negotiation experience of offer receiver, $F(1, 588) = 10.35, p < .01, \text{partial } \eta^2 = .02$. However, there was no significant main effect for offer receiver gender on perception of

trustworthiness after controlling for car negotiation experience of offer receiver, $F(1, 588) = 1.74, p = .19, \text{partial } \eta^2 < .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for car negotiation experience of offer receiver, $F(1, 588) = 0.40, p = .53, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on perception of trustworthiness controlling for offer receiver's affection for the car. There was a significant main effect for first offer maker ethnic group on the perception of trustworthiness after controlling for offer receiver's affection for the car, $F(1, 588) = 10.90, p < .01, \text{partial } \eta^2 = .02$. However, there was no significant main effect for offer receiver gender on perception of trustworthiness after controlling for offer receiver's affection for the car, $F(1, 588) = 0.75, p = .39, \text{partial } \eta^2 < .01$. No significant interaction effect emerged on perception of trustworthiness after controlling for offer receiver's affection for the car, $F(1, 588) = 0.62, p = .43, \text{partial } \eta^2 < .01$.

Counteroffer. A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on counteroffer controlling for age of offer receiver. There was no significant main effect for first offer maker ethnic group on counteroffer after controlling for age of offer receiver, $F(1, 588) = 2.45, p = .12, \text{partial } \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for age of offer receiver, $F(1, 588) = 5.75,$

$p = .02$, $partial \eta^2 = .01$. No significant interaction effect emerged on counteroffer after controlling for age of offer receiver, $F(1, 588) = 0.35$, $p = .56$, $partial \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on counteroffer controlling for education of offer receiver. There was no significant main effect for first offer maker ethnic group on counteroffer after controlling for education of offer receiver, $F(1, 588) = 2.22$, $p = .14$, $partial \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for education of offer receiver, $F(1, 588) = 5.36$, $p = .02$, $partial \eta^2 = .01$. No significant interaction effect emerged on counteroffer after controlling for education of offer receiver, $F(1, 588) = 0.53$, $p = .47$, $partial \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on counteroffer controlling for negotiation training of offer receiver. There was no significant main effect for first offer maker ethnic group on counteroffer after controlling for negotiation training of offer receiver, $F(1, 588) = 2.40$, $p = .12$, $partial \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for negotiation training of offer receiver, $F(1, 588) = 4.43$, $p = .04$, $partial \eta^2 = .01$. No significant

interaction effect emerged on counteroffer after controlling for negotiation training of offer receiver, $F(1, 588) = 0.29, p = .59, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on counteroffer controlling for car negotiation experience of offer receiver. There was no significant main effect for first offer maker ethnic group on counteroffer after controlling for car negotiation experience of offer receiver, $F(1, 588) = 2.64, p = .11, \text{partial } \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for car negotiation experience of offer receiver, $F(1, 588) = 7.63, p = .01, \text{partial } \eta^2 = .01$. No significant interaction effect emerged on counteroffer after controlling for car negotiation experience of offer receiver, $F(1, 588) = 0.39, p = .53, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between first offer maker ethnic group and offer receiver gender on counteroffer controlling for offer receiver's affection for the car. There was no significant main effect for first offer maker ethnic group on counteroffer after controlling for offer receiver's affection for the car, $F(1, 588) = 2.44, p = .12, \text{partial } \eta^2 < .01$. However, the results indicated a significant main effect for offer receiver gender on counteroffer after controlling for offer receiver's affection for the car, $F(1, 588) = 4.71, p = .03, \text{partial } \eta^2 = .01$. No significant interaction effect emerged on counteroffer after controlling for offer receiver's affection for the car, $F(1, 588) = 0.33, p = .57, \text{partial } \eta^2 < .01$.

Study 10

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Education. Participants were asked “What is the highest level of education you have completed to date?”. Participants were asked to choose from “left school at 16 or younger with no qualifications (or with qualifications lower than O level)”, “left school at 16 with O levels or CSE equivalent”, “left school at 17/18 with A levels/GCSE (or equivalent) or vocational education (such as HNC/HND etc. completed instead of A levels)”, “completed higher diploma below degree level (HND, HNC degree completed after finishing high school; other degrees below university level)”, “completed first degree (BA/BSc, Bachelors)”, or “completed higher/postgraduate degree (MA, MSc, Masters, PhD, etc.)”.

Results of ANCOVA

Counteroffer. A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on counteroffer controlling for age of offer receiver. The results indicated no significant main effect for offer receiver gender on counteroffer after controlling for age of offer receiver, $F(1, 451) = 1.31, p = .25, \text{partial } \eta^2 < .01$. There was a significant main effect of first offer extremity on counteroffer after controlling for age of offer receiver, $F(1, 451) = 6.57, p = .01, \text{partial } \eta^2 = .01$. No

significant interaction effect emerged on counteroffer after controlling for age of offer receiver, $F(1, 451) = 0.86, p = .35, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on counteroffer controlling for education of offer receiver. The results indicated no significant main effect for offer receiver gender on counteroffer after controlling for education of offer receiver, $F(1, 451) = 0.93, p = .33, \text{partial } \eta^2 < .01$. There was a significant main effect of first offer extremity on counteroffer after controlling for education of offer receiver, $F(1, 451) = 6.88, p = .01, \text{partial } \eta^2 = .02$. No significant interaction effect emerged on counteroffer after controlling for education of offer receiver, $F(1, 451) = 0.54, p = .47, \text{partial } \eta^2 < .01$.

Estimation of final settlement. A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on estimation of final settlement controlling for age of offer receiver. There was no significant main effect for gender of offer receiver on the estimation of what final price it would be after controlling for age of offer receiver, $F(1, 451) = 0.44, p = .51, \text{partial } \eta^2 < .01$. But there was a significant main effect for first offer extremity on the estimation of the final settlement after controlling for age of offer receiver, $F(1, 451) = 75.97, p < .01, \text{partial } \eta^2 = .15$. The interaction effect on final settled price did not reach significance after controlling for age of offer receiver, $F(1, 451) = 0.53, p = .47, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on estimation of final settlement controlling for education of offer receiver. There was no significant main effect for gender of offer receiver on the estimation of what final price it would be after controlling for education of offer receiver, $F(1, 451) = 0.22, p = .64, \text{partial } \eta^2 < .01$. But there was a significant main effect for first offer extremity on the estimation of the final settlement after controlling for education of offer receiver, $F(1, 451) = 75.41, p < .01, \text{partial } \eta^2 = .14$. The interaction effect on final settled price did not reach significance after controlling for education of offer receiver, $F(1, 451) = 0.34, p = .56, \text{partial } \eta^2 < .01$.

Perception of trustworthiness. A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on perception of trustworthiness controlling for age of offer receiver. The results indicated no significant main effect for gender of offer receiver on the trustworthiness perception after controlling for age of offer receiver, $F(1, 451) = 0.71, p = .40, \text{partial } \eta^2 < .01$. However, there was a significant main effect of first offer extremity on perception of trustworthiness after controlling for age of offer receiver, $F(1, 451) = 23.07, p < .01, \text{partial } \eta^2 = .05$. No significant interaction effect emerged on the perception of first offer maker's trustworthiness after controlling for age of offer receiver, $F(1, 451) = 0.04, p = .85, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on perception of trustworthiness controlling for education of offer receiver. The results indicated no significant main effect for gender of offer receiver on the trustworthiness perception after controlling for education of offer receiver, $F(1, 451) = 0.88, p = .35, \text{partial } \eta^2 < .01$. However, there was a significant main effect of first offer extremity on perception of trustworthiness after controlling for education of offer receiver, $F(1, 451) = 23.14, p < .01, \text{partial } \eta^2 = .05$. No significant interaction effect emerged on the perception of first offer maker's trustworthiness after controlling for education of offer receiver, $F(1, 451) = 0.05, p = .83, \text{partial } \eta^2 < .01$.

Willingness of future negotiation. A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on willingness of future negotiation controlling for age of offer receiver. The results did not reveal a significant main effect for offer receiver gender on willingness to negotiate in the future after controlling for age of offer receiver, $F(1, 451) = 0.28, p = .60, \text{partial } \eta^2 < .01$. But there was a significant main effect of first offer extremity on how willing offer receivers were to negotiate with the same first offer maker in the future after controlling for age of offer receiver, $F(1, 451) = 81.25, p < .01, \text{partial } \eta^2 = .15$. The interaction effect for willingness for future negotiation did not reach significance after controlling for age of offer receiver, $F(1, 451) = 0.03, p = .87, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on willingness of future negotiation controlling for education of offer receiver. The results did not reveal a significant main effect for offer receiver gender on willingness to negotiate in the future after controlling for education of offer receiver, $F(1, 451) = 0.34, p = .56, \text{partial } \eta^2 < .01$. But there was a significant main effect of first offer extremity on how willing offer receivers were to negotiate with the same first offer maker in the future after controlling for education of offer receiver, $F(1, 451) = 80.99, p < .01, \text{partial } \eta^2 = .15$. The interaction effect for willingness for future negotiation did not reach significance after controlling for education of offer receiver, $F(1, 451) = 0.02, p = .89, \text{partial } \eta^2 < .01$.

Study 11

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Education. Participants were asked “What is the highest level of education you have completed to date?”. Participants were asked to choose from “left school at 16 or younger with no qualifications (or with qualifications lower than O level)”, “left school at 16 with O levels or CSE equivalent”, “left school at 17/18 with A levels/GCSE (or equivalent) or vocational education (such as HNC/HND etc. completed instead of A levels)”, “completed higher diploma below degree level (HND, HNC degree completed after finishing high school; other degrees below university level)”, “completed first degree (BA/BSc, Bachelors)”, or “completed higher/postgraduate degree (MA, MSc, Masters, PhD, etc.)”.

Results of ANCOVA

Counteroffer. A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on counteroffer controlling for age of offer receiver. The results indicated a marginal significant main effect for offer receiver gender on counteroffer after controlling for age of offer receiver, $F(1, 451) = 3.37, p = .07$, $partial \eta^2 = .01$. There was a significant main effect of first offer extremity on counteroffer after controlling for age of offer receiver, $F(1, 451) = 10.78, p < .01$,

partial $\eta^2 = .03$. No significant interaction effect emerged on counteroffer after controlling for age of offer receiver, $F(1, 451) = 2.62, p = .11, \textit{partial} \eta^2 = .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on counteroffer controlling for education of offer receiver. The results indicated a marginally significant main effect for offer receiver gender on counteroffer after controlling for education of offer receiver, $F(1, 451) = 3.55, p = .06, \textit{partial} \eta^2 = .01$. There was a significant main effect of first offer extremity on counteroffer after controlling for education of offer receiver, $F(1, 451) = 11.55, p < .01, \textit{partial} \eta^2 = .03$. No significant interaction effect emerged on counteroffer after controlling for education of offer receiver, $F(1, 451) = 2.33, p = .13, \textit{partial} \eta^2 = .01$.

Estimation of final settlement. A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on estimation of final settlement controlling for age of offer receiver. There was no significant main effect for gender of offer receiver on the estimation of what final price it would be after controlling for age of offer receiver, $F(1, 451) = 0.23, p = .63, \textit{partial} \eta^2 < .01$. But there was a significant main effect for first offer extremity on the estimation of the final settlement after controlling for age of offer receiver, $F(1, 451) = 165.56, p < .01, \textit{partial} \eta^2 = .31$. The interaction effect on final settled price did not reach significance after controlling for age of offer receiver, $F(1, 451) = 1.91, p = .17, \textit{partial} \eta^2 = .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on estimation of final settlement controlling for education of offer receiver. There was no significant main effect for gender of offer receiver on the estimation of what final price it would be after controlling for education of offer receiver, $F(1, 451) = 0.39, p = .53, \text{partial } \eta^2 < .01$. But there was a significant main effect for first offer extremity on the estimation of the final settlement after controlling for education of offer receiver, $F(1, 451) = 167.68, p < .01, \text{partial } \eta^2 = .32$. The interaction effect on final settled price did not reach significance after controlling for education of offer receiver, $F(1, 451) = 1.90, p = .17, \text{partial } \eta^2 = .01$.

Perception of trustworthiness. A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on perception of trustworthiness controlling for age of offer receiver. The results indicated no significant main effect for gender of offer receiver on the trustworthiness perception after controlling for age of offer receiver, $F(1, 451) = 0.29, p = .59, \text{partial } \eta^2 < .01$. However, there was a significant main effect of first offer extremity on perception of trustworthiness after controlling for age of offer receiver, $F(1, 451) = 8.31, p < .01, \text{partial } \eta^2 = .02$. Significant interaction effect emerged on the perception of first offer maker's trustworthiness after controlling for age of offer receiver, $F(1, 451) = 6.00, p = .02, \text{partial } \eta^2 = .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on perception of trustworthiness controlling for education of offer receiver. The results indicated no significant main effect for gender of offer receiver on the trustworthiness perception after controlling for education of offer receiver, $F(1, 451) = 0.20, p = .66, \text{partial } \eta^2 < .01$. However, there was a significant main effect of first offer extremity on perception of trustworthiness after controlling for education of offer receiver, $F(1, 451) = 9.00, p < .01, \text{partial } \eta^2 = .02$. Significant interaction effect emerged on the perception of first offer maker's trustworthiness after controlling for education of offer receiver, $F(1, 451) = 4.98, p = .03, \text{partial } \eta^2 = .01$.

Willingness of future negotiation. A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on willingness of future negotiation controlling for age of offer receiver. The results did not reveal a significant main effect for offer receiver gender on willingness to negotiate in the future after controlling for age of offer receiver, $F(1, 451) = 0.28, p = .60, \text{partial } \eta^2 < .01$. But there was a significant main effect of first offer extremity on how willing offer receivers were to negotiate with the same first offer maker in the future after controlling for age of offer receiver, $F(1, 451) = 15.54, p < .01, \text{partial } \eta^2 = .03$. The interaction effect for willingness for future negotiation did not reach significance after controlling for age of offer receiver, $F(1, 451) = 0.79, p = .37, \text{partial } \eta^2 < .01$.

A two-way ANCOVA was conducted to determine a statistically significant interaction between offer receiver gender and first offer extremity on willingness of future negotiation controlling for education of offer receiver. The results did not reveal a significant main effect for offer receiver gender on willingness to negotiate in the future after controlling for education of offer receiver, $F(1, 451) = 0.42, p = .52, \text{partial } \eta^2 < .01$. But there was a significant main effect of first offer extremity on how willing offer receivers were to negotiate with the same first offer maker in the future after controlling for education of offer receiver, $F(1, 451) = 16.69, p < .01, \text{partial } \eta^2 = .04$. The interaction effect for willingness for future negotiation did not reach significance after controlling for education of offer receiver, $F(1, 451) = 0.47, p = .50, \text{partial } \eta^2 < .01$.

Study 13

Measures of Control Variables

Age. Participants were asked “How old are you this year?”. Participants were then instructed to write in their age in the blank.

Education. Participants were asked “What is the highest level of education you have completed to date?”. Participants were asked to choose from “less than high school diploma”, “high school diploma or equivalent”, “vocational training”, “associate’s degree (e.g., AA, AE, AFA, AS, ASN)”, “bachelor’s degree (e.g., BA, BBA, BFS, BS)”, or “master’s degree (e.g., MA, MBA, MFA, MS, MSW)”, or “PhD or higher”.

Results of ANCOVA

Counteroffer. A three-way ANCOVA was conducted to determine a statistically significant interaction of offer receiver gender, first offer extremity and first offer maker gender group on counteroffer controlling for age of offer receiver. Results revealed a significant main effect for offer receiver gender on counteroffer after controlling for age of offer receiver, $F(1, 1521) = 31.78, p < .01, \text{partial } \eta^2 = .02$. There was also a significant main effect of first offer extremity on counteroffer after controlling for age of offer receiver, $F(1, 1521) = 246.88, p < .01, \text{partial } \eta^2 = .14$. But there was no significant main effect of first offer maker gender group on counteroffer after controlling for age of offer receiver, $F(1, 1521) = 1.08, p = .30, \text{partial } \eta^2 < .01$. The two-way interaction

between offer receiver gender and first offer extremity was not significant after controlling for age of offer receiver, $F(1, 1521) = 2.44, p = .12, \text{partial } \eta^2 < .01$. Neither was the two-way interaction of offer receiver gender and first offer maker gender group after controlling for age of offer receiver, $F(1, 1521) = 0.01, p = .93, \text{partial } \eta^2 < .01$, nor was the two-way interaction of first offer extremity and first offer maker gender group significant after controlling for age of offer receiver, $F(1, 1521) = 0.65, p = .42, \text{partial } \eta^2 < .01$. The three-way interaction effect also failed to reach significance after controlling for age of offer receiver, $F(1, 1521) = 0.92, p = .34, \text{partial } \eta^2 < .01$.

A three-way ANCOVA was conducted to determine a statistically significant interaction of offer receiver gender, first offer extremity and first offer maker gender group on counteroffer controlling for education of offer receiver. Results revealed a significant main effect for offer receiver gender on counteroffer after controlling for education of offer receiver, $F(1, 1521) = 28.89, p < .01, \text{partial } \eta^2 = .02$. There was also a significant main effect of first offer extremity on counteroffer after controlling for education of offer receiver, $F(1, 1521) = 250.46, p < .01, \text{partial } \eta^2 = .14$. But there was no significant main effect of first offer maker gender group on counteroffer after controlling for education of offer receiver, $F(1, 1521) = 1.01, p = .32, \text{partial } \eta^2 < .01$. The two-way interaction between offer receiver gender and first offer extremity was marginally significant after controlling for education of offer receiver, $F(1, 1521) = 2.82, p = .09, \text{partial } \eta^2 < .01$. Neither was the two-way interaction of offer receiver gender and first

offer maker gender group after controlling for education of offer receiver, $F(1, 1521) = 0.01, p = .92, \text{partial } \eta^2 < .01$, nor was the two-way interaction of first offer extremity and first offer maker gender group significant after controlling for education of offer receiver, $F(1, 1521) = 0.68, p = .41, \text{partial } \eta^2 < .01$. The three-way interaction effect also failed to reach significance after controlling for education of offer receiver, $F(1, 1521) = 0.85, p = .36, \text{partial } \eta^2 < .01$.

Estimation of final settlement. A three-way ANCOVA was conducted to determine a statistically significant interaction of offer receiver gender, first offer extremity and first offer maker gender group on estimation of final settlement controlling for age of offer receiver. There was a significant main effect of offer receiver gender on the estimation of what the final price would be after controlling for age of offer receiver, $F(1, 1273) = 15.86, p < .01, \text{partial } \eta^2 = .01$. There was also a significant main effect of first offer extremity on the estimation of the final settlement after controlling for age of offer receiver, $F(1, 1273) = 1145.42, p < .01, \text{partial } \eta^2 = .48$. However, there was no significant main effect of first offer maker gender group on the estimation of the final price after controlling for age of offer receiver, $F(1, 1273) = 0.65, p = .42, \text{partial } \eta^2 < .01$. The two-way interaction between offer receiver gender and first offer extremity did reach significance after controlling for age of offer receiver, $F(1, 1273) = 6.07, p = .01, \text{partial } \eta^2 = .01$. The two-way interaction of offer receiver gender and first offer maker gender group was not significant after controlling for age of offer receiver, $F(1, 1273) = 0.35, p = .54, \text{partial } \eta^2 < .01$, nor was the interaction

between first offer extremity and first offer maker gender group significant after controlling for age of offer receiver, $F(1, 1273) = 1.77, p = .18, \text{partial } \eta^2 < .01$.

The three-way interaction effect on final settled price did not reach significance after controlling for age of offer receiver, $F(1, 1273) = 0.19, p = .67, \text{partial } \eta^2 < .01$.

A three-way ANCOVA was conducted to determine a statistically significant interaction of offer receiver gender, first offer extremity and first offer maker gender group on estimation of final settlement controlling for education of offer receiver. There was a significant main effect of offer receiver gender on the estimation of what the final price would be after controlling for education of offer receiver, $F(1, 1273) = 14.21, p < .01, \text{partial } \eta^2 = .01$. There was also a significant main effect of first offer extremity on the estimation of the final settlement after controlling for education of offer receiver, $F(1, 1273) = 1159.55, p < .01, \text{partial } \eta^2 = .48$. However, there was no significant main effect of first offer maker gender group on the estimation of the final price after controlling for education of offer receiver, $F(1, 1273) = 0.84, p = .36, \text{partial } \eta^2 < .01$. The two-way interaction between offer receiver gender and first offer extremity did reach significance after controlling for education of offer receiver, $F(1, 1273) = 6.27, p = .01, \text{partial } \eta^2 = .01$. The two-way interaction of offer receiver gender and first offer maker gender group was not significant after controlling for education of offer receiver, $F(1, 1273) = 0.34, p = .56, \text{partial } \eta^2 < .01$, nor was the interaction between first offer extremity and first offer maker gender group significant after controlling for

education of offer receiver, $F(1, 1273) = 2.01, p = .16, \text{partial } \eta^2 < .01$. The three-way interaction effect on final settled price did not reach significance after controlling for education of offer receiver, $F(1, 1273) = 0.21, p = .65, \text{partial } \eta^2 < .01$.

Perception of trustworthiness. A three-way ANCOVA was conducted to determine a statistically significant interaction of offer receiver gender, first offer extremity and first offer maker gender group on perception of trustworthiness controlling for age of offer receiver. The results indicated a marginally significant main effect of offer receiver gender on perceived trustworthiness after controlling for age of offer receiver, $F(1, 1521) = 3.49, p = .06, \text{partial } \eta^2 < .01$. There was a significant main effect of first offer extremity on perception of trustworthiness as well after controlling for age of offer receiver, $F(1, 1521) = 79.17, p < .01, \text{partial } \eta^2 = .05$. There was no significant main effect of gender group of the first offer maker on perception of trustworthiness after controlling for age of offer receiver, $F(1, 1521) = 0.22, p = .64, \text{partial } \eta^2 < .01$. No significant two-way interaction of gender of offer receiver and first offer extremity was found on perception of trustworthiness after controlling for age of offer receiver, $F(1, 1521) = 0.24, p = .63, \text{partial } \eta^2 < .01$. However, a significant interaction of offer receiver gender and first offer maker gender group membership was uncovered on perception of trustworthiness after controlling for age of offer receiver, $F(1, 1521) = 21.21, p < .01, \text{partial } \eta^2 = .01$. The two-way interaction of first offer extremity and first offer maker gender group on trustworthiness perception was not significant after

controlling for age of offer receiver, $F(1, 1521) = 0.14, p = .71, \text{partial } \eta^2 < .01$.

The three-way interaction effect on the perception of first offer maker's trustworthiness did not emerge after controlling for age of offer receiver, $F(1, 1521) = 0.02, p = .89, \text{partial } \eta^2 < .01$.

A three-way ANCOVA was conducted to determine a statistically significant interaction of offer receiver gender, first offer extremity and first offer maker gender group on perception of trustworthiness controlling for education of offer receiver. The results indicated a marginally significant main effect of offer receiver gender on perceived trustworthiness after controlling for education of offer receiver, $F(1, 1521) = 3.66, p = .06, \text{partial } \eta^2 < .01$. There was a significant main effect of first offer extremity on perception of trustworthiness as well after controlling for education of offer receiver, $F(1, 1521) = 81.04, p < .01, \text{partial } \eta^2 = .05$. There was no significant main effect of gender group of the first offer maker on perception of trustworthiness after controlling for education of offer receiver, $F(1, 1521) = 0.30, p = .59, \text{partial } \eta^2 < .01$. No significant two-way interaction of gender of offer receiver and first offer extremity was found on perception of trustworthiness after controlling for education of offer receiver, $F(1, 1521) = 0.17, p = .68, \text{partial } \eta^2 < .01$. However, a significant interaction of offer receiver gender and first offer maker gender group membership was uncovered on perception of trustworthiness after controlling for education of offer receiver, $F(1, 1521) = 22.41, p < .01, \text{partial } \eta^2 = .02$. The two-way interaction of first offer extremity and first offer maker gender group on trustworthiness perception was

not significant after controlling for education of offer receiver, $F(1, 1521) = 0.07$, $p = .79$, *partial* $\eta^2 < .01$. The three-way interaction effect on the perception of first offer maker's trustworthiness did not emerge after controlling for education of offer receiver, $F(1, 1521) = 0.02$, $p = .88$, *partial* $\eta^2 < .01$.