Choosing the Path to Bargaining Power: An Empirical Comparison of BATNAs and Contributions in Negotiation

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Although the negotiations literature identifies a variety of approaches for improving one's power position, the relative benefits of these approaches remain largely unexplored. The empirical study presented in this article begins to address this issue by examining how the size of the bargaining zone affects the relative benefit of an advantage in one's BATNA (i.e., having a better alternative than one's counterpart) versus contribution (i.e., contributing more to the relationship than one's counterpart) for negotiator performance. Results indicate that whereas BATNAs exerted a stronger effect on resource allocations than contributions when the bargaining zone was small, an advantage in contributions exerted a stronger effect on resource allocations than BATNAs when the bargaining zone was large. These findings provide needed insight and supporting evidence for how to alter one's power relationship in negotiation.

Negotiation has come to be viewed as a central aspect of organizational life. The growing complexities of work relationships, the increased reliance on teams to make decisions, and the rise of new organizational forms have placed unprecedented pressure on managers to become effective negotiators. Thus, scholars and practitioners alike have focused on identifying mechanisms that can improve negotiator performance (Lewicki, Saunders, & Minton, 1999).

One factor that is widely acknowledged to affect such performance is power (Bacharach & Lawler, 1981; Fisher & Ury, 1981). A negotiator's power is critical for performance because it can determine the allocation of rewards in an agreement (Kim, 1997; Mannix, 1993a, 1993b; Pinkley, Neale, & Bennett, 1994). The greater one's power is relative to the power of others, the more resources one is able to claim. As a result, the negotiation literature is replete with recommendations to improve one's power position (Fisher & Ury, 1981; Thompson, 1998).

Yet those who wish to apply this advice must confront the fact that power may be influenced by a range of factors, and they are likely to be overwhelmed by the varied and often inconsistent lists of characteristics, properties, strategies, and descriptions that have been offered with regard to this topic (Mooney, 1984). The purpose of this article is to begin addressing this limitation by investigating whether, and the conditions under which, some of these factors may exert a greater effect on negotiator power and performance than others. Our analysis begins with the review of a conception of power that has played a central role in the bargaining literature, *power–dependence theory* (Blau, 1964; Emerson, 1962). Next, we draw on this foundation to integrate a wide array of research on power and to identify the kinds of tactics negotiators may use to alter the power relationship. We then address a major limitation in this framework by considering how these tactics might differ and by assessing the implications of such differences for tactical choice. Finally, we report an empirical study that tests the validity of our predictions.

Power in Negotiation

Studies of power in negotiation are typically based on the theory of power–dependence (e.g., Gerhart & Rynes, 1991; Mannix, Thompson, & Bazerman, 1989). Power–dependence theory states that "the power of A over B is equal to and based upon the dependence of B upon A" (Emerson, 1962, pp. 32–33). Dependence, in turn, is based on two dimensions: (a) It is directly proportional to the value attributed to the outcome at stake, and (b) it is inversely proportional to the availability of this outcome through alternative sources. Thus, given any two parties, Alpha and Beta, Alpha's power is directly related to the degree to which Beta can receive greater benefit from the relationship with Alpha than Beta can get from alternative relationships. Similarly, Beta's power is directly related to the degree to which Alpha can receive greater benefit from the relationship with Beta than Alpha can get from alternative relationships.

Benefits

This framework offers several benefits for an analysis of power in negotiation. One benefit of this framework arises from the fact that negotiation studies have often conceptualized power in terms of its two dimensions. Negotiation studies have operationalized the "availability of an outcome through alternative means" by altering the value of a negotiator's best alternative to the negotiated agree-

ment (BATNA; Pinkley et al., 1994). This research indicates that negotiators who possess more attractive BATNAs (e.g., entering a job negotiation with an attractive offer from another firm already in hand) are less dependent on the focal negotiation and, consequently, possess greater power and obtain better outcomes from their negotiations. Moreover, other negotiation studies have operationalized the "value a negotiator attributes to the outcome at stake" by altering the value of a negotiator's contribution to the deal (Kim, 1997; Mannix, 1993a). According to these studies, negotiators who can make a greater contribution to the relationship (e.g., providing access to attractive financial opportunities) increase their counterpart's dependence on the relationship and, consequently, possess greater power and obtain a greater share of rewards. Thus, given that the negotiation literature has already framed much of its discussion of power in terms of these dimensions, it seems logical to use a framework that encompasses them for our analysis of power in negotiation.

A second benefit of this framework is that it allows us to integrate a wide array of factors on which power can be based. This opportunity arises because the power–dependence dimensions can encompass many of the reasons why power may exist in a given social situation (Bacharach & Lawler, 1980, pp. 14–15). The value we place on a party's contribution, for example, is ultimately determined by our identification with that party and our assessment of that party's reward and punishment ability, legitimacy, knowledge, and expertise. Likewise, the value we place on our BATNA is determined by our assessment of whether, and the degree to which, such factors are available through other means. Thus, rather than having to discuss each of these myriad bases of power that have been identified by prior research (e.g., French & Raven, 1959), a focus on BATNAs and contributions allows us to pursue a higher level of analysis that encompasses these power bases, integrate them into a coherent framework, and conduct a more parsimonious analysis of power in negotiation.

A final benefit of this framework derives from its direct implications for efforts to alter the power relationship (i.e., power-change tactics). Research on the implications of this theory for tactical choice has identified four basic power-change tactics (Bacharach & Lawler, 1980, p. 156; Blau, 1964; Emerson, 1962; Lawler & Bacharach, 1976; Pfeffer & Salancik, 1978). Negotiators may (a) improve the quality of their BATNA (e.g., obtain a job offer from another firm), (b) decrease the quality of the counterpart's BATNA (e.g., dissuade others from applying for the position), (c) decrease their valuation of the counterpart's contribution (e.g., reduce their interest in what is being offered), or (d) increase the counterpart's valuation of their own contribution (e.g., improve their technical skills). These tactics involve changes to the two dimensions of dependence identified by power–dependence theory. They seek to reduce one's own dependence and hence the counterpart's power or to increase one's own power by increasing the counterpart's dependence. Thus, this framework not only offers a foundation for evaluating power but also allows us to distinguish the kinds of power-change tactics that may be used.[1]

Limitation

The problem with this conceptualization of power-change tactics, however, is that it does not consider when these different tactics should be preferred. Researchers have recognized that as-

pects of the bargaining context can limit the "feasibility" of implementing these tactics to change the power relationship (e.g., Jacobson & Cohen, 1986). Negotiators' abilities to alter their BATNAs may be constrained, for example, by their organization's rules, traditions, or lines of communication (Bacharach & Lawler, 1980), and their abilities to alter their contributions may be constrained by factors such as inadequate talent, opportunity, or time. But the question of tactical choice is not limited to matters of feasibility alone, because negotiators are often capable of influencing each of these dimensions in significant ways. A job candidate who prepares for an employment negotiation, for example, may exert varying levels of effort to obtain other job offers and, thereby, enter the focal negotiation with a BATNA that is poor (e.g., unemployment) to quite good (e.g., a position that is lucrative and fulfilling). Conversely, this job candidate may exert varying levels of effort to develop a prized technical skill and, thereby, lead the potential employer to consider the job candidate's contribution to range from low (e.g., a relatively unskilled laborer) to quite high (e.g., an expert in a given field).

These opportunities to influence negotiators' BATNAs or contributions highlight the importance of examining whether, and the occasions under which, one of these tactics may be preferred over the other. Can these two dimensions differ in their implications for power and performance, and under what conditions might this be the case? Power–dependence theory fails to address these questions, because it ignores the possibility that the effects of BATNAs and contributions might differ. However, we may be able to address both this theoretical limitation and these practical questions concerning tactical choice by examining more carefully the conceptual reasoning from which power–dependence theory has been derived.

Theoretical Considerations

Differences in the effects of negotiator BATNAs and contributions may be understood from the principle of reciprocal attraction (Blau, 1964, p. 28). According to this principle, given any two parties, Alpha and Beta, Alpha is attracted to Beta if Alpha expects associating with Beta to be in some way rewarding for Alpha. Alpha's ability to associate with Beta and reap the benefits expected from the association is contingent, however, on Beta finding Alpha an attractive associate and thus wanting to interact with Alpha. Thus, if Alpha is attracted to Beta, Alpha gains an interest in proving itself attractive to Beta because Beta's attraction to Alpha, just as Alpha's attraction to Beta, depends on the anticipation that the association will be rewarding. This creates a dynamic whereby a party who supplies rewards to others obligates them to reciprocate in some way, because failure to do so creates an

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[1] These power-change tactics, which concern the ways in which negotiators may attempt to alter the power relationship, are distinguished from power-use tactics, which concern the ways in which negotiators may attempt to leverage power capabilities that they already possess (Lawler, 1992). Yukl and Tracey (1992), for example, suggest that power-use tactics such as rational persuasion, inspirational appeals, and consultation are most effective and that uses of coalitions, legitimizing, and pressure were least effective for exerting influence in organizations. However, analogous assessments of the relative effectiveness of power-change tactics that target BATNAs or contributions have been largely ignored.

incentive for that party to withhold the rewards and supply them to those who will repay that party for its troubles.

Thus, we can observe that increasing one's potential to supply rewards to an interaction (i.e., improving one's contribution) can heighten one's power by increasing the maximum level of benefits that can be obtained from the association. The purpose of this tactic is to increase the potential rewards to one's counterpart (e.g., by developing desired skills, knowledge, or networks) so the counterpart will offer greater rewards in return (e.g., larger payments, longer term commitments, or increased privileges) and both parties ultimately will reap greater benefits from the exchange (Cohen & Bradford, 1989). This tactic increases power via the threat that if a counterpart does not reciprocate, the focal negotiators' rewards will be withheld. The risk, however, arises from the fact that this tactic has no direct effect on the benefits one receives; the benefits are received only indirectly by increasing the counterpart's obligation. Thus, if the threat of withholding rewards proves ineffective and the counterpart chooses not to reciprocate, this increased contribution will have little effect on the focal negotiator's success in that interaction.

This risk creates an incentive to raise the value of one's best alternative to the negotiated agreement (i.e., improve one's BATNA) to increase the minimum level of benefits that would be received, irrespective of what occurs in the negotiation. The purpose of this tactic is to increase the value of one's "no-agreement" option (e.g., finding another prospective buyer for an item to be sold) to extract rewards from one's counterpart that are at least equivalent to that BATNA if an agreement is to occur. This tactic increases power via the threat that if the counterpart fails to offer these minimum benefits, the focal negotiator will leave the association in favor of this BATNA. The risk, however, arises from the fact that once the benefits from the association exceed the value of this BATNA, the threat of departure loses its credibility, because such a departure would now reduce the benefits received by the focal negotiator. Thus, to the extent that the association already offers a negotiator benefits that are at least equivalent to the value of that party's BATNA, this dimension will offer little basis on which claims to further benefits can be made.

These considerations suggest that negotiator BATNAs and contributions are likely to affect power and performance in different ways. Negotiators should demand benefits from a negotiation that are at least equivalent to their BATNAs if an agreement is to be reached, because they would otherwise be better off not reaching an agreement and accepting their alternative offers (Fisher & Ury, 1981; Lax & Sebinius, 1986). Evidence supports this reasoning by indicating that negotiators generally do not accept agreements that would make them worse off than they would fare with their BATNA (Pinkley et al., 1994).

However, once the potential benefits from the association exceed the value of a negotiator's BATNA, the threat of departure (i.e., utilizing this BATNA) loses its credibility, given that such a departure would now reduce the benefits that would be received by the negotiator. Thus, whereas negotiators' BATNAs establish the minimum level of benefits they have the potential to obtain, the potential to acquire benefits that remain after this criterion is satisfied, which we refer to as the *bargaining zone*, is likely to be determined in other ways (see Figure 1).[2] In particular, evidence suggests that once the benefits from a negotiation exceed the values of negotiators' BATNAs, negotiators tend to distribute rewards in direct proportion to their contributions (Kim, 1997; Mannix, 1993a).

As we have mentioned, negotiator contributions affect the potential to acquire benefits via the threat that these contributions could be withdrawn if they are inadequately reciprocated (Blau, 1964, p. 28). Indeed, research suggests that negotiators tend to reciprocate such benefits explicitly and to the degree that they have been provided by their counterpart (Smith, Pruitt, & Carnevale, 1982; Thompson, 1990). And because a negotiator can reduce these benefits up to the point where they barely exceed the counterpart's BATNA, while still making it worthwhile for that counterpart to remain in the negotiation, the benefits a negotiator can contribute beyond the value of the counterpart's BATNA should affect the negotiator's share of the bargaining zone.

Our analysis, therefore, suggests that rather than considering BATNAs and contributions to be equally important for allocating benefits throughout the course of a negotiation, negotiators are likely to allocate these benefits through a two-stage process, whereby BATNAs determine the minimum benefits they would obtain from an agreement and contributions determine the allocation of the benefits that remain. As a result, we contend that the relative importance of negotiators' BATNAs versus contributions for improving power and performance (i.e., one's share of the total benefits from an agreement) will depend on the size of the bargaining zone.[3]

Specifically, the notion that negotiators will demand benefits that are at least equivalent to the value of their BATNAs to enter an agreement, and that this will consume a larger amount of the agreement's total value when the bargaining zone is small than when it is large, suggests that the importance of BATNAs for negotiator performance will *decrease* as the bargaining zone grows. In contrast, the notion that negotiator contributions will play a larger role in determining allocations after negotiators receive benefits that are at least equivalent to the value of their BATNAs, and that the amount of such benefits that remains from the agreement's total value will be greater when the bargaining zone is large than when it is small, suggests that the importance of contributions for negotiator performance will *increase* as the bargaining zone grows. And by extension, these predictions suggest that whereas the relative value of negotiators' BATNAs will have a greater effect on allocations than the relative value of negotiators' contributions when the bargaining zone is small, this relationship will be reversed when the bargaining zone is large.

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[2] If we assume that negotiators' contributions may be added to determine the total value of the agreement, we can subtract from this total the sum of each negotiator's BATNA to determine the size of the bargaining zone (see Figure 1).

[3] Although individuals may begin a negotiation with particular BATNAs and contributions and, through these measures, assess their bargaining zone, each of these factors provides the subsequent impetus for efforts to improve one's power (i.e., once negotiators determine that they possess insufficient power to obtain desired outcomes). Thus, given that our research is focused on the stage at which negotiators are deciding which of these power-change tactics to implement (i.e., whether to influence these BATNAs or contributions), the values for these BATNAs, contributions, and the bargaining zone can each be considered exogenous variables at the point that negotiators need to make this tactical decision.
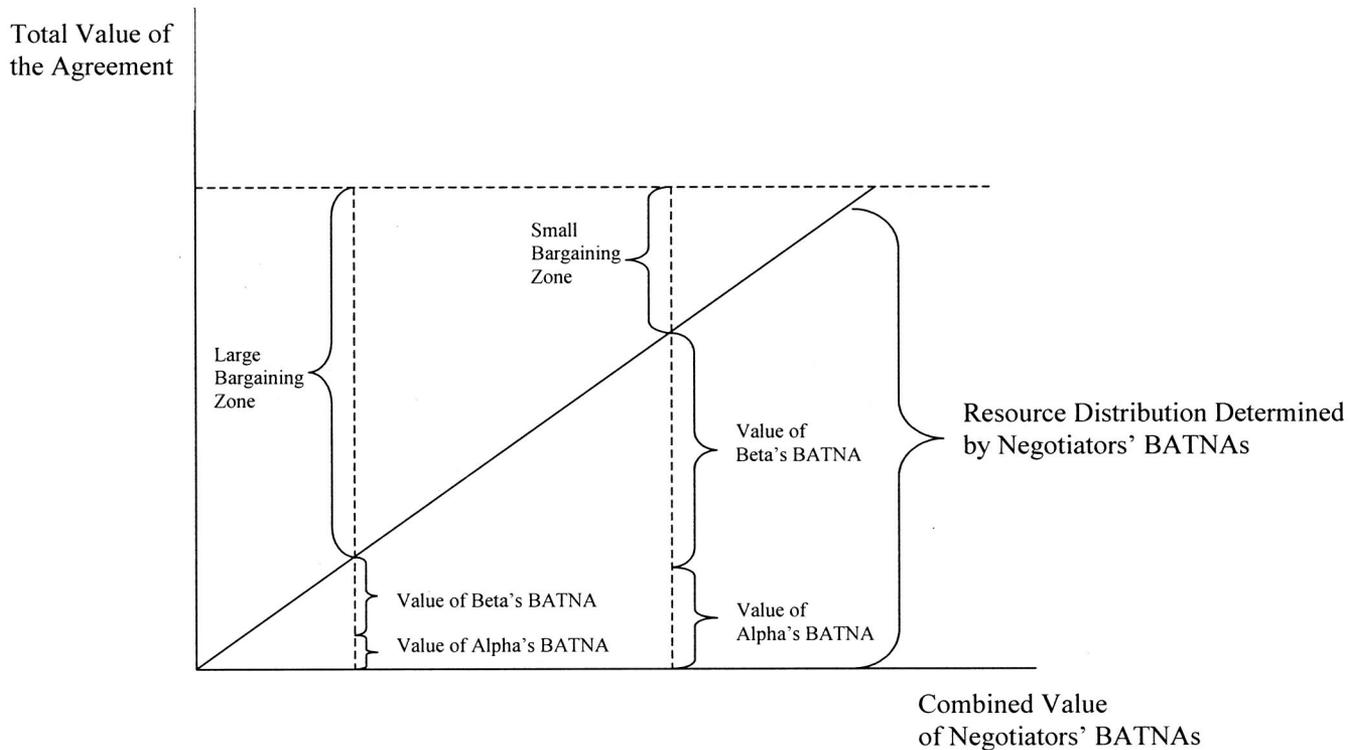
Figure 1. Effect of the bargaining zone on resource distributions. BATNA = best alternative to the negotiated agreement.

Hypothesis 1a: Negotiators' BATNAs will exert a greater effect on their allocations when the bargaining zone is small than when the bargaining zone is large.

Hypothesis 1b: Negotiators' contributions will exert a smaller effect on their allocations when the bargaining zone is small than when the bargaining zone is large.

Hypothesis 1c: Whereas negotiators' BATNAs will exert a greater effect on their allocations than negotiators' contributions when the bargaining zone is small, negotiators' contributions will exert a greater effect on their allocations than negotiators' BATNAs when the bargaining zone is large.

Method

This study implemented a 2 (equal vs. unequal BATNA) $\times$ 2 (equal vs. unequal contribution) $\times$ 2 (small vs. large bargaining zone) between-subjects design.

Participants

One hundred forty-eight graduate business students (92 men, 56 women) participated in this study in the second week of a semester-long negotiation course. Participants averaged 29 years of age and possessed an average of 6.25 years of full-time work experience.

Procedure

Participants read materials for a single-issue distributive negotiation in which they were asked to imagine that they were recent graduates of their business program who were considering whether to start a new business venture with a classmate. Participants were told that they were to negotiate the possibility of working together to develop a new product code named "Simulink," that this joint venture represented each graduate's only opportunity to develop a product like Simulink, and that this opportunity would generate greater profits than either of their best alternatives. To pursue this venture, however, they would need to agree on how to distribute these profits. Participants were, therefore, asked to negotiate with their counterpart to find an acceptable profit distribution and to complete an agreement form if an agreement was reached. Participants were given the negotiation materials on the day of the study, randomly assigned to dyads and study conditions, and allotted 45 min to prepare for and conduct the negotiation.

Manipulations

Although the background information and instructions for both roles were identical, the values of the BATNAs and contributions were altered so that the parties had either equal values on one or both of these dimensions (i.e., the equal BATNA and equal contribution conditions) or one party had an advantage over the other on one or both dimensions (i.e., the unequal BATNA and unequal contribution conditions). In the following sections, we refer to the party that had an advantage on one or both dimensions as the *high-power party* and the party that had a disadvantage on one or both dimensions as the *low-power party*. Of course, in the equal-BATNA/equal-contribution condition, neither party was given an advantage in their BATNAs or contributions (i.e., parties were equivalent on both dimensions). However, for simplicity, we use the labels *high-power party* and *low-power party* to distinguish between the two roles in all conditions. Participants were informed of both their own BATNAs and contributions and those of their counterparts to control for the potential effects of uncertainty regarding these valuations.

Bargaining zone. The size of the bargaining zone was manipulated by altering the sum of both parties' BATNAs relative to the sum of both parties' contributions. In the small bargaining zone condition (SBZ), the sum of negotiators' contributions was always $400,000 and the sum of negotiators' BATNAs was always $360,000 so that the bargaining zone was $40,000 (i.e., $400,000 – $360,000 = $40,000; see Figure 2A). However, we manipulated the large bargaining zone condition in two ways and counterbalanced these two versions in this study. One of the large

bargaining zone conditions (LBZ1) was created by keeping the sum of negotiators' contributions at $400,000 and reducing the sum of negotiators' BATNAs to $240,000 so that the bargaining zone was $160,000 (i.e., $400,000 – $240,000 = $160,000; see Figure 2B). The other large bargaining zone condition (LBZ2) was created by keeping the sum of negotiators' BATNAs at $360,000 and increasing the sum of negotiators' contributions to $520,000 so that the bargaining zone was again $160,000 (i.e., $520,000 – $360,000 = $160,000; see Figure 2C).

A

BATNA

	Equal	Unequal
Equal	(*N* = 9) HP: BATNA = 180 Contrib. = 200 LP: BATNA = 180 Contrib. = 200	(*N* = 9) HP: BATNA = 240 Contrib. = 200 LP: BATNA = 120 Contrib. = 200
Unequal	(*N* = 10) HP: BATNA = 180 Contrib. = 260 LP: BATNA = 180 Contrib. = 140	(*N* = 8) HP: BATNA = 240 Contrib. = 260 LP: BATNA = 120 Contrib. = 140

Contribution (row label spanning Equal/Unequal)

Total Agreement Value = 400
Bargaining Zone = 400 - 360 = 40

B

BATNA

	Equal	Unequal
Equal	(*N* = 5) HP: BATNA = 120 Contrib. = 200 LP: BATNA = 120 Contrib. = 200	(*N* = 4) HP: BATNA = 180 Contrib. = 200 LP: BATNA = 60 Contrib. = 200
Unequal	(*N* = 6) HP: BATNA = 120 Contrib. = 260 LP: BATNA = 120 Contrib. = 140	(*N* = 5) HP: BATNA = 180 Contrib. = 260 LP: BATNA = 60 Contrib. = 140

Contribution

Total Agreement Value = 400
Bargaining Zone = 400 - 240 = 160

C

BATNA

	Equal	Unequal
Equal	(*N* = 3) HP: BATNA = 180 Contrib. = 260 LP: BATNA = 180 Contrib. = 260	(*N* = 5) HP: BATNA = 240 Contrib. = 260 LP: BATNA = 120 Contrib. = 260
Unequal	(*N* = 5) HP: BATNA = 180 Contrib. = 320 LP: BATNA = 180 Contrib. = 200	(*N* = 3) HP: BATNA = 240 Contrib. = 320 LP: BATNA = 120 Contrib. = 200

Contribution

Total Agreement Value = 520
Bargaining Zone = 520 - 360 = 160

Figure 2. A: Values of parties' best alternatives to the negotiated agreement (BATNAs) and contributions for small bargaining zone condition. B: Values of parties' BATNAs and contributions for Large Bargaining Zone 1 condition. C: Values of parties' BATNAs and contributions for Large Bargaining Zone 2 condition. All numbers represent thousands. Contrib. = contribution; HP = high-power party; LP = low-power party.

BATNA. Participants were told that each negotiator possessed an alternative job offer that they could pursue if the focal negotiation was not successful. In the equal BATNA condition, each negotiator's best alternative to the negotiated agreement was the same ($BATNA_{SBZ} = \$180,000$; $BATNA_{LBZ1} = \$120,000$; $BATNA_{LBZ2} = \$180,000$). In the unequal BATNA condition, the high-power party's BATNA was increased from these baselines by $60,000 ($BATNA_{SBZ} = \$240,000$; $BATNA_{LBZ1} = \$180,000$; $BATNA_{LBZ2} = \$240,000$), whereas the low-power party's BATNA was decreased from these baselines by $60,000 ($BATNA_{SBZ} = \$120,000$; $BATNA_{LBZ1} = \$60,000$; $BATNA_{LBZ2} = \$120,000$).

Contribution. Participants were told that if they did reach an agreement, the profits from the joint venture would be determined by each negotiator's sales. In the equal contribution condition, each negotiator's contribution in sales was the same ($contribution_{SBZ} = \$200,000$; $contribution_{LBZ1} = \$200,000$; $contribution_{LBZ2} = \$260,000$). In the unequal contribution condition, the high-power party's contribution was increased from these baselines by $60,000 (i.e., $contribution_{SBZ} = \$260,000$; $contribution_{LBZ1} = \$260,000$; $contribution_{LBZ2} = \$320,000$), whereas the low-power party's contribution was decreased from these baselines by $60,000 (i.e., $contribution_{SBZ} = \$140,000$; $contribution_{LBZ1} = \$140,000$; $contribution_{LBZ2} = \$200,000$).

Dependent Measures

Allocation of profits. The agreement form asked participants to indicate how the total profits from the joint venture would be allocated if an agreement had been reached. This form provided a blank space for each of the two negotiators and asked them to (a) write down the monetary values they would receive and (b) confirm this allocation with their signatures.

Manipulation checks. After the negotiation was concluded, participants completed a postnegotiation questionnaire that asked them to report the value of their BATNAs and contributions and the amount of profits that would have remained unallocated if each negotiator only received an amount equivalent to his or her BATNA (i.e., the size of the bargaining zone).

Results

Negotiating dyads were used as the unit of analysis. Two dyads did not reach agreement. Thus, the reported analyses are based on 72 dyads. Figures 2A, 2B, and 2C report the number of dyads in each condition. As expected, no difference in the percentage of profits allocated to the high-power party was found between the two LBZ conditions, $t(31) = -1.27$, ns; $\eta^2 = .05$, 95% confidence interval (CI): $-7.09 - 1.66$. These conditions were, therefore, collapsed for the subsequent data analyses, resulting in a relatively even number of observations per cell (8–11 dyads each). Descrip-

tive statistics and correlations for the study variables are reported in Table 1.

Manipulation Checks

Manipulation checks revealed that the BATNA, contribution, and bargaining zone manipulations were successful. High-power parties reported higher values for their BATNAs in the unequal BATNA condition ($M = \$226K$) than in the equal BATNA condition ($M = \$166K$), $t(70) = 9.17$, $p < .001$; $\eta^2 = .55$, 95% CI: $47,022–73,164$. (K represents $1,000.) Conversely, low-power parties reported lower values for their BATNAs in the unequal BATNA condition ($M = \$109K$) than in the equal BATNA condition ($M = \$166K$), $t(70) = 7.84$, $p < .001$; $\eta^2 = .47$, 95% CI: $42,040–70,715$. High-power parties also reported higher values for their contributions in the unequal contribution condition ($M = \$270K$) than in the equal contribution condition ($M = \$214K$), $t(66) = 9.20$, $p < .001$; $\eta^2 = .56$, 95% CI: $44,202–68,702$. Low-power parties reported lower values for their contributions in the unequal contribution condition ($M = \$155K$) than in the equal contribution condition ($M = \$212K$), $t(68) = 8.48$, $p < .001$; $\eta^2 = .51$, 95% CI: $43,443–70,165$. Finally, among all parties, the bargaining zone was reported as larger in the LBZ condition ($M = \$155K$) than in the SBZ condition ($M = \$43K$), $F(1, 62) = 460.42$, $p < .001$; $\eta^2 = .88$, 95% CI: $101,215–122,011$.

Negotiated Allocations

A 2 (equal vs. unequal BATNA) × 2 (equal vs. unequal contribution) × 2 (small vs. large bargaining zone) analysis of variance was conducted to examine the effects of negotiators' BATNAs, contributions, and bargaining zone on negotiated allocations. Given that the allocation of total profits was purely distributive in nature, the profits allocated to the high-power party were simply a linear transformation of the profits allocated to the low-power party. Thus, the percentage of profits allocated to only the high-power party are reported.

BATNAs and contributions were found to exert significant main effects on negotiated allocations: BATNAs, $F(1, 64) = 43.88$, $p < .001$; $\eta^2 = .41$, 95% CI: $2.47–4.58$, and contributions, $F(1, 64) = 27.35$, $p < .001$; $\eta^2 = .30$, 95% CI: $1.74–3.85$. High-power parties obtained a larger share of the profits when they possessed a relative advantage in their BATNAs ($M = 60.0\%$) than when their BATNAs were equal ($M = 53.6\%$). High-power parties also

Table 1
Descriptive Statistics and Correlations

Variable	M (%)	SD	1	2	3	4	5	6	7
1. Share of profits (HP)	56.62	6.52	—						
2. Aspiration (HP)	59.14	7.64	.74****	—					
3. Aspiration (LP)	43.91	8.62	−.51****	−.57****	—				
4. Expectation (HP)	56.61	6.95	.66****	.71****	−.40***	—			
5. Expectation (LP)	41.87	8.53	−.57****	−.39***	.66****	−.29*	—		
6. Reservation point (HP)	52.18	7.41	.70****	.58****	−.46****	.67****	−.29*	—	
7. Reservation point (LP)	38.01	8.27	−.53****	−.41****	.67****	−.32**	.67****	−.36***	—

Note. HP = high-power party; LP = low-power party.
* $p < .05$.   ** $p < .01$.   *** $p < .001$.   **** $p < .0005$.

obtained a larger share of the profits when they possessed a relative advantage in their contributions ($M = 59.1\%$) than when their contributions were equal ($M = 54.0\%$).

These main effects were qualified, however, by significant Bargaining Zone × BATNA, $F(1, 64) = 7.29, p < .01; \eta^2 = .10, 95\%$ CI: 0.37–2.49, and Bargaining Zone × Contribution interactions, $F(1, 64) = 10.48, p < .005; \eta^2 = .14, 95\%$ CI: 0.66–2.77. As may be seen in Figure 3, the effect of an advantage in BATNAs (i.e., the difference between the equal BATNA and unequal BATNA conditions) was greater when the bargaining zone was small ($M_{EB} = 51.9\%$ vs. $M_{UB} = 61.8\%$) than when it was large ($M_{EB} = 55.2\%$ vs. $M_{UB} = 58.1\%$). Thus, Hypothesis 1a was supported. The effect of an advantage in contributions (i.e., the difference between the equal contribution and unequal contribution conditions), in contrast, was smaller when the bargaining zone was small ($M_{EB} = 55.7\%$ vs. $M_{UB} = 57.6\%$) than when it was large ($M_{EB} = 52.2\%$ vs. $M_{UB} = 60.6\%$; see Figure 4). Thus, Hypothesis 1b was supported. Planned comparisons also revealed that although negotiator BATNAs exerted a greater effect on the high-power party's allocation of profits ($M = 61.4\%$) than negotiator contributions ($M = 53.6\%$) when the bargaining zone was small, $t(17) = 3.38, p = .004; \eta^2 = .40, 95\%$ CI: 2.94–12.70, negotiator contributions ($M = 59.0\%$) exerted a greater effect on the high-power party's allocation of profits than negotiator BATNAs ($M = 54.1\%$) when the bargaining zone was large, $t(18) = 2.06, p = .054; \eta^2 = .19, 95\%$ CI: 0.09–9.79. Thus, Hypothesis 1c was supported.

Discussion

Although the negotiations literature highlights the importance of improving one's power position, the question of how to choose among tactics to alter one's power relationship has remained largely unexplored. The present research begins to address this issue by investigating whether, and the conditions under which, advantages in BATNAs and contributions might differ in their implications for negotiator performance.
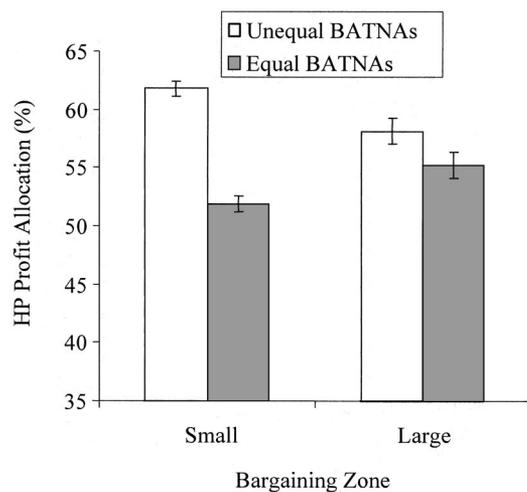
Figure 3. Profits allocated to high-power party (HP) as a function of size of bargaining zone and best alternative to the negotiated agreement (BATNA).
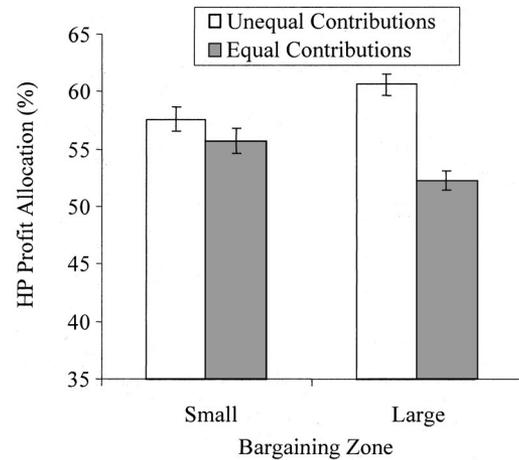
Figure 4. Profits allocated to high-power party (HP) as a function of size of bargaining zone and contribution.

The findings from this study provide clear and consistent evidence that the relative importance of BATNAs versus contributions for negotiator performance can depend on the size of the bargaining zone. Results reveal that the benefits of possessing a superior BATNA diminish, and the benefits of possessing a superior contribution increase, as the bargaining zone grows. Thus, whereas BATNAs exerted a stronger effect on performance than contributions when the bargaining zone was small, contributions exerted a stronger effect on performance than BATNAs when the bargaining zone was large.

Theoretical Implications

These findings are noteworthy because they highlight the inadequacy of power–dependence theory and its related empirical investigations for assessing whether, and the occasions under which, a relative advantage in BATNAs or contributions might be preferred. Prior research on these dimensions has typically examined their effects in isolation and thus assumed, at least implicitly, that their relative effects would not change. Yet by demonstrating that the implications of BATNAs and contributions for negotiator performance can depend on the size of the bargaining zone, our results suggest that this assumption may be flawed.

The present findings support the notion that BATNAs and contributions affect power in different ways and that these differences give rise to competing strengths and limitations. Whereas BATNAs exert a more direct influence on negotiator performance than contributions, given that BATNAs establish the minimum level of benefits one would receive irrespective of what occurs in the negotiation, their influence quickly diminishes once benefits that are at least equivalent to the value of this BATNA have been attained. Contributions, in contrast, exert a more indirect influence on negotiator performance than BATNAs, given that the implications of contributions for benefits depend on the counterpart's reciprocation, but their influence can actually increase as the potential agreement becomes more valuable (relative to negotiators' BATNAs) rather than decline. As a result, the relative benefits of obtaining an advantage in one's BATNA versus contribution are likely to depend on the situation.

These insights should lead us to question the simple, static depictions in the literature regarding the performance effects of BATNAs and contributions in favor of more dynamic power models through which their influences are acknowledged to wax and wane. Indeed, given the fundamental nature of these observations, it is surprising that these prior approaches to power have received so few challenges in the past 20 years. This failure is particularly troubling because it severely inhibits our understanding of power and its development. Thus, for those who wish to develop a comprehensive understanding of power, its acquisition, and its implications for performance, the evidence provided by this study deserves particular attention.

Practical Implications

Power is a critical concern for negotiators owing to its implications for organizational rewards. Yet despite the complexity of this concept, the practical recommendations that have been made in the literature for how to improve one's power position have been simplistic and unconditional. Of these recommendations, perhaps the most common is the emphasis that has been placed on improving one's BATNA (Fisher & Ury, 1981; Thompson, 1998). Improving one's BATNA may prove very useful for improving negotiator performance on many occasions (Pinkley et al., 1994). However, as our findings suggest, the value of this tactic relative to the value of targeting negotiators' contributions can increase, diminish, or even reverse, depending on the size of the bargaining zone. Thus, we can conclude that negotiators should not only broaden their focus to consider the relative benefits of altering their BATNAs or contributions but also assess the bargaining zone before decisions to alter the power relationship are made.

Moreover, beyond the implications of this work for whether to pursue tactics that target negotiators' BATNAs or contributions, this research can also help negotiators assess their own and their counterpart's power with greater precision. Specifically, by advancing the notion that power is determined through a two-stage process, whereby negotiators' BATNAs determine the minimum benefits that would be obtained from an agreement and negotiators' contributions determine the allocation of the benefits that remain, our analysis can help negotiators develop more accurate assessments of their potential success. Thus, in addition to guiding decisions regarding which tactic should be implemented to improve one's power position, our research can offer insight into whether and the extent to which such tactics should be pursued.

Future Directions

These findings, furthermore, highlight a number of opportunities for future research. Along these lines, one issue to consider is that although we have identified one factor that may affect the relative importance of negotiator BATNAs and contributions, other moderators may exist that we have not yet considered. Thus, we may be able to enhance our understanding of power and its acquisition by investigating whether other moderators may play a role.

Second, although these studies informed each negotiator about their own and their counterpart's BATNAs and contributions, there are many occasions in which negotiators possess varying knowledge concerning these dimensions. Negotiators are likely, for example, to possess more information about the value of their own BATNA than their counterpart's BATNA and possess more information about one's valuation of the counterpart's contribution than the counterpart's valuation of one's own contribution. These differences are likely to be significant because they may affect the ease with which negotiators can influence these valuations. Thus, even if tactics to influence each of these valuations are feasible, some of these tactics may be easier to pursue than others, and future research should investigate the implications of such differences for tactical choice.

Finally, our review of relevant literature for this study has revealed that although there has been a wide array of research on power, organizational scholars have tended to consider this topic according to one perspective or another without a thorough understanding of how these perspectives are related. As a result, this literature presents readers with an unnecessarily disjointed picture of this concept. Our understanding of power may, therefore, benefit from additional theoretical efforts to integrate the wide array of approaches that have been offered with regard to this topic to provide a more cohesive conceptual foundation on which subsequent empirical research can be based.

These issues stress the need in the negotiation literature for a more thorough assessment of power and its acquisition. The contingency identified by the present effort demonstrates that there are systematic reasons why different determinants of power may exert a greater effect on negotiator performance than the other. Thus, given the importance of power in negotiation and by extension in all aspects of social life, efforts to identify these reasons and offer a systematic guide to these tactical decisions may be long overdue.

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