Do I Want to Work with You in the Future? Does Status Moderate the Process by Outcome Interaction in Ongoing Workplace Relationships?

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ABSTRACT

Do I Want to Work with You in the Future? Does Status Moderate the Process by Outcome Interaction in Ongoing Workplace Relationships?

Thomas Haferd

The present study was designed to extend prior research on the joint and interactive effects of: (1) process fairness (how people interact), and (2) outcome favorability (what they get from the interaction) on people’s desire for future interaction and trust. The study built upon this literature by exploring relative status (how people compare their own status to their work colleague’s) and relative power (how they compare their own power to their work colleague’s) as moderators of the process fairness by outcome favorability interaction. The study extended previous research by looking at the three-way interaction in a different context from that of prior studies, and by looking at power as a possible moderator of the process by outcome interaction in the same context. Furthermore, the study explored several possible reasons why status moderates the interactive relationship between outcome favorability and process fairness. The research questions were examined in a correlational study using a simulated negotiation exercise with participants from an aspiring school leadership academy. Results show the replication of the three-way interaction of status, process fairness, and outcome favorability found in previous studies and also new empirical evidence of a similar three-way interaction between power, process fairness, and outcome favorability not found previously. Specifically, the results found that for people of lower status (and lower power), high process fairness reduced the positive effect of high outcome favorability on
both desire for future interactions and trust. For people of higher status (and higher power), high process fairness heightened the effect of outcome favorability. Further analyses showed that it was status, more than power that was responsible for moderating the process by outcome interaction. Theoretical and practical implications are discussed, as are limitations of the study and suggestions for future research.
# TABLE OF CONTENTS

Chapter I -- INTRODUCTION .................................................................................. 1  
  Purpose Statement .......................................................................................... 6  
  Research Overview ......................................................................................... 6  

Chapter II -- LITERATURE REVIEW AND THEORETICAL FOUNDATIONS .......... 8  
  Process by Outcome Interaction ................................................................. 8  
  Status by Process by Outcome Interaction ............................................... 15  
  Status as Moderator of the Process/Outcome Interaction ....................... 16  
  Mediators of Status ..................................................................................... 17  
  Status vs. Power ........................................................................................... 22  
  Regulatory Focus Orientation as a Mediator of Status ............................ 23  
  Further Exploring the Psychology of High Status Individuals ............... 26  
  Demographic Variables as Proxies for Relative Status ............................. 28  
  The Current Study ....................................................................................... 31  

Chapter III -- METHODS ................................................................................... 34  
  Participants .................................................................................................... 34  
  Design ........................................................................................................... 36  
  Procedure ...................................................................................................... 37  
  Materials ....................................................................................................... 39  
  Measures ........................................................................................................ 40  

Chapter IV -- RESULTS .................................................................................... 45  
  Descriptive Statistics on Variables ............................................................... 45  
  Demographic Data ......................................................................................... 46  
  Results of Regression Model Analysis ......................................................... 49  
  Testing the Replication Hypotheses .............................................................. 49  
  Tests for Power Hypotheses ......................................................................... 58  
  Examining the 3-Way Interactions Simultaneously ..................................... 66  
  Tests for Mediated Moderation Hypotheses .............................................. 70  
  Tests of High Status Outcomes Hypothesis ............................................... 78  
  Test of Whether Demographic Variables were Related to Status .......... 79  

Chapter V -- DISCUSSION ............................................................................... 81  
  Overview ....................................................................................................... 81  
  Significant Results ...................................................................................... 81  
  Implications for Theory ............................................................................... 88  
  Practical Implications ................................................................................... 91  
  Study Limitations and Future Research ....................................................... 98  
  Other Future Research ............................................................................... 103  
  Conclusion .................................................................................................. 104  

BIBLIOGRAPHY ................................................................................................. 105
<table>
<thead>
<tr>
<th>Appendix</th>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Exercise</td>
<td>113</td>
</tr>
<tr>
<td>B</td>
<td>Relative Status Items</td>
<td>124</td>
</tr>
<tr>
<td>C</td>
<td>Relative Power Items</td>
<td>125</td>
</tr>
<tr>
<td>D</td>
<td>Procedural Fairness Items</td>
<td>126</td>
</tr>
<tr>
<td>E</td>
<td>Outcome Favorability Items</td>
<td>127</td>
</tr>
<tr>
<td>F</td>
<td>Desire for Future Interaction Items</td>
<td>128</td>
</tr>
<tr>
<td>G</td>
<td>Trust Item</td>
<td>129</td>
</tr>
<tr>
<td>H</td>
<td>Importance of Determining Trustworthiness Items</td>
<td>130</td>
</tr>
<tr>
<td>I</td>
<td>Importance of Maintaining Status Items</td>
<td>131</td>
</tr>
<tr>
<td>J</td>
<td>Regulatory Focus Orientation Items</td>
<td>132</td>
</tr>
<tr>
<td>K</td>
<td>Self-attributional Items</td>
<td>133</td>
</tr>
<tr>
<td>L</td>
<td>Relational Value (Liking from Perspective of Partner)</td>
<td>134</td>
</tr>
<tr>
<td>M</td>
<td>Demographic Questionnaire</td>
<td>135</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1. History of Theory and Research on Process by Outcome Interaction ...................... 10

Table 2. Demographic Characteristics of Participants in the Sample Providing Self-Report Data .................................................................................................................................................. 35

Table 3: Scale Measures, Corresponding Number of Items and Coefficient α .................. 44

Table 4: Mean, Standard Deviation, and N for Measured Variables .................................. 46

Table 5: Descriptive Statistics and Correlations for all Variables used in Regression Models (N=149) ........................................................................................................................................ 47

Table 6. Regression Analysis for 3-Way Interaction of Relative Status* Process Fairness*Outcome Favorability on DV=Desire for Future Interaction (df=148) .... 51

Table 7. Regression Analysis for 3-Way Interaction of Relative Status* Process Fairness*Outcome Favorability on DV=Trust (df=148) .................................................. 54

Table 8. Regression Analysis for 3-Way Interaction of Relative Status* Process Fairness*Outcome Favorability on DV=Desire for Future Interaction and Trust Composite (df=148) ................................................................. 57

Table 9. Regression Analysis for 3-Way Interaction of Relative Power* Process Fairness*Outcome Favorability on DV=Desire for Future Interaction (df=148) .... 59

Table 10. Regression Analysis for 3-Way Interaction of Relative Power* Process Fairness*Outcome Favorability on DV=Trust (df=148) ............................................. 62

Table 11. Regression Analysis for 3-Way Interaction of Relative Power* Process Fairness*Outcome Favorability on DV=Composite of Desire for Future Interaction and Trust (df=148) ............................................................ 65

Table 12. Regression Analysis for Simultaneous 3-Way Interaction of Relative Status* Process*Outcome and Relative Power*Process*Outcome on DV=Desire for Future Interaction (df=148) ................................................................. 67

Table 13. Regression Analysis for Simultaneous 3-Way Interaction of Relative Status* Process*Outcome and Relative Power*Process*Outcome on DV=Trust (df=148) 69

Table 14: Simple Regression of Relative Status on Promotion Regulatory Focus Orientation (df=146) ................................................................................................................. 71

Table 15. Regression Analysis for 3-Way Interaction of Promotion Focus* Process Fairness*Outcome Favorability on DV= Desire for Future Interaction (df=148) .... 72
Table 16. Regression Analysis for 3-Way Interaction of Promotion Focus* Process Fairness*Outcome Favorability on DV=Trust (df=148) .......................................................... 74

Table 17. Regression Analysis for Simultaneous 3-Way Interaction of Relative Status* 0Process *Outcome and Promotion Focus*Process*Outcome on DV=Desire for Future Interaction (df=148) .................................................................................. 76

Table 18. Regression Analysis for Simultaneous 3-Way Interaction of Relative Status* Process *Outcome and Promotion Focus*Process*Outcome on DV=Trust (df=148) ...................................................................................... 77

Table 22: Regression for High Power with Two-Way Interaction between Process Fairness and Outcome Favorability on Desire for Future Interactions (df=62) ........ 79
LIST OF FIGURES

Figure 1. Interactive Relationship between Outcome Favorability and Process Fairness .................................................................................................................. 12

Figure 2: Interactive Relationship between Outcome Favorability and Process Fairness on Support for Decision Makers .................................................................................................................. 14

Figure 3. Illustration of Moderating Effect of Status on the Process by Outcome Interaction (from Chen et al., 2003) ........................................................................................................................................ 15

Figure 4. Mediation of Status in Moderating Process by Outcome Interaction .......... 22

Figure 5. Mediation of Status by Regulatory Focus Orientation in Moderating Process by Outcome Interaction ............................................................................................................................................... 26

Figure 6. Contradictory Scenarios for High Status People's Reaction to Unfavorable Outcomes ........................................................................................................................................ 27

Figure 7. Plot of 2-Way Interaction between Status and Outcome Favorability on DV=Desire for Future Interaction ........................................................................................................................................ 50

Figure 8. Plot of 3-Way Interaction between Status, Process Fairness and Outcome Favorability on DV=Desire for Future Interaction ..................................................................................................... 53

Figure 9. Plot of 3-Way Interaction between Status, Process Fairness and Outcome Favorability on Trust ........................................................................................................................................ 55

Figure 10. Plot of 3-Way Interaction between Status, Process Fairness and Outcome Favorability on Composite DV ........................................................................................................................................ 56

Figure 11. Plot of 3-Way Interaction between Power, Process Fairness and Outcome Favorability on Desire for Future Interaction ..................................................................................................... 60

Figure 12. Plot of 3-Way Interaction between Power, Process Fairness and Outcome Favorability on Trust ........................................................................................................................................ 63

Figure 13. Plot of 3-Way Interaction between Power, Process Fairness and Outcome Favorability on Composite DV ........................................................................................................................................ 64

Figure 14: Plot of 3-Way Interaction of Promotion Focus Orientation x Process Fairness x Outcome Favorability on DV = Desire for Future Interaction ..................................................................................................... 73

Figure 15: Plot of 3-Way Interaction of Promotion Focus Orientation x Process Fairness x Outcome Favorability on Trust ........................................................................................................................................ 75

Figure 16. Histogram for Relative Status ........................................................................................................................................ 87
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T. H.
Chapter I
INTRODUCTION

This study explores the effect of three factors on whether professional colleagues want to work together in the future after collaborating on an important task in the workplace. Specifically relevant to this study, a considerable body of research has explored the interactive effect of process fairness (how people experience how they are treated) and outcome favorability (the results of workplace experiences) on the development of trusting relations and, in particular, people’s desire to work together in the future (Brockner, 2010; Brockner & Wiesenfeld, 1996). Prior theory and research have suggested that a third factor, the relative status of the work colleague, may dictate the form of the interactive relationship between process fairness and outcome favorability (Chen, Brockner, & Greenberg, 2003).

Collaborative work relations are quite important in school settings, as was shown in a meta-analysis of the impact of trust in school settings (Tschannen-Moran & Hoy, 2000); it identifies trusting relationships among staff as the most critical factor in the success of a school’s ability to achieve its goals. Likewise, in a landmark study of school reform in 12 elementary school communities in Chicago during the 1990s, scholars found that without relational trust among administration, faculty, and families, schools could not be expected to perform well (Bryk & Sebring, 2002); more recent findings confirm the earlier results (Bryk, Sebring, Allensworth, Luppescu, & Easton, 2010).

Looking more closely at mechanisms that influence the development of working relationships in schools is important, given the particular environment of accountability...
in which school professionals find themselves. Research on school performance ascribes great importance to the effectiveness of teachers (Marzano, 2003; Rivkin, Hanushek, & Kain, 2005; Rockoff, 2004) and the effectiveness of the principal (Waters, Marzano, & McNulty, 2003). Hence, federal, state, and local policymakers place great emphasis on measuring the effectiveness of teachers and principals in order to hold individual school professionals accountable for desired student achievement outcomes. This takes the form of positive incentives (teacher and principal professional advancement, tenure, and pay increases for high performance) as well as negative incentives (teacher and principal termination policies for low performance).

Consider the absolute priorities that are required in the American Recovery and Reinvestment Act’s (ARRA) “Race to the Top” competition sponsored by the United States Department of Education (“H.R. 6244--111th Congress: Race to the Top Act of 2010,” 2010). The $4 billion competitive grant-making application required that states remove any legal obstacles that prevent tying individual teacher or principal performance to student achievement outcomes. Likewise, states were required to remove caps on charter schools, a reform idea that allows states to close schools with unacceptable outcomes and replace them with schools constituted under charter arrangements that are exempt from previous teacher or principal employment agreements. Both of these conditions increase the competitive work climate in public schools and, in particular, increase the salience of outcomes in the way public school teachers’ and principals’ performances are evaluated.

One expected result of holding individual teachers and school principals accountable for their respective contribution to student achievement is that it increases the tension and anxiety in the ordinary working relationship among school professionals. Much of the attention of school reform is aimed at improving the outcomes of the lowest performing schools. Hence, there is to be expected a particularly high degree of stress and anxiety for educators who work in schools in which student outcomes are predominantly
unfavorable. Factors related to developing positive attitudes toward working together, in light of increased importance and attention to unfavorable outcomes, are, therefore, especially salient for school professionals who work in persistently low-performing schools. It is expected that maintaining positive working relationships in schools will become more rather than less challenging as individual accountability initiatives shape the landscape of school reform, especially in underperforming schools.

The relative merits of accountability practices for schools are not the purpose of this research study. Rather, the purpose is to build a better understanding of some of the factors that influence what determines school professionals’ desire to work constructively with one another and why it does so. Insight into these matters will benefit school leaders and teachers who wish to establish more trusting and collaborative relationships with their work colleagues, especially in circumstances in which doing so is difficult due to perennially unfavorable student outcomes.

Common sense dictates that our reactions to events and decisions depend on the outcomes we receive, or what happens. A less common question that is the subject of extensive research in social psychology and organizational behavior is to explain the interaction between the outcome of events (outcome favorability) and the process that led to the event or how things happen (process fairness). The justice literature distinguishes between procedural fairness and interactional fairness (Colquitt, 2001). Procedural fairness includes considerations such as being provided with sufficient voice during a decision-making process (Thibault & Walker, 1975). Interactional fairness includes considerations related to both interpersonal fairness, such as the extent that respective parties treat each other with dignity and respect (Bies & Moag, 1986), and informational fairness, such as the extent to which respective parties provide advanced notice of how decisions are going to be made (Colquitt, Greenberg, & Zapata-Phelan, 2005). For purposes of this study, process fairness of a workplace interaction includes considerations of both procedural fairness and interactional fairness. Prior research suggests that people
use information about process fairness as a basis for judging how much to trust one another (Van den Bos, Wilke, & Lind, 1998). Positive working relationships, therefore, are especially influenced by the outcome favorability and the process fairness of an event. We generally are more motivated to interact constructively with others in the future when the outcomes associated with previous interactions are favorable and when the process accompanying the outcome is fair. Over and above the independent and distinct effects of outcome favorability and process fairness (which manifest themselves statistically as main effects), outcome favorability and process fairness have been shown to interact with one another to influence how much people trust one another, want to work together in the future, and so on (Brockner & Wiesenfeld, 1996). Many studies found that high process fairness decreases the impact of outcome favorability on people’s desire for future interaction with the other party, relative to when process fairness is low. However, other studies have shown a different process/outcome interaction, in which high process fairness heightens the effect of outcome favorability on people’s desire for future interaction with another, relative to when process fairness is low (see Brockner, 2002).

Given this state of affairs, there is a need to understand under what conditions the interactive relationship between outcome favorability and process fairness will take one form rather than the other. One such condition is the two parties’ status relative to one another. Most studies of organizational behavior look at the effects of actions taken by people in positions of higher status on the attitudes and behaviors of people occupying positions of lower status. This was certainly the case in the studies that examined the interactive relationship between process fairness and outcome favorability reviewed by Brockner and Wiesenfeld (1996), in which high process fairness reduced the effect of outcome favorability. Moreover, these studies found that lower status people often made use of process fairness information to make inferences about how much to trust the authority (Konovsky & Pugh, 1994; Van den Bos et al., 1998). Less has been studied from the perspective of those in positions of higher status. However, the results of three
different studies published by Chen et al. (2003) demonstrate a significant three-way interaction among process fairness, outcome favorability, and relative status: among those lower in status, high process fairness reduced the effect of outcome favorability on their desire to work with the other party, much like that found in the studies reviewed by Brockner and Wiesenfeld (1996). However, among those higher in status, high process fairness actually heightened the effect of outcome favorability on people’s desire to work with the other party. Subsequent studies by Blader and Chen (2011) provided further replication and extended the findings for people of higher status.

The authors of these studies argue that people of lower versus higher status make use of different information to address concerns that are salient in their dealings with one another. Among those lower in status, the salient concern is to determine how much to trust the (higher status) other. Among those higher in status, the salient concern is to have their status affirmed in their encounters with the (lower status) other. For reasons to be articulated in Chapter II, the different concerns that lower and higher status people have in their dealings with one another set the stage for the interactive relationships between outcome favorability and process fairness to take different forms.

When a teacher or principal encounters difficulty in developing positive working relationships with her work colleagues of similar organizational rank, what is she to do? In particular, this study examines how she might react differently depending upon her perceptions of relative status as compared to her coworkers. Why and under what conditions would her colleagues desire to work together in the future regardless of the outcomes they achieve? What information is most salient to teachers and other school team members who are expected to develop ongoing working relationships with each other? Why will some teachers desire to interact with each other in the future if their work colleagues treat them with high process fairness, whereas others may not? These are some of the questions that will be addressed in this study. The design of the study is derived from a framework that has examined the interactive effects of three
factors—process fairness, outcome favorability, and status—on the development of collaborative relationships in the workplace.

**Purpose Statement**

The current study proposes to replicate the joint and interactive effects of (1) a person’s relative status (how they compare their own status to their work colleague’s), (2) process fairness (how people interact), and (3) outcome favorability (what they get from the interaction) on their desire for future interaction and trust. More specifically, this study is designed to extend previous research findings in the following ways (to be elaborated upon in Chapter II):

1. By looking at the three-way interaction in a different context from that of prior studies;
2. By considering whether power behaves similarly to status in moderating the interactive relationship between outcome favorability and process fairness;
3. By evaluating several possible reasons why status moderates the interactive relationship between outcome favorability and process fairness;
4. By trying to reconcile some conflicting results shown by higher status people in previous studies (Blader & Chen, 2011); and
5. By looking at several demographic variables that might influence people’s felt status.

**Research Overview**

The proposed study makes use of a convenience sample of graduate students engaged in a classroom dyad negotiation exercise with randomly assigned partners to generate mixed relative status pairings. The proposed research questions are examined in
a correlational study design that measures the independent and dependent variables and the proposed mediators and moderators.

A simulated negotiation activity used in prior studies (Chen et al., 2003) is used to engage participants in a meaningful interaction. The activity is an advanced negotiation case that illustrates the concepts of trading off issues, adding in issues, and contingent contracts. The simulation requires participants to understand and try to serve their partners’ interests as well as their own.

The study participants are students enrolled in a university’s graduate-level school leadership development program. The use of this case is intended to illustrate the need to negotiate around issues that are important to school professionals in any number of contexts, especially when cooperation is important. All participants are asked to complete a short survey that includes measures of the independent variables (perceptions of relative status, relative power, process fairness, and outcome favorability), the dependent variables (desire for future interaction and trust), possible mediating variables (concern to determine trustworthiness, concern to maintain status, regulatory focus orientation, relational value, and self-attribution), and several demographic variables (gender, race, age, and teaching experience). The rationale for each of these measures is developed further in Chapter II.
Chapter II

LITERATURE REVIEW AND THEORETICAL FOUNDATIONS

Process by Outcome Interaction

Much of the theoretical foundation for my study rests on the dynamics of the interactive effects of outcomes and processes, a thorough history and updated presentation of which are provided by Brockner (2010) in his book that explores the topic in great detail. Outcomes were the topic of many studies in early theoretical works, such as in the effects of outcome favorability (Blau, 1964; Homans, 1961) and outcome fairness (Adams, 1965; Deutsch, 1975). Subsequently, in recognition of the incompleteness of the outcome theories, the process dimension received greater attention and further clarification. In pursuing these clarifications, various scholars conceptualized the process that leads to an event or decision in various ways. For example, Thibaut and Walker (1975) conceptualized process in terms of its fairness, in particular in terms of the voice afforded to parties related to the event. Subsequent works (e.g. Bies, 1987; Colquitt, 2001; Leventhal, Karuza, & Fry, 1980) described other elements besides voice that determine perceptions of process fairness. The goal of the early process fairness theorists was to extend outcome-oriented theories, which did not sufficiently explain how people respond to decisions and events. More specifically, the early process theorists used outcomes as control variables to show that process fairness influences people’s support for decisions, decision-makers, and organizations, over and above the effects of outcomes (e.g. Colquitt, 2001; McFarlin & Sweeney, 1992).
Robert Folger (e.g. Folger, Rosenfield, & Robinson, 1983) was the first to examine the interactive effects of outcome and process, and many others soon followed suit (see Brockner & Wiesenfeld, 1996). Brockner (2010) defines the term outcome favorability to be “the extent to which the outcome is one that people want or prefer” (Brockner, 2010, p. 4). Process fairness is conceptualized as the degree to which the method through which decisions are planned and implemented is conducted legitimately. Process fairness is related to the way people believe they have been treated in the course of their interactions and relationships with others, independent of outcomes.

In many of the prior studies, process fairness was operationalized on the basis of voice, that is, whether an individual was allowed to have input into the decision process (Thibault & Walker, 1975). Other researchers implemented process fairness using one or more of the criteria set forth by (Leventhal et al., 1980), such as whether the decisions were implemented: (1) on the basis of accurate information, (2) consistently, and (3) neutrally or free from bias, to name a few. Process fairness also has taken the form of “interactional justice” (Bies, 1987; Colquitt, 2001) based on whether the person responsible for decision making provided adequate information and treated the other party with dignity and respect. See Table 1 for a history of the developments in the conceptualization of theories and context for studies related to the process by outcome interaction.

The initial interaction effect between process fairness and outcome favorability (summarized by Brockner and Wiesenfeld, 1996) may be described in three different ways. First, the joint presence of an unfavorable outcome and an unfair process elicits particularly negative reactions. Second, the positive effect of process fairness on people’s support for decisions and decision makers is considerably reduced when people see their outcomes as relatively favorable. Third, the positive effect of outcome favorability on people’s support for decisions and decision makers is considerably reduced when process fairness is relatively high.
<table>
<thead>
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<th>Author(s), Date</th>
<th>Variables</th>
<th>Theory, Conceptualization or Context for Study</th>
</tr>
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<tr>
<td>Blau, 1964; Homans, 1961</td>
<td>Outcome favorability</td>
<td>Theorized that the greater the benefit from relationships, the more attraction is felt towards the other</td>
</tr>
<tr>
<td>Adams, 1965</td>
<td>Outcome fairness</td>
<td>Equity theory or distributive fairness: people’s experience fairness when the ratio of benefit-to-</td>
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<td></td>
<td></td>
<td>contributions is commensurate with that of a target population of co-workers</td>
</tr>
<tr>
<td>Deutsch, 1975</td>
<td>Outcome fairness</td>
<td>Outcome distribution takes forms other than equity, such as equality or need depending upon the goals of the</td>
</tr>
<tr>
<td>Thibault and Walker, 1975</td>
<td>Process fairness</td>
<td>Conceptualized process fairness as voice</td>
</tr>
<tr>
<td>Bies, 1987</td>
<td>Process fairness</td>
<td>Conceptualized process fairness as “interactional justice” based on the recognition that people’s fairness</td>
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<td></td>
<td></td>
<td>perceptions also depend upon the interpersonal treatment shown by those responsible for planning and</td>
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<td></td>
<td></td>
<td>implementing decisions.</td>
</tr>
<tr>
<td>Leventhal, Karuze &amp; Fry, 1980</td>
<td>Process fairness</td>
<td>Conceptualized process fairness using one or more of the criteria for how the decisions were implemented: (1) on the basis of accurate information, (2) consistently, and (3) neutrally or free from bias, to name a few</td>
</tr>
<tr>
<td>McFarley &amp; Sweeney, 1992</td>
<td>Process fairness</td>
<td>Showed that how things were done accounted for additional variance beyond that attributable to outcomes (i.e. treated outcome factors as a control variable)</td>
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<td>Folger &amp; Martin, 1986</td>
<td>Interaction of outcome favorability by process fairness</td>
<td>Conceptualized the interaction effect of process by outcome and studied it under controlled laboratory experiments</td>
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<tr>
<td>Folger, Rosenfield &amp; Robinson, 1983</td>
<td>Interaction of outcome favorability by process fairness</td>
<td>Studied interaction effect under controlled laboratory experiments</td>
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<td>Lind &amp; Taylor, 1988</td>
<td>Interaction of outcome favorability by process fairness</td>
<td>Studied interaction effects as ordinary encounters of citizens with police officers or the courts</td>
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<td>Colquitt, 2001</td>
<td>Process fairness</td>
<td>In series of studies operationalized interactional justice as comprised of two elements: (1) informational justice, and (2) interpersonal justice</td>
</tr>
<tr>
<td>Folger &amp; Cropanzano, 2001</td>
<td>Interaction of outcome favorability by process fairness</td>
<td>Fairness theory portrays the relationship as one in which people’s reactions are more negative when they receive an unfavorable outcome with an unfair process</td>
</tr>
<tr>
<td>Tepper, 2001</td>
<td>Interaction of outcome favorability by process fairness</td>
<td>Theorized and empirically confirmed that stress and coping theory may help to explain the interactive relationship.</td>
</tr>
<tr>
<td>Brockner et al, 2002</td>
<td>Interaction of outcome favorability by process fairness</td>
<td>High process fairness may heighten rather than reduce the impact of outcome favorability, in case of self-evaluations</td>
</tr>
<tr>
<td>Chen, Brockner &amp; Greenberg, 2003</td>
<td>Interaction of outcome favorability by process fairness</td>
<td>High process fairness may heighten or reduce the impact of outcome favorability in case of relative status</td>
</tr>
<tr>
<td>Brockner et al., 2007</td>
<td>Interaction of outcome favorability by process fairness</td>
<td>Process fairness influences trust and trust interacts with outcome favorability and process fairness to influence people’s support for decision makers</td>
</tr>
</tbody>
</table>

The process by outcome interaction has been examined in numerous contexts (see Brockner & Wiesenfeld, 1996, for a review of more than 40 studies): police and the courts (Adler, Hensler, & Nelson, 1983); employees’ reaction to organizational changes (Greenberg & Cropanzano, 1994); and employees’ response to other workplace events (Brockner, Chen, Mannix, Leung, & Skarlicki, 2000), to name a few.

Figure 1 shows a graphical representation of the typical interactive relationship between outcome favorability and process fairness on a dependent variable representing a person’s willingness to support decision makers, decisions, and organizations. As can be
seen, high process fairness lessens the effect of outcome favorability relative to when process fairness is low.

Figure 1. Interactive Relationship between Outcome Favorability and Process Fairness

There is a considerable body of empirical research that account for the interaction effect represented in Figure 1, much of it occurring subsequent to the Brockner and Wiesenfeld (1996) review. The one factor, in particular, that has been shown to play a mediating role of the process by outcome interaction is people’s trust in the decision-making authority. It is important to describe the nature of the mediating role of trust because it is precisely the mechanism that defines the mediating role of trust that influences how people use information from their interactions with each other to determine whether they wish to work together in the future.

The explanation for trust as a mediator in the interactive relationship between process fairness and outcome favorability is based on research and theory (Lind, 2001; Van den Bos, Lind, & Wilke, 2001; Van Prooijen, Van den Bos, & Wilke, 2002) that suggest people use process fairness information to make inferences about how much to
trust the other party; the greater the process fairness, the higher the trust. Whereas it seems reasonable that process fairness is positively related to people’s trust in decision-making authorities, there still needs to be an explanation for why trust interacts with outcome favorability. One way to explain this may be based on an assumption that people seek to maximize their tangible or economic outcomes in both the short and the long term. Given that people cannot always get what they want, they learn to make trade-offs between their short-term and long-term outcomes. With regard to trust, they are more willing to accept an unfavorable outcome in the short term if they trust authorities will provide them with a fair share of favorable outcomes in the future. In other words, short-term outcome favorability is likely to be less consequential when people are more rather than less reassured about the favorability of their outcomes in the longer term.

A second way to explain why trust interacts with outcome favorability stems from the notion that people may assign importance to different kinds of outcomes in their social encounters in which they experience high versus low levels of trust. In encounters with high levels of trust, in addition to caring about economic or tangible outcomes, people may also assign importance to more psychological concerns, such as feeling respected by the other party, feeling included by others, and feeling liked by others, to name a few. In encounters with less trust, people may assign relatively greater importance to the economic or tangible outcomes and relatively less importance to the psychological concerns. Lind (2001) offered just such a line of reasoning in which he suggested that people should be less affected by the favorability of their current tangible outcomes when trust is relatively high.

If process fairness influences people’s trust in a decision-making authority, both of the above explanations account for why trust is expected to interact with outcome favorability. Empirical evidence of this is reported by Brockner et al. (1997), who found in three different organizational contexts that high trust reduced the effect of outcome
favorability on how much people were willing to support decisions and decision makers relative to low trust.

While many of the studies reviewed by Brockner and Wiesenfeld (1996) reveal a process by outcome interaction in which high process fairness reduced the effect of outcome favorability on people’s support for decisions, decision makers, and organizations, there is another way that process and outcome might interact that has particular relevance to the current study. This other interaction is one in which high process fairness heightens the effect of outcome favorability on people’s beliefs and behaviors relative to when process fairness is low. Though originally reported in a relatively small number of studies in which the dependent variable consisted of people’s self-evaluations (Gilliland, 1994), many studies have since replicated the findings (Brockner et al., 2003; De Cremer, 2003; Schroth & Shah, 2000) and others have shown that it is not limited to measures of self-evaluation (Chen et al., 2003; Van den Bos, 1999). A graphical representation of this interaction effect in which high process fairness heightens the effect of outcome favorability is shown in Figure 2.

Figure 2: Interactive Relationship between Outcome Favorability and Process Fairness on Support for Decision Makers
**Status by Process by Outcome Interaction**

This study explores how a third variable, the relative status of the parties involved in the encounter or relationship dictates the nature of the interactive relationship between outcome favorability and process fairness. The present study tries to extend prior studies (Blader & Chen, 2011; Chen et al., 2003) that elaborated on this point by examining whether people’s relative status dictates whether high process fairness will heighten or lessen the influence of outcome favorability on people’s desire for interaction with one another. The relative status of a person may refer to a number of organizational realities, such as a person’s contribution to organizational goals, the degree to which a person controls organizational resources, or the prestige with which fellow employees regard the person. Chen et al. (2003) found across several different operationalizations of status a moderating effect of status on the interaction of process fairness and outcome favorability, as illustrated in Figure 3.

Figure 3. Illustration of Moderating Effect of Status on the Process by Outcome Interaction (from Chen et al., 2003)
Note in Figure 3 that, for lower status people, the interactive relationship between outcome favorability and process fairness is similar to the original scenario depicted in Figure 1 in which high process fairness reduced the influence of outcome favorability on the dependent variable relative to low process fairness. In contrast, the interactive relationship for higher status people is similar to the scenario depicted in Figure 2, in which high process fairness heightened the influence of outcome favorability on the dependent variable relative to low process fairness.

**Status as Moderator of the Process/Outcome Interaction**

Status differences in organizational settings are part of employees’ daily life (Kramer, 1996; Simmel, 1950). The role of status in the work setting has been well researched (Eden, 1990; Konovsky & Pugh, 1994; Wiesenfeld, Brockner, & Thibault, 2000). These status differences often play out in terms of employee/manager and employee/employer relationships. Many of the studies of employees’ exchange relationships tend to examine the influence of the higher status party on the lower status party (Folger, 1993; Lind & Tyler, 1988), e.g., how managers influence their direct reports. While many studies have examined the influence of status differences on the lower status party, far fewer have examined the higher status parties’ reactions toward actions of the lower party. In two prior studies after which the present study is modeled, status was considered primarily from the higher status person’s perspective (Blader & Chen, 2011) or from both the higher and lower status perspective (Chen et al., 2003). Both perspectives will be examined in the current study.

The reason it is important to explore the concerns of lower status people and to also explore the concerns of higher status people is that precisely the different concerns associated with a person’s status is the reason why status is presumed to moderate the process fairness by outcome favorability interaction. In other words, the way people of
different status make meaning of information in an exchange is related to the concerns of importance to them. In many of the prior studies, the status difference stemmed from the relative position the parties to an exchange held within an organization. Other than their position in the formal organizational hierarchy, whether members of an organization perceive that they have higher or lower status depends upon many factors, such as their contribution to organizational goals, their influence over valuable resources, and the prestige of the organizational sub-group to which they belong. According to social identity theory (Tajfel & Turner, 1986), a group member’s felt status is influenced by the relative status of the groups with which he or she identifies. Unlike the prior studies, the present study examines relative status among participants who do not have status differences stemming from formal organizational factors and therefore extends the conceptualizations of prior studies. In particular, I will evaluate whether demographic factors may account for people’s perceptions of their relative status.

Mediators of Status

Chen et al. (2003) explained their findings by positing that: (1) relative to higher status parties, lower status people assign greater importance to evaluating the trustworthiness of the other party, and (2) relative to lower status people, higher status people assign greater importance to being able to maintain their current level of status. Said differently, in encounters with one another, people of different status assign importance to different issues relative to one another.

Kramer (1996) suggested that individuals who perceive themselves to be lower in status typically perceive that they control fewer resources relative to their higher status counterpart in an exchange. To better manage this dependency, lower status people assign importance to determining how much to trust the higher status other. Specifically, Kramer suggests that lower status people:
lack precisely those types of information needed to make informed judgments about the trustworthiness (or lack of trustworthiness) of those exercising authority over them. Thus, from the standpoint of those on the bottom, decisions regarding how much trust should be conferred on a particular relationship become simultaneously more consequential and more problematic. Those on the bottom of a hierarchical relationship routinely encounter both vulnerability and uncertainty, and these are the conditions that make salient concerns about trust. (Kramer, 1996 p. 223)

The reasoning for why process fairness reduces the impact of outcome favorability in the interactive relationship for lower status people builds upon the prior discussion regarding the relationship between process fairness and trust that undergirds the original interactive relationship between process fairness and outcome favorability. In that line of argument, people use process fairness information to make inferences about how much to trust the other party; the higher the process fairness, the greater the trust. Furthermore, trust has been shown to moderate the effect of outcome favorability on dependent variables similar to the dependent variable in the present study (Brockner, De Cremer, Fishman, & Spiegel, 2007). Thus, if process fairness leads to trust, and trust, in turn moderates the effect of outcome favorability (in much the same way that process fairness moderates the effect of outcome favorability in the “original” process/outcome interaction), then the conditions under which lower status people assign greater psychological significance to determining how much to trust the other party should be precisely those conditions under which the original process/outcome interaction should be shown more strongly. This reasoning suggests that lower status people are motivated to use information about their interactions with a higher status other to make inferences about the trustworthiness of those “at the top.”

What happens for those who are in a relatively higher status position? Chen et al. (2003) hypothesize that higher status people are motivated to use information about their interactions to make inferences about maintaining their status. This manifests in their desire to hold their position at the top (i.e., maintaining the status quo), which stands to reason since they benefit from the existing order (Pfeffer, 1992). Parties having higher
status desire to maintain the status quo and will desire to affiliate with and support those 
of lower status who serve to reinforce the existing order. Research has shown that people 
generally use social encounters to verify or confirm their existing self-conceptions 
(Swann, 1996). Unlike lower status people, who have little status to lose, it can be 
assumed that higher status people will be especially concerned that the outcome and 
process of an interaction provide information that is relevant to their current self-identity. 

If higher status people are looking to use information about social encounters to 
maintain the status quo, they will be concerned about both whether lower status people 
treat them well or, conversely, act negatively toward them and whether they receive 
favorable (or unfavorable) outcomes. These concerns are informed by both process 
fairness and outcome favorability information garnered from the exchange. There are two 
distinct ways that higher status individuals might use information from their exchange 
with relatively lower status people to address their concerns for maintaining their high 
status. One pathway, which I will refer to as the relational pathway, is related to the 
relevant social information that higher status people receive from their lower status 
partners. The other pathway, which I will refer to as the self-attributional pathway, is 
related to the way higher status people use information from the exchange to make self-
attributions for their outcomes.

The reasoning for the relational pathway was demonstrated in research that 
examined how people are affected by process fairness information for reasons other than 
the implications for their economic well-being (Folger & Cropanzano, 1998). The 
framework (originally developed by Lind & Tyler, 1988), posits that people care about 
process fairness because it communicates information relevant to their sense of self and 
identity in their relationship with others. The model posits that the positive effects of 
voice arise because giving people the opportunity to express their opinion indicates that 
they are respected and valued by the party enacting the procedure. People prefer high 
process fairness because it communicates that the other party holds them in high regard.
Such information, in turn, enhances people’s sense of esteem, identity, and belongingness. High status people will use information about their interaction with others to determine if they are held in high esteem or not. This relational process implies that a higher status partner will be looking for cues in the behavior of a lower status partner that reinforce their high status self-identity. If the lower status partner does not treat the higher status partner with high process fairness, the latter’s high status will be threatened. Consequently, relatively higher status partners to an exchange are likely to be favorably disposed to future interaction only when they experience high process fairness and highly favorable outcomes. In all other conditions, they may experience a loss of status, either due to the unfavorable outcome or to the disrespectful treatment by the lower status other or both. Hence, in the relational pathway, for relatively high status people, high process fairness heightens the relationship between outcome favorability and a desire to work together in the future, as depicted in the scenario for high status people in Figure 3.

The reasoning underlying the self-attributional pathway relies upon attribution theory, which suggests that one way in which people make sense of their environments is by making causal attributions for their and others’ outcomes (Kelley, 1973). That the positive relationship between outcome favorability and self-evaluations is stronger when process fairness is relatively high has been found in many studies (Brockner et al., 2003; De Cremer, 2003). The line of reasoning that suggests this is the case rests on two issues. First, theory and research on achievement motivation have suggested that outcome favorability is more likely to be positively related to people’s self-evaluation to the extent that they attribute their outcomes to something about themselves (Weiner, 1985). Second, high process fairness leads people to make more self-attributions for their outcomes. Outcomes resulting from fair processes are likely to be seen as deserved. Consistent with this reasoning, several studies have shown that higher process fairness leads people to make more self-attributions for their outcomes (Leung, Su, & Morris, 2001; Van den Bos, 1999). This will be true for both favorable and unfavorable outcomes. Therefore,
high process fairness will heighten the influence of outcome favorability on how they feel about themselves. Put differently, exchanges with others that provide favorable outcomes are especially welcomed by persons who have a relatively higher status in relation to the other party in the exchange because of the potential attribution of the favorability of the outcome to themselves. On the other hand, since a high status individual will be looking for information from an exchange that reinforces the status quo, an unfavorable outcome may be perceived as a threat to their high status. When process fairness is low, outcome favorability has less of an effect on how people feel about themselves. Put differently, when process fairness is low, outcome favorability is less “status-relevant.” This reasoning, in other words, also posits that high process fairness heightens the influence of outcome favorability on high status persons’ desire for interaction with the (lower status) other party.

In summary, prior studies argued that status moderated the process by outcome interaction by reasoning that lower status people may give more importance to evaluating the trustworthiness of their interaction partner. Since people use process fairness information to make inferences about how much to trust another party (e.g., Van den Bos et al., 1998), and since high trust has been shown to reduce the effect of outcome favorability on people’s support for decisions and decision makers (Brockner et al., 1997), it stands to reason that among lower status persons, high process fairness reduces the effect of outcome favorability on their desire for future interaction with the higher status other, relative to when process fairness is low.

On the other hand, higher status people may give importance to maintaining their high status. As a result, they will show a different form of interactive relationship between outcome favorability and process fairness for either or both of the following reasons: (1) the self-attributional mechanism, which posits that people use process fairness information to judge how personally responsible they are for their outcomes; and (2) the relational mechanism, which posits that people use both process fairness and
outcome favorability information to make inferences of their status or standing in the eyes of the other party. Both pathways may account for the interaction effect in which high process fairness **heightens** the effect of outcome favorability on the desire for future interaction, relative to when process fairness is low. These differences in concerns between lower and higher status persons are, therefore, treated as mediators for status in the theoretical framework for the current study, as illustrated in Figure 4.

Figure 4. Mediation of Status in Moderating Process by Outcome Interaction

**Status vs. Power**

Another factor that is closely associated with status that might influence different experiences in the workplace is perceived power difference. Power, as defined by French and Raven (1959), is the ability to influence a specific outcome. Power has been shown to have significant impact on interdependent relationships (Anderson, Keltner, & Gruenfield, 2003; Coleman, Bui-Wrozinska, & Nowak, 2007; Coleman & Voronov,
The possibility that power interacts in a manner similar to status is explored in the present study.

While status and power are often closely related, they are also conceptually distinct. Status refers to people’s reputation or standing as seen in the eyes of relevant others. Power refers to people’s ability to influence others. Although power and status are conceptually distinct, the current study proposes that people who perceive that they have lower levels of power relative to their partner will behave similarly to people who perceive they have lower levels of status relative to their partner. The reason it is expected that status and power will behave similarly is that people of low power share similar concerns with people of low status, namely, they may be concerned with how much they can trust the person in a higher power position. Also, people in a position of high power share similar concerns with people in positions of high status, namely, they are concerned with maintaining their power, which is, essentially, maintaining the status quo. Hence, for low power people, high process fairness is predicted to lessen the impact of outcome favorability on the desire for future interactions relative to when process fairness is low. Furthermore, the current study proposes that people who have higher levels of power relative to their partners will behave similar to people having higher levels of status relative to their partners. Hence, for high power people, high process fairness is predicted to heighten the impact of outcome favorability on the desire for future interactions relative to when process fairness is low.

**Regulatory Focus Orientation as a Mediator of Status**

Whereas Chen et al. (2003) showed that people’s relative status dictated the form of the interactive relationship between outcome favorability and process fairness, they did not provide evidence on the factors and processes accounting for their results. For example, Chen et al. suggested that their findings emanated from the differential concerns
of lower and higher status persons, but they did not provide any independent evidence to this effect. As mentioned above, an important purpose of the present study is to evaluate whether the effect of status on the form of the process/outcome interaction was due to lower status persons being more concerned with evaluating the trustworthiness of the other party, and higher status persons being more concerned with affirming the existing status structure. However, it may be possible to account for the effect of status in other ways, which the present study was designed to examine. For example, perhaps the effect of status was due to people’s regulatory focus orientation. Psychological experience and regulatory focus research (Higgins, 1998) shows that self-regulatory focus is a strong determinant of behavior. Promotion focus refers to a self-regulatory system with a positive reference value as a desired end state and predisposes people to be concerned with the attainment of gains. Activities with a promotion focus are characterized relative to an “ideal” end state in which the goal is advancement and improvement. The psychological state that leads to the promotion focus is regulated by the perception of the presence or absence of favorable outcomes. Prevention focus refers to a self-regulatory system with a negative reference value as a desired end state and predisposes people to be concerned with the avoidance of losses. Activities with a prevention focus are characterized relative to an “ought” end state in which the goal is security and safety. The psychological state that leads to a prevention focus is regulated by perception of the absence or presence of unfavorable outcomes. Hence, relative to those with more of a prevention-focused orientation, those who are more promotion focused assign more psychological significance to information related to favorable outcomes or perceived gains. When prevention focused, people assign greater psychological significance to unfavorable outcomes or perceived losses. Moreover, promotion and prevention reflect two distinct self-regulatory dimensions rather than lying at opposite ends of a single continuum. Thus, in several studies (Idson & Higgins, 2000; 2004; Idson, Liberman, & Higgins, 2000), individuals with prevention focus were more affected by a perceived loss
than their counterparts with a promotion focus. In particular, those who were more prevention focused felt worse about their unfavorable outcomes than did their counterparts who were less prevention focused.

In the case of lower status persons, they are arguably more likely to assign great importance to gains and hence adopt more of a promotion focus in their encounters with relatively higher status others. Therefore, *any* evidence of being viewed favorably by their interaction partners would be perceived as a gain. Hence, lower status people’s regulatory focus orientation is predicted to be more promotion focused, resulting in behavior that is consistent with that of low status people, who react positively toward their partners as a result of favorable outcomes or being treated with high process fairness or both. Put differently, lower status persons may only react unfavorably toward their interaction partner if they receive no evidence of positive evaluation.

In contrast, higher status people have more to lose. They are arguably likely to be more concerned with maintaining their standing, and assign greater importance to loss, whether that comes in the form of an unfavorable outcome or not being treated with process fairness. Hence, higher status people’s regulatory focus orientation may differ from lower status people’s regulatory focus orientation, such that the former are especially concerned with avoiding a loss (of status or power). In other words, higher status persons are predicted to be more prevention focused, resulting in behavior that is consistent with that of high status people, who only react positively toward their partners when they receive both favorable outcomes and fair procedures. In other words, higher status persons may only react favorably toward their interaction partner if they receive no evidence of negative evaluation.

The proposed mediation of status by regulatory focus is illustrated in Figure 5.
Further Exploring the Psychology of High Status Individuals

There is a particularly perplexing finding of Blader and Chen (2011) that the present study also was designed to elucidate. In particular, Blader and Chen found conflicting results pertaining to the condition under which the high status participants in their studies reacted most negatively, as reflected in their desire to work together with the other party, which I refer to as the “worst case” scenario. In some instances, Blader and Chen found that the worst case scenario was when participants received an unfavorable outcome in conjunction with an unfair process. On other occasions, Blader and Chen found that the worst case scenario was when participants received an unfavorable outcome with a fair process. These conflicting results are depicted in the two scenarios in Figure 6.
These two scenarios reflect what might be the expected results if either the relational or the self-attributional pathway were to account for the interaction effect in which high process fairness *heightens* the effect of outcome favorability on the desire for future interaction, relative to when process fairness is low. As discussed earlier, either of the pathways or both might explain the interaction effect. One purpose of the present study is to try to differentiate between the self-attributional and relational mechanisms in accounting for the reactions of higher status persons. The proposed explanation for these conflicting results is exactly the depiction of the two pathways through which higher status people could lose status as described previously: namely, through a relational route or through an attributional route. More specifically, it may be expected (via the relational mechanism) that higher status persons will react most negatively when they get an unfavorable outcome via an *unfair* process, as represented in Scenario 1 in Figure 6. On the other hand, it may be expected (via the self-attributional mechanism) that higher status persons will react most negatively when they get an unfavorable outcome via a *fair* process.
process, as represented in Scenario 2 in Figure 6. The present study will examine both of these possibilities.

**Demographic Variables as Proxies for Relative Status**

Another important purpose of the present study is to evaluate whether certain demographic factors serve as predictors or proxies of relative status. There are many possible and important reasons why demographic differences between individuals might influence their perceptions of relative status. Other than the differences between administration and teachers, most professionals in schools hold the same rank within the formal organization. Differentiating status among and between teachers is organizationally difficult since, contractually, almost all teachers assume the same fundamental role within a school system and therefore do not have “positional status.” Hence, demographic information may be especially influential in determining status in schools. Organizational researchers have examined category-based inferences as significant determinants of impression formation in work settings, especially when minimal information about an individual’s performance or competency is available (Arvey, 1979; Terborg, 1977). Although increased scrutiny has been placed on teacher performance, most studies of teacher performance evaluations show that performance information is ambiguous at best (Weisberg, Sexton, Mulhern, & Keeling, 2009). Given that there is limited individual performance information to inform perceptions of status among education professionals, judgments of relative status are likely to heighten concerns related to status gains and status maintenance in school-based relationships. Absent other information, school work colleagues are often left to make judgments about their relative status based upon categorical stereotypes. In fact, work colleagues have been shown to easily distort category-based stereotyping when performance is
subjectively evaluated and when work is done in teams (Fiske, Neuberg, Beattie, & Milberg, 1987; Nieva & Gutek, 1980).

There are multiple reasons why race, in particular, may be highly related to perceptions of status among school professionals. In the case of African Americans, their current status in the United States in relation to Whites can be attributed to four major historical and social factors: (1) slavery, (2) segregation and discrimination, (3) poverty, and (4) urbanization (Gibbs, 2003). Similar factors, in particular (2), (3), and (4), are also prevalent for other minority populations that are treated as the other in interracial exchanges. Social psychological theory treats attitudes of Whites toward other minority populations in America as out-group members who experience lower status due to combinations of the above-mentioned historical reasons. A school-related study on race and social status suggests that high-status groups (boys and Whites) endorsed most traditional stereotypes, whether negative or positive, for their social group (Rowley, Kurtz-Costes, Mistry, & Feagans, 2007).

Race, as a category, is therefore expected to give rise to perceptions of relative status differences in schools, in part stemming from persistent and well-documented stereotypes. These stereotypes are often reinforced by and cause perceptions of status differences in schools. For example, a set of experimental studies conducted by Claude Steele sought to explain the circumstances and situations that give rise to the race gap in test scores (Steele & Aronson, 1995). The explanation Steele offers is that Black students know they are especially likely to be seen as having limited ability and therefore carry with them the additional stress related to this stereotype. A contributing factor to perceptions of status among school professionals is affirmative action. Sustained efforts have been made to provide racial specific positive role models in the teaching and leadership ranks of school (Dee, 2004). These efforts require affirmative action in hiring practices. Affirmative action labels were found to negatively affect the perceived competence of co-workers when they were Black (Heilman, Block, & Lucas, 1992).
Hence, the attitudinal effects of race in educational settings are complex, depending on a group’s relative social position and the interests linked to it. That race may be correlated with perceptions of status in schools is examined in the current study; due to the significant and systemic perceptions of status differences across racial boundaries resulting from negative stereotyping, I expect Whites to perceive themselves as higher in status than non-Whites.

Other demographic variables that may be related to perceptions of status are age and work experience.¹ People with more experience have traditionally been afforded higher status in school organizations. This is evidenced in compensation practices that are based almost entirely on seniority. Likewise, advanced certifications for senior roles in school organizations often require experience in related junior level roles. Therefore, we would expect to find that perceptions of status will be positively correlated to people’s experience, such that higher status would be associated with more experienced educators, at least up to a point. Age is a naturally occurring corollary with experience and also culturally associated with an increase in status. Participant age, therefore, may be positively correlated with status.

¹It is not clear if gender differences will correlate to perceptions of relative status for complex historical reasons and school contextual reasons. School professionals are more likely to afford women higher status in the teaching ranks, especially in elementary schools. Furthermore, school leadership has seen a significant recent shift in the balance between males and females in many large urban school districts such as New York City where the percentage of female principals rose from 38% in 1987 to 68% in 2007 (Clark, Mortorell, & Rockoff, 2009). Nevertheless, even though women may hold increasingly higher percentage of high status leadership positions in school organizations, gender and gender expectations in general partially determine how supervisors interact with those they supervise. For instance, research suggests that the sex of participants in work relations affects what is communicated and how it is communicated (Borisoff & Merrill, 1985). The impact of gender was found to be especially significant in the area of providing and receiving feedback. Women are more likely to get non-evaluative feedback or neutral responses whereas men receive more positive and more negative responses (Shakeshaft, 1987). This lack of feedback or lack of information from exchanges is expected to factor into the self-esteem and perceived status of women in the workplace. Given that there is not a firm basis for predicting if gender will predict status; this study will look at it empirically along with other demographic factors.
The Current Study

This study is designed to build upon prior research that examined how people’s reactions to their encounters with another party (e.g., their desire for future interaction with, or their trust for, the other party) are influenced by (1) their status relative to their partners in a social exchange, (2) the favorability of the outcomes of the social exchange, and (3) the process fairness with which they were treated by their partner in the exchange (Chen et al., 2003). The proposed study intends to replicate the earlier findings in a different context. The study also proposes to extend the findings by looking at several possible mediators of status. In addition to attempting to replicate the three-way interaction between process, outcome, and status, the current study examines whether concerns associated with participants’ perceptions of relative power interact with process and outcome in a similar way. The study intends to differentiate between two distinct pathways (relational or self-attributional) through which high status people make use of information from their exchange with lower status people. Finally, the current study proposes to examine whether individuals perceive their relative status to be correlated to their demographic identity.

In this study, introducing participants to a dyadic negotiation exercise creates the social exchange. After concluding the exercise, they will be asked to complete a short survey. The survey includes measures of the partners’ perceptions of their status and power relative to their partner, the process fairness experienced in the exchange, and the favorability of the outcome of the exchange as independent variables. The survey includes two closely related yet different measures for dependent variables: the subject’s desire for future interaction with their partner and how much subjects trust their interaction partner.

To test reasons why status interacts with process and outcome, the survey includes measures for three different proposed mediators for status: (1) how much participants are
concerned with determining the trustworthiness of their partner; (2) how much participants are concerned with status maintenance; and (3) regulatory focus orientation. The survey also includes two measures, relational value and self-attribution, to explore the predicted interaction between process fairness and outcome favorability among high status people. Both measures will be evaluated individually as a potential mediator for process fairness in the two-way interaction between process fairness and outcome favorability for high status individuals. Finally, the survey will collect data on various demographic variables to test for possible correlates of status.

There are several hypotheses that are tested in the study. H1a and H1b seek to replicate the findings from prior studies of a three-way interaction between perceived status, process fairness and outcome favorability.

**Hypothesis 1a.** Among participants with a perceived lower status relative to their partner, the positive relationship between outcome favorability and the desire for future interaction with their negotiation partners will be lessened when process fairness is high relative to when it is low.

**Hypothesis 1b.** Among participants with a perceived higher status relative to their partner, the positive relationship between outcome favorability and the desire for future interaction with their negotiation partners will be heightened when process fairness is high relative to when it is low.

H2a and H2b seek to extend the findings from prior studies to explore a three-way interaction between perceived power, process fairness and outcome favorability.

**Hypothesis 2a.** Among participants with a perceived lower power relative to their partner, the positive relationship between outcome favorability and the desire for future interaction with their negotiation partners will be lessened when process fairness is high relative to when it is low.

**Hypothesis 2b.** Among participants with a perceived higher power relative to their partner, the positive relationship between outcome favorability and the desire for
future interaction with their negotiation partners will be heightened when process fairness is high relative to when it is low.

Several hypotheses (H3a – H3d) test for potential mediators of status in the three-way interaction.

**Hypothesis 3a**: Relative to their higher status counterparts, lower status persons will assign greater importance to *evaluating the trustworthiness* of their interaction partner.

**Hypothesis 3b**: Relative to their lower status counterparts, higher status persons will assign greater importance to *maintaining the status quo*.

**Hypothesis 3c**: Relative to their higher status counterparts, lower status persons will be more *promotion focused*.

**Hypothesis 3d**: Relative to their lower status counterparts, higher status persons will be more *prevention focused*.

Several hypotheses (H4a & H4b) test for potential mediators of process in the two-way interaction between outcome favorability and process fairness for high status participants.

**Hypothesis 4a**: Among participants with a perceived higher status relative to their partner, their self-attribution for an unfavorable outcome will be higher when procedural fairness is high relative to when it is low.

**Hypothesis 4b**: Among participants with a perceived higher status relative to their partner, their relational value for an unfavorable outcome will be lower when procedural fairness is high relative to when it is low.
Chapter III

METHODS

Participants

Participants were 157 graduate students enrolled at Teachers College, Columbia University's Principals Academy, a master’s degree-granting program for aspiring education leaders. The degree program involves intensive coursework during six weeks over two consecutive summers with a clinical practice on-the-job internship during the intervening academic year. During the six-week summer intensive, all participants attend classes together as part of two 45-member cohorts. Participants are therefore familiar with each other from ongoing interactions as part of the cohort’s intensive program of study, which entails daily classroom instruction and team-based assignments. In addition, the intensity of the cohort model creates a crucible type of experience in which there is an awareness of other members of the cohort as aspiring leaders in a supportive and, at the same time, a challenging learning program in which graduates of the program often compete with each other for prospective school positions upon completion of the program.

Informed consent was obtained from 157 of the original 160 sample participants. Several surveys were incomplete, resulting in 149 as a final sample size. Those participants consisted of 54 men (36%) and 93 women (62%), with 2 not reported (1%). Their reported ages were 60% between 25 and 30; 21% between 31 and 35; 7% between 36 and 40; 3% between 41 and 45; and 7% over 45. The racial composition of the sample
was 3 American Indian or Alaskan Native (2%), 15 Asian (10%), 36 Black or African American (24%), and 92 White or Caucasian (62%). The ethnic composition of the sample was 14 Hispanic or Latino (9%) and 135 Not Hispanic or Latino (91%). All demographic data are included in Table 2.

Table 2. Demographic Characteristics of Participants in the Sample Providing Self-Report Data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Total N</th>
<th>Number of Respondents</th>
<th>% of overall sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>149</td>
<td>54</td>
<td>(36%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>93</td>
<td>(62%)</td>
</tr>
<tr>
<td>Age Range</td>
<td>149</td>
<td>89</td>
<td>(60%)</td>
</tr>
<tr>
<td>25 – 30</td>
<td></td>
<td>31</td>
<td>(21%)</td>
</tr>
<tr>
<td>31 – 35</td>
<td></td>
<td>11</td>
<td>(7%)</td>
</tr>
<tr>
<td>36 – 40</td>
<td></td>
<td>5</td>
<td>(3%)</td>
</tr>
<tr>
<td>&gt; 45</td>
<td></td>
<td>11</td>
<td>(7%)</td>
</tr>
<tr>
<td>Race</td>
<td>149</td>
<td>3</td>
<td>(2%)</td>
</tr>
<tr>
<td>American Indian or Alaskan Native</td>
<td></td>
<td>15</td>
<td>(10%)</td>
</tr>
<tr>
<td>Asian</td>
<td></td>
<td>36</td>
<td>(24%)</td>
</tr>
<tr>
<td>Black or African American</td>
<td></td>
<td>92</td>
<td>(62%)</td>
</tr>
<tr>
<td>White</td>
<td></td>
<td>0</td>
<td>(0%)</td>
</tr>
<tr>
<td>Native Hawaiian or other Pacific Islander</td>
<td></td>
<td>14</td>
<td>(9%)</td>
</tr>
<tr>
<td>Not Hispanic or Latino</td>
<td>135</td>
<td>(91%)</td>
<td></td>
</tr>
<tr>
<td>Ethnicity</td>
<td>149</td>
<td>14</td>
<td>(9%)</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td></td>
<td>135</td>
<td>(91%)</td>
</tr>
<tr>
<td>Highest level of education completed</td>
<td>149</td>
<td>4</td>
<td>(3%)</td>
</tr>
<tr>
<td>College graduate</td>
<td></td>
<td>15</td>
<td>(10%)</td>
</tr>
<tr>
<td>Some postgraduate work</td>
<td></td>
<td>35</td>
<td>(23%)</td>
</tr>
<tr>
<td>Masters degree</td>
<td></td>
<td>90</td>
<td>(60%)</td>
</tr>
<tr>
<td>Masters degree and additional credits</td>
<td></td>
<td>3</td>
<td>(2%)</td>
</tr>
<tr>
<td>Doctoral degree</td>
<td></td>
<td>2</td>
<td>(1%)</td>
</tr>
<tr>
<td>Years of educational experience</td>
<td>149</td>
<td>2</td>
<td>(1%)</td>
</tr>
<tr>
<td>Less than 3 years</td>
<td></td>
<td>68</td>
<td>(46%)</td>
</tr>
<tr>
<td>3 – 6 years</td>
<td></td>
<td>47</td>
<td>(32%)</td>
</tr>
<tr>
<td>7 – 10 years</td>
<td></td>
<td>19</td>
<td>(13%)</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td></td>
<td>11</td>
<td>(7%)</td>
</tr>
</tbody>
</table>

Note: Totals of categorical variables do not reach 100% when some participants did not complete the given demographic item.
Design

The research design for this study is a correlational one with three measured independent variables: (1) the perceived status of the subject relative to his/her negotiation partner; (2) the subject’s perception of the other party’s process fairness during the interaction; and (3) the subject’s perception of the outcome favorability of the interaction. A fourth independent variable, the perceived power of the subject relative to his/her negotiation partner, is used to explore if the predicted three-way interaction involving status will also emerge for power.

There are two measured dependent variables included in the study: (1) desire for future interaction with the negotiation partner and (2) trust in the negotiation partner. The desire for future interaction measure was used in prior studies (Chen et al., 2003) and will be used here in order to replicate prior studies. Trust in the negotiation partner is used because it is related to a host of important work attitudes and behaviors (see Colquitt, Scott, & LePine, 2007, for a review) and hence will allow us to evaluate the generality of the previous findings. While closely related, these two dependent variables (desire for future interaction and trust in the negotiation partner) are conceptually different and are analyzed separately. Several variables are introduced as possible mediators of status in moderating the process by outcome interaction: (1) the subject’s desire to determine the partner’s trustworthiness; (2) the subject’s desire to maintain their current status; and (3) the subject’s regulatory focus orientation. These variables will test proposed theories as to why status interacts in the way it does by examining if these variables help to explain why status moderates the interactive effect of process fairness and outcome favorability on the desire for future interaction and trust. In analyses that only look at high status people, two additional mediator variables, self-attribution and relational value, are introduced to test a theory regarding the instance in which high status individuals react most negatively (i.e., in which they have the least desire to interact with their
partner in the future). Several demographic variables are included in order to determine if they are related to relative perceptions of status: age, race, sex, and educational experience.

**Procedure**

Four different cohorts of 45 students each were identified to participate in the study; two cohorts of students consisted of first-year students, and another two consisted of second-year students. Participants were assembled for one of two different sessions, each session consisting of students who were in the same year of their program. Sessions were held during regularly scheduled class time. Participants were informed of the exercise one week prior to the day of the activity and provided the following brief explanation by the course instructor: “During class next week we will be conducting a negotiation simulation exercise. This exercise is part of a research study that examines factors related to interpersonal behavior in work relationships. You will be asked to engage with a partner in a negotiation exercise and complete a survey following the activity.” Participants were told the identity of the principal investigator of the research study and that the negotiation activity would provide them an opportunity to practice interpersonal negotiation skills. Further, they were advised that although participation in the exercise was required, they would have an option to consent or not consent to having their results included in the study.

On the day of the exercise, participants were informed that they would spend the first two hours of a scheduled three-hour class in regular session and the third hour would be used for participating in the research study. The course instructor introduced the class to the researcher at the beginning of the third hour, after which the regular instructor left the room. Prior to beginning the exercise, participants were asked whether anyone was familiar with the activity. All of the participants indicated that they were not. Participants
were then told that the data collected would be in the form of a survey. The survey asks participants questions regarding their reactions to a negotiation exercise. The exercise is a simulation of a case that illustrates the need to negotiate around issues that are important to managerial behavior in any number of organizational contexts, especially those in which cooperation is important. Introducing the activity, engaging in the negotiation exercise, and debriefing took approximately 60 minutes.

Prior to the session, participants were randomly assigned to negotiation pairs and individual simulation roles (buyer/seller). This procedure enabled participants’ role and partner to be unrelated to any pre-existing relationships. Upon receiving their random assignment, individuals were instructed to identify their respective partners and wait to be called upon to receive individually identified negotiation materials. Each pair was provided two packets of materials, one for each partner, with the role and name of the respective partner printed on the outside of the package. Each subject’s package was assigned a unique six-digit code corresponding to the role printed on the negotiation materials. This code was used to track the results of the negotiation as recorded on the summary sheet with each subject’s survey responses.

Pairs were asked to read the instructions included in their respective packages and prepare a negotiation strategy. They were instructed to work independently for approximately ten minutes, during which time they were to read the materials from their respective packets and prepare a strategy before commencing formal negotiations with their partner. Pairs were further instructed to commence negotiations with assigned partners when both were ready and to complete their negotiation within the remaining time of the session. Time was kept by indicating remaining minutes in the session at 10-minute intervals on a white board at the front of the classroom. Upon completing the negotiation exercise, participants were instructed to turn in their negotiation materials and a summary sheet that detailed the negotiated outcome. After turning in the negotiated summary sheet, participants were asked to complete a short survey before leaving the
A debriefing was prepared for a later class meeting. Participants were asked not to discuss the negotiation exercise with others in the program so that they would not bias other possible participants.

Materials

In an attempt to replicate results from a prior study (Chen et al., 2003), the same negotiation simulation exercise was used. The exercise is a dyad negotiation simulation in which pairs play the role of buyer or seller in an exercise entitled, “Working Women” (Tenbrunsel & Bazerman, 1997). A complete set of negotiation materials is included in Appendix A. The sellers’ materials included a detailed description of their role. Sellers were informed that they would be representing a multimedia corporation that specializes in producing television shows and motion pictures and were provided information describing the recent history of the corporation they represented and its television production strategy, including a detailed current operating position regarding a particular syndicated show that was for sale. The buyers’ materials included a different description of role and background information. Buyers were informed that they were to take the role of the general manager of an independent television station. The buyers, in turn, were provided with a history of their station’s recent history and programming needs. Buyers and sellers were given a payoff table for their respective roles and were instructed to negotiate over several issues in the sale of a television show bearing the name of the exercise. Payoff tables revealed that some of the sellers’ and buyers’ preferences were not perfectly inversely related. Both parties were instructed to negotiate the best possible agreement.

Data were collected from each participant using a survey instrument that included measures of the independent variables (relative status, relative power, procedural fairness, outcome favorability), the dependent variables (desire for future interaction and
trust), mediator variables (trustworthiness, status maintenance, regulatory focus orientation, and self-attribution), and demographic variables (race/ethnicity, gender, work experience, age, and education). The survey also included an option for participants to exclude their results from the study and a place for them to write their six-digit unique identifier code.

Measures

Status. Participants completed a three-item measure of both their status in relation to their partner and their partner’s status in relation to themselves. Relative status is measured in the study to determine the perceptions that members of the cohort have of themselves and their negotiation partner. A more positive impression and more positive image indicate a higher status. The items were presented in a counterbalanced order and are adapted from those used by Ellemers, Van Rijswijk, Roefs, and Simons (1997). A sample item is “How would you describe the amount of prestige you have within the cohort?” in which cohort was defined in the instructions to be the group of students enrolled in the graduate program in which they were enrolled. Endpoints are “very little” (1) and “a great deal” (7). (See items in Appendix B.) The self-status score was determined by averaging the first three items on the survey. The partner’s status score is determined by averaging the following three items with the partner as the target. A sample item is “How would you describe the amount of prestige your partner has within the cohort?” Coefficient α for the perceived status of one’s self is .82, and coefficient α for the perceived status of the other is .90. Calculation of the perceived relative status differential is based upon an algorithm used by Ellemers et al. in which the difference between the self-status and the partner status is calculated, so that the higher the score, the higher one’s perceived status is relative to the partner, an equal status resulting in a score of 0.
Power. Participants completed a three-item measure of both their power in relation to their partner and their partner’s power in relation to themselves. The items for power were adapted for the context of this study from those used in an unpublished study on the effect of power interactions by Anderson, John, and Keltner (2005). A sample item is “I could get my partner to do what I wanted.” Endpoints are “strongly disagree” (1) and “strongly agree” (7). (See items in Appendix C.) The structure from the relative status measure to determine a self/other measure was used for the six-item scale (the first three items pertaining to self-power and the second three items pertaining to partner’s power). Items were presented in a counterbalanced order as done by Ellemers et al. (1997). Coefficient $\alpha$ for the three items of perceived power of one’s self is .79. Coefficient $\alpha$ for the three items for perceived power of one’s partner is .64. A sample item is “My partner could get me to do what he or she wanted.” Endpoints were “strongly disagree” (1) and “strongly agree” (7). (See items in Appendix C.) Calculation of the perceived relative power differential is determined using the method described by Ellemers et al. in which difference between the self and the partner for each set of corresponding items is calculated, so the higher the score, the higher one’s perceived power is relative to the partner, an equal power resulting in a score of 0. The sum of the differences was then averaged for a single score.

Process fairness. Process fairness was measured with three items used by Brockner et al. (2000) and further modified in two subsequent studies (Chen et al., 2003). A sample item is “How much did the other person treat you with dignity and respect?” Endpoints are “Not at all” (1) and “A great deal” (7). (See items in Appendix D.) Responses to the three items are averaged for a single score. Coefficient $\alpha$ was .76.

Outcome favorability. Outcome favorability was measured with the four items used by Brockner et al. (2000). A sample item is “How satisfied were you with your outcome from the negotiation?” Scale endpoints are “Not at all satisfied” (1) and “Very satisfied”
Responses to four items are averaged for a single score. (See items in Appendix E) Coefficient α is .89.

**Desire for future interaction.** Three items adapted from Chen et al. (2003) are used to measure the desire for future interactions with a partner as a result of an exchange. A sample item is “How willing were you to introduce other people you work with to this person in the future?” Scale endpoints are “Not at all” (1) and “Very Much” (7). Responses to the three items are averaged for a single score. (See items in Appendix F.) Coefficient α is .93.

**Trust.** One item is used to measure participants’ trust in their negotiation partner adapted from Brockner, Siegel, Daly, Tyler, and Martin (1997). The single item for the trust measure is “How much did you trust your negotiation partner?” Endpoints are “not at all” (1) and “a lot” (7). (See items in Appendix G.)

**Importance of determining trustworthiness.** A two-items are used to measure the extent to which participants are concerned with evaluating the trustworthiness of their partners during the exercise. The items for the measure were derived from a scale used in an unpublished study exploring some of these same concerns (Mehta, 2010). A sample item for the trustworthiness measure is “During the course of the study, how important to you was it to figure out how much the other person could be trusted?” Endpoints are “Not at all important” (1) and “Very important” (7). (See items in Appendix H.) Responses to the two items were averaged. Coefficient α is .68.

**Importance of maintaining status.** The importance of maintaining status is measured using two items from the same scale used in the unpublished study (Mehta, 2010) that examined the importance of respecting status in interpersonal encounters. A sample item for the measure is “During the course of the negotiation, how important was it to you to be treated with deference by the other party.” Endpoints are “Not at all important” (1) to “Very important” (7). (See items in Appendix I.) Responses to the items will be averaged. Coefficient α is .69.
Regulatory focus orientation. Two items characterize the approach that the subject took to the negotiation and reflect the regulatory focus orientation of the subject. The items are modified from an unpublished study authored by Mehta (2010). The first of these two items reflects the approach of a promotion-focused person. The second item reflects the approach of a prevention-focused person. The item for promotion focus is “I was playing to win.” The item for prevention focus is “I was playing to not lose.” Endpoints for both items are “Did not apply to me at all” (1) and “Applied to me a great deal.” (See items in Appendix J)

Self-attribution. The four items that comprise the measure of self-attributional tendencies for high status individuals are based upon attribution theory (Weiner, 1985). Two items refer to internal attributions, and the other two refer to external attributions. As discussed previously, we predict that higher status parties to an exchange will be more likely to make internal attributions regarding their outcomes when process fairness is relatively high. Hence, for this purpose the measure for self-attribution is calculated as the difference between the sum of the two external attributions and the sum of the two internal attributions. (See items in Appendix K).

Relational value. The four items used to measure relational value (the extent to which people felt valued, esteemed, included, affirmed, etc.) were adapted from a Liking scale (Blader & Chen, 2011) and were drawn from the perspective of the partner in the negotiation as a proxy. Hence we measured the extent to which people felt valued by using the two items from participants’ partners that reported how much the partner actually liked them. A sample item is “How well do you regard your negotiation partner after the negotiation?” Endpoints are “Not at all” (1) and “Very Well” (7). (See items in Appendix L.) Responses to the two items are averaged for a single score. Coefficient α is .85.
Table 3: Scale Measures, Corresponding Number of Items and Coefficient $\alpha$

<table>
<thead>
<tr>
<th>Measure</th>
<th># of items</th>
<th>Coefficient $\alpha$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Status (self)</td>
<td>3</td>
<td>.82</td>
</tr>
<tr>
<td>Perceived Status (other)</td>
<td>3</td>
<td>.90</td>
</tr>
<tr>
<td>Perceived Power (self)</td>
<td>3</td>
<td>.79</td>
</tr>
<tr>
<td>Perceived Power (other)</td>
<td>3</td>
<td>.64</td>
</tr>
<tr>
<td>Procedural Fairness</td>
<td>3</td>
<td>.76</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>4</td>
<td>.89</td>
</tr>
<tr>
<td>Desire for Future Interaction</td>
<td>3</td>
<td>.93</td>
</tr>
<tr>
<td>Trust</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Importance of Discerning Trustworthiness</td>
<td>2</td>
<td>.68</td>
</tr>
<tr>
<td>Importance of Maintaining Status</td>
<td>2</td>
<td>.69</td>
</tr>
<tr>
<td>Promotion Orientation</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Prevention Orientation</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Relational Value (from partner’s Liking scale)</td>
<td>2</td>
<td>.85</td>
</tr>
</tbody>
</table>
Chapter IV

RESULTS

Descriptive Statistics on Variables

Study results covered in this dissertation are based on regression analysis and, in several cases, simple T-tests of participant’s self-reported outcome variables. Table 4 provides means, standard deviations, N and range for all measured variables. Prior to running any statistical tests, the skewness of all continuous variables was tested and found to be within acceptable range (-2 to 2). The kurtosis of all continuous variables was also tested, and only the Relative Status, Relative Power, and Relational Value were found to be higher than the acceptable range (-2 to 2). The kurtosis of the relative status and relative power measures was largely due to the large number of participants who perceived their relative status or relative power to be equal.
Table 4: Mean, Standard Deviation, and N for Measured Variables

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>S.D.</th>
<th>N</th>
<th>Possible Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Relative Status</td>
<td>-.18</td>
<td>1.01</td>
<td>149</td>
<td>(-6) - 6</td>
</tr>
<tr>
<td>2. Relative Power</td>
<td>.38</td>
<td>.96</td>
<td>149</td>
<td>(-6) - 6</td>
</tr>
<tr>
<td>3. Process Fairness</td>
<td>5.99</td>
<td>.97</td>
<td>149</td>
<td>1 - 7</td>
</tr>
<tr>
<td>4. Outcome Favorability</td>
<td>5.09</td>
<td>1.24</td>
<td>149</td>
<td>1 - 7</td>
</tr>
<tr>
<td>5. Desire for Future Interaction</td>
<td>5.80</td>
<td>1.22</td>
<td>149</td>
<td>1 - 7</td>
</tr>
<tr>
<td>6. Trust</td>
<td>5.79</td>
<td>1.14</td>
<td>149</td>
<td>1 – 7</td>
</tr>
<tr>
<td>7. Desire to Discern Trustworthiness</td>
<td>3.85</td>
<td>1.67</td>
<td>149</td>
<td>1 - 7</td>
</tr>
<tr>
<td>8. Maintain Status</td>
<td>4.00</td>
<td>1.58</td>
<td>147</td>
<td>1 - 7</td>
</tr>
<tr>
<td>9. Promotion Focus</td>
<td>3.95</td>
<td>1.98</td>
<td>149</td>
<td>1 - 7</td>
</tr>
<tr>
<td>10. Prevention Focus</td>
<td>4.08</td>
<td>2.02</td>
<td>149</td>
<td>1 - 7</td>
</tr>
<tr>
<td>11. Self-attribution</td>
<td>.77</td>
<td>3.21</td>
<td>148</td>
<td>(-12) - 12</td>
</tr>
<tr>
<td>12. Relational Value</td>
<td>6.04</td>
<td>.98</td>
<td>132</td>
<td>1 - 7</td>
</tr>
</tbody>
</table>

Table 5 provides correlations for the dependent, independent, mediator, and relevant control variables.

**Demographic Data**

Age, gender, race, years of experience and negotiation role were all examined for how correlated they were with the various independent, dependent and mediator variables: relative status, relative power, process fairness, outcome favorability, desire for future interactions, trust, discern trustworthiness, maintain status, promotion focus, prevention focus, relational value, and self-attribution. Several of the correlations were significant; though none of those that were significant was especially large (i.e., all correlations were less than +/- .21). See Table 5.
Table 5: Descriptive Statistics and Correlations for all Variables used in Regression Models (N=149)

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Relative Status</td>
<td>-.18</td>
<td>1.01</td>
<td>.25**</td>
<td>-.07</td>
<td>.00</td>
<td>-.30**</td>
<td>-.29**</td>
<td>-.12</td>
<td>-.10</td>
<td></td>
</tr>
<tr>
<td>2. Relative Power</td>
<td>.38</td>
<td>.96</td>
<td>.25**</td>
<td>1</td>
<td>-.02</td>
<td>.19**</td>
<td>-.33**</td>
<td>-.24**</td>
<td>.02</td>
<td>.01</td>
</tr>
<tr>
<td>3. Process Fairness</td>
<td>5.99</td>
<td>.97</td>
<td>-.07</td>
<td>-.02</td>
<td>1</td>
<td>.46**</td>
<td>.50**</td>
<td>.51**</td>
<td>-.00</td>
<td>-.00</td>
</tr>
<tr>
<td>4. Outcome Favorability</td>
<td>5.09</td>
<td>1.24</td>
<td>.00</td>
<td>.19*</td>
<td>.46**</td>
<td>1</td>
<td>.19*</td>
<td>.20*</td>
<td>.08</td>
<td>-.11</td>
</tr>
<tr>
<td>5. Desire for Future Interaction</td>
<td>5.80</td>
<td>1.22</td>
<td>-.30**</td>
<td>-.33**</td>
<td>.50**</td>
<td>.19*</td>
<td>1</td>
<td>.66**</td>
<td>.01</td>
<td>.03</td>
</tr>
<tr>
<td>6. Trust</td>
<td>5.79</td>
<td>1.14</td>
<td>-.29**</td>
<td>-.24**</td>
<td>.51**</td>
<td>.20*</td>
<td>.66**</td>
<td>1</td>
<td>-.01</td>
<td>.08</td>
</tr>
<tr>
<td>7. Discern Trustworthiness</td>
<td>3.85</td>
<td>1.67</td>
<td>-.12</td>
<td>.02</td>
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All are Pearson Correlations; ** p< 0.01 level (2-tailed); * p< 0.05 level (2-tailed).
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All are Pearson Correlations; ** p< 0.01 level (2-tailed); * p< 0.05 level (2-tailed).
**Results of Regression Model Analysis**

The main hypotheses were tested at p < .05, two-tailed. Hierarchical regression analyses were conducted, such that the models proceeded to test effects of the: (1) Main effects (in Model 1), (2) Two-way interaction effects (in Model 2), and (3) Three-way interaction effects (in Model 3) (Aiken & West, 1991). To ensure that the conditions necessary for multiple regressions were met (Cohen, Cohen, West, & Aiken, 2003), the homoscedasticity of residuals was tested by visual inspection of scatter plots of the residuals against each of the independent variables and the predicted value of the models. Normality of residuals was tested with a visual inspection of the normal q-q plot of the residuals. For the sake of parsimony and model precision, I only report significant interaction effects.

**Testing the Replication Hypotheses**

**Hypothesis 1a.** Among participants with a perceived *lower* status relative to their partner, the positive relationship between outcome favorability and the desire for future interaction with their negotiation partners will be *lessened* when process fairness is high relative to when it is low.

**Hypothesis 1b.** Among participants with a perceived *higher* status relative to their partner, the positive relationship between outcome favorability and the desire for future interaction with their negotiation partners will be *heightened* when process fairness is high relative to when it is low.

Taken together, H1a and H1b posit a three-way interaction between perceived status, process fairness and outcome favorability. The regression analysis show a significant positive main effect of process fairness (b = .623, p < .001, see Table 6) and a
significant negative main effect of relative status (b = -.316, p<.001, see Table 6). The analysis also shows a significant two-way interaction between status and outcome favorability (b = -.182, p<.01, see Table 6). Results of the two-way interaction are shown in Figure 7 with relative status being mean-centered for the same condition of outcome favorability. A simple slope analysis (Aiken & West, 1991) of outcome favorability was significant (t(146) = 4.60, p<.001) for low status and not significant (t(146) = -.82, ns) for high status. This indicates that the expected main effect of outcome favorability is showing itself for low status people but not for high status people. Possible explanations for the unexpected results shown by those higher in status (i.e., the lack of a positive effect of outcome favorability) will be considered in the next chapter.

Figure 7. Plot of 2-Way Interaction between Status and Outcome Favorability on DV=Desire for Future Interaction

![Graph showing two-way interaction](image)

Of greatest importance and consistent with Chen et al. (2003), the also results show a significant (b =.129, p<.001, see Table 6) three-way interaction between status, outcome favorability and process fairness.²

² Demographic variables were included in a separate analysis as possible control variables to see if the three way interaction still held. In fact, it always did.
Table 6. Regression Analysis for 3-Way Interaction of Relative Status* Process Fairness*Outcome Favorability on DV=Desire for Future Interaction (df=148)

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| △ Adjusted R² | .32 | .05 | .05 |
| Model Adjusted R² | .30 | .34 | .38 |
| F              | 22.40*** | 13.48*** | 14.06*** |

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).
In order to interpret the nature of all significant three-way interaction in this study, the procedure described by Aiken & West (1991) was used. Results are plotted in Figure 8 separately for lower status people (one SD below the mean of status) and higher status people (one SD above the mean of status). As can be seen in Figure 8, Panel A, for low status people, high process fairness reduced the positive effect of outcome favorability on desire for future interaction, relative to low process fairness as predicted by H1a. A simple slope analysis (Aiken & West, 1991) of outcome favorability was significant when process fairness was low (t(147) = 2.2, p<.05) but not when process fairness was high (t(147) = -0.6, ns. That is, as predicted in H1a, outcome favorability is positively related to desire for future interaction when process fairness is low but not when it is high.

The graph for high status people (see Figure 8, Panel B) shows a different interactive effect of outcome favorability and process fairness, relative to that shown by those lower in status. Viewed one way, the slopes are consistent with what was predicted in H1b: the relationship between outcome favorability and desire for future interaction is more positive when process fairness is high rather than low. However, viewed another way the results are not consistent with H1b, in that the relationship between outcome favorability and desire for future interaction was non-existent when process fairness was high (simple slope of outcome favorability was (t(147) = -0.30, ns), whereas the relationship between outcome favorability and desire for future interaction tended to be unexpectedly negative when process fairness was low, although this simple effect of outcome favorability was not significant (t(147) = -1.5, ns).
A multiple regression analysis also was performed to test the three-way interaction of relative status, process fairness and outcome favorability on trust. The results that were significant on the measure of trust were the same as the results that were significant on the measure of desire for future interaction. See Table 7 for more detail. Once again, there was a significant positive main effect of process fairness ($b = .605$, $p < .001$, see Table 7) and significant negative main effect of relative status ($b = -.290$, $p < .001$, see Table 7). The analysis showed a two-way interaction ($b = -.21$, $p < .001$, see Table 7) between status and outcome favorability. As with desire for future interaction, the test for simple slope of outcome favorability for the two-way interaction between status and outcome favorability was significant when relative status was low ($t = 4.96$, $p < .001$) and not significant when relative status was high ($t = -1.07$, ns). The results also showed a significant three-way interaction between status, outcome favorability and process fairness ($b = .103$, $p < .01$, see Table 7).

3 A second item for trust from the survey was not used because the coefficient $\alpha$ of .41 was deemed to be too low for a multi-item measure. An analysis with the two-item measure, however, showed similar main and two-way effects though not the three-way.
Table 7. Regression Analysis for 3-Way Interaction of Relative Status* Process Fairness*Outcome Favorability on DV=Trust (df=148)

<table>
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<th>Model 3: Main Effects + 2-Way + 3-Way</th>
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| △ Adjusted R² | .33 | .06 | .03 |
| Model Adjusted R² | .32 | .37 | .40 |
| F               | 24.10*** | 15.23*** | 15.00*** |

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).
In order to interpret the nature of the three-way interaction, I am presenting the two-way interaction between outcome favorability and process fairness at higher and lower levels of status (one SD above and below the mean, respectively). The graph for the lower status people (Figure 9, Panel A) depicts that high process fairness reduced the positive effect of outcome favorability on trust, relative to when process fairness was low, as predicted in H1a. A test for the simple slopes of outcome favorability was positive and significant when process fairness was low ($t(146) = 1.96$, $p < .05$), but was not significant when process fairness was high ($t(147) = .29$, ns).

Figure 9. Plot of 3-Way Interaction between Status, Process Fairness and Outcome Favorability on Trust

The plot for high status (Figure 9, Panel B) is similar to Figure 8, Panel B. The simple slope of outcome favorability was not significant ($t(147) = -1.87$, ns) when process fairness was low and also not significant ($t(147) = -.30$, ns) when process fairness was high.

Given that trust and desire for future interaction were highly correlated ($r(147) = .66$, $p<.01$, see Table 5), I conducted an exploratory analysis with a composite scale
giving equal weights to the desire for future interaction scale and the trust item. The results mirrored those found separately on each of the two measures, as expected. The regression analysis showed significant main effects of both process fairness ($b = .614, p < .001$, see Table 8) and status ($b = -.303, p > .001$, see Table 8), a significant two-way effect between status and outcome favorability ($b = -.196, p > .001$, see Table 8) and a significant three-way effect between relative status, process fairness and outcome favorability ($b = .116, p > .001$, see Table 8).

The simple slopes of outcome favorability for low status people was significant ($t = 2.27, p < .05$) when process fairness was low and not significant ($t = -.21, ns$) when process fairness was high. A simple slope analysis of outcome favorability for high status people was not significant ($t = -1.89, ns$) when process fairness was low and not significant ($t = -.191, ns$) when process fairness was high. The plot of the results is shown in Figure 10.

Figure 10. Plot of 3-Way Interaction between Status, Process Fairness and Outcome Favorability on Composite DV
Table 8. Regression Analysis for 3-Way Interaction of Relative Status* Process Fairness*Outcome Favorability on DV=Desire for Future Interaction and Trust Composite (df=148)

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\[ \Delta \text{Adjusted } R^2 \]  
Model Adjusted R^2  
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***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), *p< 0.05 level (2-tailed).
Tests for Power Hypotheses

**Hypothesis 2a.** Among participants with a perceived *lower* power relative to their partner, the positive relationship between outcome favorability and the desire for future interaction with their negotiation partners will be *lessened* when process fairness is high relative to when it is low.

**Hypothesis 2b.** Among participants with a perceived *higher* power relative to their partner, the positive relationship between outcome favorability and the desire for future interaction with their negotiation partners will be *heightened* when process fairness is high relative to when it is low.

Taken together, H2a and H2b posit a three-way interaction between perceived relative power, process fairness and outcome favorability. H2a and H2b were generally supported. Analogous to the preceding results on desire for future interaction found for relative status, there was a significant positive main effect of process fairness (b=.601, p<.001, see Table 9) and a significant negative effect of relative power (b= -.416, p<.001, see Table 9). Unlike the results shown in the previous analysis based on relative status rather than relative power, there was no significant two-way interaction between power and outcome favorability. Of greater importance, the three-way interaction between relative power, outcome favorability, and process fairness was significant (b=.278, p<.001, see Table 9).
Table 9. Regression Analysis for 3-Way Interaction of Relative Power* Process Fairness*Outcome Favorability on DV=Desire for Future Interaction (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + 2-Way Interactions</th>
<th>Model 3: Main Effects + 2-Way + 3-Way Interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE B</td>
<td>( \beta )</td>
</tr>
<tr>
<td>Relative Power</td>
<td>-.42***</td>
<td>.09</td>
<td>-.32</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.60***</td>
<td>.10</td>
<td>.48</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>.03</td>
<td>.08</td>
<td>.03</td>
</tr>
<tr>
<td>Power * Process Fairness</td>
<td>.08</td>
<td>.10</td>
<td>.06</td>
</tr>
<tr>
<td>Power * Outcome Favorability</td>
<td>-.01</td>
<td>.07</td>
<td>-.01</td>
</tr>
<tr>
<td>Process Fairness * Outcome Favorability</td>
<td>-.07</td>
<td>.07</td>
<td>-.08</td>
</tr>
<tr>
<td>Power * Process Fairness * Outcome Favorability</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\( \Delta \) Adjusted \( R^2 \) | .35  | .01  | .05 |
Model Adjusted \( R^2 \) | .34  | .33  | .38 |
\( F \) | 26.01*** | 13.06*** | 13.75*** |

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).
The results of the three-way interaction are plotted in Figure 11, this time separately for higher power people and lower power people (one SD above and below the means, respectively). The graph for low power people (Figure 11, Panel A) depicts that high process fairness reduced the positive effect of outcome favorability on peoples’ desire for future interactions as predicted by H2a; indeed, among low power people who experienced high process fairness, outcome favorability was actually inversely related to desire for future interaction. A simple slope analysis of outcome favorability was significant (t(147) = 1.86, p < .05) when process fairness was low and significant in the reverse direction (t(147) = -2.36, p < .05) when process fairness was high.

An interpretation of the graph for high power (Figure 11, Panel B) supports H2b. For relatively high power people, high process fairness heightened the positive effect of outcome favorability on peoples’ desire for future interactions relative to when process fairness was low. As predicted, a simple slope analysis of outcome favorability was not significant (t(147) = -.19, ns) when process fairness was low, but it was significant (t(147) = 2.29, p < .05) when process fairness was high.

Figure 11. Plot of 3-Way Interaction between Power, Process Fairness and Outcome Favorability on Desire for Future Interaction
H2a and H2b were also supported in the analysis of trust as the dependent variable. The test for main effects show a significant positive effect of process fairness (b = .598, p < .001, see Table 10) and a significant negative effect of relative power (b = -.278, p < .001, see Table 10). Once again, the three-way interaction between power, outcome favorability and process fairness was significant (b = .169, p < .05, see Table 10).
Table 10. Regression Analysis for 3-Way Interaction of Relative Power* Process Fairness*Outcome Favorability on DV=Trust (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + 2-Way Interactions</th>
<th>Model 3: Main Effects + 2-Way + 3-Way Interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$B$</td>
<td>SE $B$</td>
<td>$\beta$</td>
</tr>
<tr>
<td>Relative Power</td>
<td>-.28***</td>
<td>.08</td>
<td>-.23</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.60***</td>
<td>.09</td>
<td>.51</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>.05</td>
<td>.07</td>
<td>.01</td>
</tr>
<tr>
<td>Power * Process Fairness</td>
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<td></td>
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</tr>
<tr>
<td>Power * Outcome Favorability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Fairness * Outcome Favorability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power * Process Fairness * Outcome Favorability</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Model Adjusted $R^2$ | .30  | .31  | .33  |
| $\Delta$ Adjusted $R^2$ | | .30  | .31  | .33  |
| $F$ | 22.62*** | 12.19*** | 11.39*** |

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).
The results are shown in Figure 12 plotted separately for higher power and lower power participants. The graph for low power participants (Figure 12, Panel A) depicts that high process fairness reduced the positive effect of outcome favorability on peoples’ trust, as predicted by H2a. A simple slope analysis of outcome favorability was marginally significant (t(148) = 1.89, p=.06) when process fairness was low but not significant (t(148) = -82, ns) when process fairness was high. The graph for high power participants (Figure 12, Panel B) supports H2b. For relatively high power people, high process fairness heightened the positive effect of outcome favorability on peoples’ trust relative to when process fairness was low. However, the simple slope analysis of outcome favorability was not significant when process fairness was low (t(147) = -1.05, ns) or high (t(147) = .89, ns).

Figure 12. Plot of 3-Way Interaction between Power, Process Fairness and Outcome Favorability on Trust

As with the analyses based on status, I conducted an exploratory analysis with the composite dependent variable (i.e. equal weight for desire for future interaction and trust). The test showed significant main effects of both process fairness (b = .599, p<.001, see Table 11) and power (b = -.347, p>.001, see Table 11) and a significant three-way
effect between relative status, process fairness and outcome favorability ($b = .222$, $p > .001$, see Table 11). A plot of the results for the composite DV is shown in Figure 13. The simple slope of outcome favorability for low power people was significant ($t = 2.351, p < .05$) when process fairness was low and not significant ($t = -.177, ns$) when process fairness was high. The simple slopes of outcome favorability for high power people was not significant ($t = -.715, ns$) when process fairness was low and marginally significant ($t = 1.86, p = .06$) when process fairness was high. In summary, the results entailing power on the composite DV are in accordance with H2a and H2b.

Figure 13. Plot of 3-Way Interaction between Power, Process Fairness and Outcome Favorability on Composite DV
Table 11. Regression Analysis for 3-Way Interaction of Relative Power* Process Fairness*Outcome Favorability on DV=Composite of Desire for Future Interaction and Trust (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
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<th>Model 2: Main Effects + 2-Way Interactions</th>
<th>Model 3: Main Effects + 2-Way + 3-Way Interactions</th>
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<td>β</td>
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<tr>
<td>Relative Power</td>
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<td>.07</td>
<td>-.31</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.60***</td>
<td>.08</td>
<td>.54</td>
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<tr>
<td>Outcome Favorability</td>
<td>.02</td>
<td>.06</td>
<td>.02</td>
</tr>
<tr>
<td>Power * Process Fairness</td>
<td>.11</td>
<td>.08</td>
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<tr>
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<td>.06</td>
<td>-.06</td>
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<tr>
<td>Process Fairness * Outcome Favorability</td>
<td>-.05</td>
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<td>-.06</td>
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<td>Power * Process Fairness * Outcome Favorability</td>
<td>.223***</td>
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<td>.24</td>
</tr>
<tr>
<td>△ Adjusted R²</td>
<td>.39</td>
<td></td>
<td>.39</td>
</tr>
<tr>
<td>Model Adjusted R²</td>
<td>.40</td>
<td></td>
<td>.01</td>
</tr>
<tr>
<td>F</td>
<td>32.38***</td>
<td></td>
<td>16.58***</td>
</tr>
</tbody>
</table>

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).
Examining the 3-Way Interactions Simultaneously

The above reported results, especially pertaining to power, are remarkably close to what was predicted. A natural question, given the similarity between the results for both status and power, is what would happen to these two three-way interactions if they were looked at simultaneously. Would both remain significant, would neither remain significant or would only one of them remain significant and if so, which one? To explore this question, I conducted an analysis of the two three-way interactions simultaneously in a multi-step regression. All main effects (status, power, process fairness and outcome favorability) were included in the first step. Then all six two-way interactions were included in the second step. The third step included both three-way interactions. This analysis was conducted on both desire for future interaction and trust.

The results on desire for future interaction showed significant main effects for relative status (b = -.235, p < .01, see Table 12), relative power (b = -.353, p < .001, see Table 12), and process fairness (b = .586, p < .001, see Table 12). There also was a significant two-way interaction (b = -.185, p < .01 see Table 12) between status and power.

Most importantly, there was a significant three-way interaction between status, process fairness and outcome favorability (b = .094, p < .05, see Table 12) but no significant three-way interaction between power, process fairness and outcome favorability.
Table 12. Regression Analysis for Simultaneous 3-Way Interaction of Relative Status* Process*Outcome and Relative Power*Process*Outcome on DV=Desire for Future Interaction (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + 2-Way</th>
<th>Model 3: Main Effects + 2-Way + 3-Way</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Status</td>
<td>- .23**</td>
<td>- .19</td>
<td>- .27**</td>
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<tr>
<td>Relative Power</td>
<td>- .35***</td>
<td>- .28</td>
<td>- .27**</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.59***</td>
<td>.46</td>
<td>.49**</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>.03</td>
<td>.03</td>
<td>.04</td>
</tr>
<tr>
<td>Status * Process</td>
<td>- .13</td>
<td>- .10</td>
<td>- .13</td>
</tr>
<tr>
<td>Status * Outcome</td>
<td>- .03</td>
<td>.08</td>
<td>- .03</td>
</tr>
<tr>
<td>Power * Process</td>
<td>- .10</td>
<td>.11</td>
<td>- .08</td>
</tr>
<tr>
<td>Power * Outcome</td>
<td>.10</td>
<td>.07</td>
<td>.10</td>
</tr>
<tr>
<td>Process * Outcome</td>
<td>- .08</td>
<td>.07</td>
<td>- .08</td>
</tr>
<tr>
<td>Status * Power</td>
<td>- .18**</td>
<td>.07</td>
<td>- .29</td>
</tr>
<tr>
<td>Status * Process * Outcome</td>
<td>.09*</td>
<td>.05</td>
<td>.20</td>
</tr>
<tr>
<td>Power * Process * Outcome</td>
<td>.10</td>
<td>.10</td>
<td>.10</td>
</tr>
<tr>
<td>∆ Adjusted R²</td>
<td>.38</td>
<td>.07</td>
<td>.03</td>
</tr>
<tr>
<td>Model Adjusted R²</td>
<td>.37</td>
<td>.42</td>
<td>.44</td>
</tr>
<tr>
<td>F</td>
<td>22.50***</td>
<td>11.55***</td>
<td>10.53***</td>
</tr>
</tbody>
</table>

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).
The results on trust were largely the same. The test showed significant main effects for relative status (b = -0.241, p < .01, see Table 13), relative power (b = -0.213, p < .01, see Table 13) and process fairness (b = 0.582, p < .001, see Table 13). There was a significant two-way interaction effect between status and outcome (b = -0.175, p < .05, see Table 13) as seen earlier in the status analyses. Again, there was a significant three-way interaction between status, process fairness and outcome favorability (b = 0.132, p < .01, see Table 13) and no significant effect for the three-way interaction with power. These results indicate that whereas status and power are related both conceptually and empirically, it is status (and not power) that is moderating the interactive effect of outcome favorability and process fairness.
Table 13. Regression Analysis for Simultaneous 3-Way Interaction of Relative Status* Process *Outcome and Relative Power*Process*Outcome on DV=Trust (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + 2-Way</th>
<th>Model 3: Main Effects + 2-Way + 3-Way</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SEB</td>
<td>β</td>
</tr>
<tr>
<td>Relative Status</td>
<td>-0.24**</td>
<td>0.08</td>
<td>-0.21</td>
</tr>
<tr>
<td>Relative Power</td>
<td>-0.21</td>
<td>0.08</td>
<td>-0.18</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>0.58***</td>
<td>0.09</td>
<td>0.49</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>0.00</td>
<td>0.07</td>
<td>0.00</td>
</tr>
<tr>
<td>Status * Process</td>
<td>0.05</td>
<td>0.10</td>
<td>0.05</td>
</tr>
<tr>
<td>Status * Outcome</td>
<td>-0.17*</td>
<td>0.08</td>
<td>-0.23</td>
</tr>
<tr>
<td>Power * Process</td>
<td>0.03</td>
<td>0.11</td>
<td>0.02</td>
</tr>
<tr>
<td>Power * Outcome</td>
<td>0.10</td>
<td>0.07</td>
<td>0.10</td>
</tr>
<tr>
<td>Process * Outcome</td>
<td>-0.05</td>
<td>0.07</td>
<td>-0.06</td>
</tr>
<tr>
<td>Status * Power</td>
<td>-0.00</td>
<td>0.07</td>
<td>-0.00</td>
</tr>
<tr>
<td>Status * Process * Outcome</td>
<td>0.13**</td>
<td>0.05</td>
<td>0.30</td>
</tr>
<tr>
<td>Power * Process * Outcome</td>
<td>0.02</td>
<td>0.09</td>
<td>0.02</td>
</tr>
<tr>
<td>Δ Adjusted R²</td>
<td>0.36</td>
<td></td>
<td>0.05</td>
</tr>
<tr>
<td>Model Adjusted R²</td>
<td>0.34</td>
<td>0.37</td>
<td>0.40</td>
</tr>
<tr>
<td>F</td>
<td>20.35***</td>
<td></td>
<td>9.58***</td>
</tr>
</tbody>
</table>

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).
Tests for Mediated Moderation Hypotheses

To support the hypotheses that propose mediator variables for status in the three-way interaction, the multiple step regression analysis for testing mediated moderation (Baron & Kenny, 1986; Muller, Yzerbyut, & Judd, 2005) was used.

**Hypothesis 3a:** Relative to their higher status counterparts, lower status persons will assign greater importance to evaluating the trustworthiness of their interaction partner.

**Hypothesis 3b:** Relative to their lower status counterparts, higher status persons will assign greater importance to maintaining the status quo.

**Hypothesis 3c:** Relative to their higher status counterparts, lower status persons will be more promotion focused.

**Hypothesis 3d:** Relative to their lower status counterparts, higher status persons will be more prevention focused.

One of the pre-conditions for showing mediated moderation is that relative status must be a significant predictor of the proposed mediator. This condition was not established for three of the proposed mediators; thereby allowing us to conclude that the mediated moderation hypotheses set forth in Hypotheses 3a, 3b, and 3d were not supported. The simple regression analysis for H3c showed that relative status is a significant predictor of promotion focus orientation (b=.17, p<.05, see Table 14) but not in the direction predicted. The positive coefficient of the regression result indicated that higher status people are more promotion focused than lower status people.
Given that the simple regression analysis was unexpected (i.e., status did not return the predicted effect on prevention focus but did return a significant effect on promotion focus), I proceeded to conduct an exploratory regression analysis to look more carefully at the three-way interaction between promotion focus, process fairness and outcome favorability on desire for future interaction (and also subsequently on trust). The results show the expected significant main effect of process fairness (b= .570, p<.001, see Table 15) and, interestingly, a significant three-way interaction between promotion focus, process fairness and outcome favorability (b= .077, p<.05, see Table 15). The nature of the results is plotted in Figure 14, which separately graphs higher promotion focus and lower promotion focus participants. Despite the appearance of the plot lines, none of the simple slopes of outcome favorability was significant for any of the four combinations of status (hi/low) and process fairness (hi/low). The simple slopes of outcome favorability for low status (Figure 14, Panel A) were (t(146) = 1.2, ns) when process fairness was low and (t(146) = -.52, ns) when process fairness was high. The simple slopes of outcome favorability for high status (Figure 14, Panel B) were (t(146) = .28, ns) when process fairness was low and (t(146) = 1.23, ns) when process fairness was high.
Table 15. Regression Analysis for 3-Way Interaction of Promotion Focus* Process Fairness*Outcome Favorability on DV= Desire for Future Interaction (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + 2-Way Interactions</th>
<th>Model 3: Main Effects + 2-Way + 3-Way Interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE B</td>
<td>β</td>
</tr>
<tr>
<td>Promotion Focus</td>
<td>-.05</td>
<td>.04</td>
<td>-.10</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.57***</td>
<td>.09</td>
<td>.51</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>.03</td>
<td>.08</td>
<td>.03</td>
</tr>
<tr>
<td>Promotion * Process Fairness</td>
<td>-.03</td>
<td>.05</td>
<td>-.05</td>
</tr>
<tr>
<td>Promotion* Outcome Favorability</td>
<td>-.03</td>
<td>.04</td>
<td>-.08</td>
</tr>
<tr>
<td>Process Fairness * Outcome Favorability</td>
<td>-.05</td>
<td>.07</td>
<td>-.08</td>
</tr>
<tr>
<td>Promotion * Process Fairness * Outcome Favorability</td>
<td>.08*</td>
<td>.03</td>
<td>.21</td>
</tr>
</tbody>
</table>

| △ Adjusted R² | .27 | .27 | .28 |
| Model Adjusted R² | .29 | .01 | .02 |
| F               | 19.36*** | 9.971*** | 9.293*** |

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).
The results on trust were similar to those on desire for future interaction. They show a significant main effect of process fairness ($b = .571, p < .001$, see Table 16) and a significant three-way interaction between promotion focus, process fairness and outcome favorability ($b = .078, p < .05$, see Table 16). The plot for promotion focus on trust, shown in Figure 15, is remarkably similar to the plot for relative power on trust (see Figure 12). The simple slopes of outcome favorability for low promotion focus (Figure 15, Panel A) was significant ($t(146) = 1.97, p < .05$) when process fairness is low and not significant ($t(146) = .32, \text{ns}$) when process fairness was high. The simple slopes for high promotion focus (Figure 15, Panel B) were both not significant; ($t(146) = -1.60$) when process fairness was low and ($t(146) = 1.30, \text{ns}$) when process fairness was high.
Table 16. Regression Analysis for 3-Way Interaction of Promotion Focus* Process Fairness* Outcome Favorability on DV=Trust (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + 2-Way Interactions</th>
<th>Model 3: Main Effects + 2-Way + 3-Way Interactions</th>
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</thead>
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<tr>
<td></td>
<td>B</td>
<td>SE B</td>
<td>β</td>
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<tr>
<td>Promotion Focus</td>
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<td>.04</td>
<td>-.13</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.57***</td>
<td>.09</td>
<td>.52</td>
</tr>
<tr>
<td>Outcome Favorability</td>
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<td>.07</td>
<td>.07</td>
</tr>
<tr>
<td>Promotion* Process Fairness</td>
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<td></td>
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<td></td>
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</tbody>
</table>

<table>
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<tr>
<th></th>
<th>△ Adjusted R2</th>
<th>Model Adjusted R2</th>
<th>F</th>
</tr>
</thead>
<tbody>
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<td>9.971***</td>
</tr>
<tr>
<td></td>
<td>.30</td>
<td>.03</td>
<td>19.36***</td>
</tr>
</tbody>
</table>

***P<.001 level (2-tailed), **p<.01 level (2-tailed), * p<.05 level (2-tailed).
To explore the possibility that promotion focus mediates status in the three-way interaction with process fairness and outcome favorability, I then looked at promotion focus simultaneously with status. The results show significant main effects of relative status ($b = -.308, p < .001$, see Table 17) and process fairness ($b = .621, p < .001$, see Table 17), a significant two-way effect between status and outcome ($b = -.16, p < .01$, see Table 17) and a significant three-way interaction between status, process fairness and outcome favorability ($b = .128, p < .01$, see Table 17). The three-way interaction between promotion focus, process fairness and outcome favorability was no longer significant. These findings (i.e., that the three-way for status remained while the three-way for promotion focus went away when the two three-ways were analyzed simultaneously), indicates that promotion focus is not a mediator of status in the three way interaction.

Results were similar on trust, with significant main effects of relative status ($b = -2.72, p < .001$, see Table 18) and process fairness ($b = .623, p < .001$, see Table 18), a significant two-way effect between status and outcome ($b = -.22, p < .001$, see Table 17).
Table 17. Regression Analysis for Simultaneous 3-Way Interaction of Relative Status* Process *Outcome and Promotion Focus*Process*Outcome on DV=Desire for Future Interaction (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + 2-Way</th>
<th>Model 3: Main Effects + 2-Way + 3-Way</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$B$</td>
<td>SEB</td>
<td>$\beta$</td>
</tr>
<tr>
<td>Relative Status</td>
<td>-.31***</td>
<td>.08</td>
<td>-.27</td>
</tr>
<tr>
<td>Promotion Focus</td>
<td>-.02</td>
<td>.04</td>
<td>-.03</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.62***</td>
<td>.09</td>
<td>.52</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>-.02</td>
<td>.07</td>
<td>-.02</td>
</tr>
<tr>
<td>Status * Process</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status * Outcome</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion* Process</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion* Outcome</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process * Outcome</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion * Status</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status * Process * Outcome</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion * Process * Outcome</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\Delta$ Adjusted $R^2$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model Adjusted $R^2$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$F$</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

***$P<.001$ level (2-tailed), **$p<.01$ level (2-tailed), *$p<.05$ level (2-tailed).
Table 18. Regression Analysis for Simultaneous 3-Way Interaction of Relative Status* Process *Outcome and Promotion Focus*Process*Outcome on DV=Trust (df=148)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + 2-Way</th>
<th>Model 3: Main Effects + 2-Way + 3-Way</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$B$</td>
<td>SEB</td>
<td>$\beta$</td>
</tr>
<tr>
<td>Relative Status</td>
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<td>.07</td>
<td>-.24</td>
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<tr>
<td>Promotion Focus</td>
<td>-.04</td>
<td>.04</td>
<td>-.07</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.62***</td>
<td>.09</td>
<td>.54</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>-.02</td>
<td>.03</td>
<td>.07</td>
</tr>
<tr>
<td>Status * Process</td>
<td></td>
<td>.09</td>
<td>.07</td>
</tr>
<tr>
<td>Status * Outcome</td>
<td>-.22***</td>
<td>.06</td>
<td>-.29</td>
</tr>
<tr>
<td>Promotion* Process</td>
<td>.02</td>
<td>.05</td>
<td>.03</td>
</tr>
<tr>
<td>Promotion* Outcome</td>
<td>-.02</td>
<td>.03</td>
<td>-.05</td>
</tr>
<tr>
<td>Process * Outcome</td>
<td>-.05</td>
<td>.07</td>
<td>.06</td>
</tr>
<tr>
<td>Promotion * Status</td>
<td>.05</td>
<td>.05</td>
<td>.08</td>
</tr>
<tr>
<td>Status * Process * Outcome</td>
<td></td>
<td>.10**</td>
<td>.04</td>
</tr>
<tr>
<td>Promotion * Process * Outcome</td>
<td></td>
<td>.03</td>
<td>.04</td>
</tr>
<tr>
<td>$\Delta$ Adjusted $R^2$</td>
<td>.37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model Adjusted $R^2$</td>
<td>.35</td>
<td>.39</td>
<td>.43</td>
</tr>
<tr>
<td>F</td>
<td>20.94***</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

***P<.001 level (2-tailed), **p<.01 level (2-tailed), * p<.05 level (2-tailed).
and a significant three-way interaction between status, process and outcome (b = .108, p < .01, see Table 18). The three-way interaction for promotion focus on trust was no longer significant.

**Tests of High Status Outcomes Hypotheses**

**Hypothesis 4a:** Among participants with a perceived higher status relative to their partner, their self-attribution for an unfavorable outcome will be higher when procedural fairness is high relative to when it is low.

**Hypothesis 4b:** Among participants with a perceived higher status relative to their partner, their relational value for an unfavorable outcome will be lower when procedural fairness is high relative to when it is low.

The mediation analysis of either relational value or self-attribution was predicated on finding a significant interaction effect for process fairness and outcome favorability as found in Chen et al. (2003). A multiple regression analysis was conducted on high status participants (i.e., those whose status was greater than the mean). The test showed no significant interaction effect between process fairness and outcome favorability. Hence, evaluating the different pathways is moot because the underlying interaction between process fairness and outcome favorability did not replicate; see Figures 7 and 8, Panel B.

However, results pertaining to power are much more in alignment with predictions (see Figure 11 and 10, Panel B). That is, for those relatively high in power, outcome favorability was more positively related to the DVs of desire for future interaction and trust when process fairness was high rather than low. In fact, results of a multiple regression for high power people (i.e., those whose relative power was greater than the mean) showed a significant (b = .542, p < .01, see Table 19) main effect for process fairness on desire for future interaction. More importantly, there also was a
significant (b = .286, p < .05, see Table 19) two-way interaction between process fairness and outcome favorability.

Table 19: Regression for High Power with Two-Way Interaction between Process Fairness and Outcome Favorability on Desire for Future Interactions (df=62)

<table>
<thead>
<tr>
<th></th>
<th>Model 1: Main Effects</th>
<th>Model 2: Main Effects + Two-way Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SEB</td>
</tr>
<tr>
<td>Outcome Favorability</td>
<td>-.06</td>
<td>.15</td>
</tr>
<tr>
<td>Process Fairness</td>
<td>.54**</td>
<td>.17</td>
</tr>
<tr>
<td>Process Fairness*Outcome Favorability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R² Change</td>
<td>.15</td>
<td></td>
</tr>
<tr>
<td>Model Adjusted R²</td>
<td>.12</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>5.34***</td>
<td></td>
</tr>
</tbody>
</table>

***P<.001 level (2-tailed), **p< 0.01 level (2-tailed), * p< 0.05 level (2-tailed).

Having established the baseline condition of finding a two-way interaction between outcome favorability and process fairness among those higher in power, I then went on to evaluate whether process fairness would be related to self-attribution (H4a) or relational value (H4b). Results of a simple regression analysis of process fairness on self-attribution showed no significant result. Hence, H4a was not supported. Results of simple regression analysis of process fairness on relational value showed not significant result. Hence H4b was not supported.

Tests of Whether Demographic Variables were Related to Status

An independent-samples t-test was conducted to compare relative status for White/1 and Non-White/0 participants. There was not a significant difference in relative status among White (M = -.21, SD = 1.06) and Non-White (M = -.15, SD = .95)
participants; t(147) = -0.339, p = .735. If anything, the mean for the Non-White participants was higher than the mean for White participants, contrary to what was predicted. A similar test was conducted to compare relative power. There was not a significant difference in relative power among White (M = .26, SD = .79) and Non-White (M = .44, SD = 1.01) participants; t(147) = -1.23, p = .267.

An independent-samples t-test was conducted to compare relative status in Female/2 and Male/1 participants. There was not a significant difference in relative status among Female (M = -.22, SD = 1.07) participants and Male (M = -.14, SD = .92) participants; t(145) = .48, p = .635. The test for relative power showed there was not a significant difference in relative power among Female (M = .25, SD = .85) participants and Male (M = .48, SD = .97) participants; t(145) = -1.51, p = .572.

As shown in the correlation table, experience was not significantly correlated to either status (r(147) = .12, ns) or power (r(147) = -.09, ns).

Whereas the above analysis suggests that demographic variables are not predictors of status per se, it does not address whether relative demographic factors might be proxies for relative status (i.e. that the perceptions of relative status might vary systematically according to the differing demographic pairings in a dyad). To explore this case, a multiple regression analysis was conducted such that self and other demographic characteristics were included in a four-way interaction on desire for future interaction (i.e., self-demographic and other demographic were included as independent variables along with process fairness and outcome favorability). The regression analysis proceeded to test: 1) Main effects for the four IVs; 2) all six of the two-way interaction effects; 3) all four of the three-way interaction effects, and 4) the four-way interaction effect. The results of the analysis for separate analyses of race, gender and experience showed no significant 4-way interactions.
Chapter V
DISCUSSION

Overview

This dissertation was designed with two major purposes: (1) to replicate prior studies of the joint and interactive effects of status, process fairness, and outcome favorability on employee support for decision making and trusting relationships in the workplace, but in a very different context than that of the prior studies and (2) to further extend prior research by seeking to better understand why there is the particular three-way interaction between status, process fairness and outcome favorability. Some of the findings were consistent with previous empirical findings of similar construction. Furthermore, the findings shed light on several important relationships that were not explored in prior studies. There remains, however, considerable further theoretical and empirical work to more sufficiently describe the mechanisms that explain why status, process fairness and outcome favorability interact as they do.

Significant Results

Among the many findings reported, there was strong evidence that high process fairness resulted in increasing the desire to work together in the future and in enhancing trusting relationships (i.e., the two main DVs) among the study participants. The importance of process fairness in enhancing enduring and trusting relationships among work colleagues will be discussed at length below. The strength of this finding was also
particularly compelling in that there was not a corresponding main effect of outcome favorability as was found in most prior studies of workplace interactions (Blader & Chen, 2011; Brockner & Weisenfeld, 1996; Chen et al., 2003).

The study also found significant evidence that those lower in relative status typically reacted more positively on the two main DVs. This finding indicates that those who consider themselves to be relatively higher in status are less inclined to desire future work relationships or to trust their work colleagues than those who consider themselves to be of lower status. This finding was not evident in prior studies (Blader & Chen, 2011; Chen et al., 2003) that also explored status as a moderator of the process fairness by outcome favorability interaction. There also was some evidence that status interacted with outcome favorability such that participants who were lower in status were more inclined to desire to work with, and trust in, their negotiation partner when they encountered more favorable outcomes, whereas this tendency was less shown by those with relatively higher status participants.

Most importantly, the empirical evidence showed that differences in the two main DVs were related to a significant three-way interaction between the participants’ relative status, the process fairness with which they were treated and the outcome favorability of their interactions. More specifically, the findings provide evidence that for people with lower status, high process fairness reduced the positive relationship between outcome favorability and their desire to work with, and their trust in, their negotiation partner. The findings also provide some evidence that for people with higher status, high process fairness increased the positive relationship between outcome favorability and their desire to work with, and trust in, their negotiation partner. Remarkably, in the absence of the expected main effect of outcome favorability, the three-way interactions between status, process fairness, and outcome favorability found in prior studies were replicated in the current study.
The findings also contributed new empirical evidence by exploring relative power as a moderator of the two-way interaction of process fairness and outcome favorability. The results showed strong evidence that there also is a three-way interaction between power, process fairness and outcome favorability. In particular, for people with lower power, high process fairness reduced the positive impact of outcome favorability on their desire to work with, and trust in, their negotiation partner. The findings also provide evidence that for people with higher power, high process fairness increased the impact of outcome favorability on their desire to work with, and trust in, their negotiation partner.

These two three-way interactions (i.e., status x process x outcome and power x process x outcome) were similar to each other, though clearly not identical. Recall that power has traditionally been considered to be the ability to influence a decision or decision maker (French & Raven, 1959). In the current study, the measure of power was constructed to reflect this traditional understanding. An exploratory analysis conducted to look at the two three-way interactions simultaneously found that, when combined in the same regression, the three-way interaction for status remained significant, whereas the three-way interaction for power fell away. This suggests that, although status and power have much in common, it is status that is moderating the process fairness by outcome favorability interaction. Whereas both status and power were operationalized in this study within the context of a relatively homogeneous population (a limitation that will be discussed later among the limitations of the study), the fact that status and power were both self-reports provides a worthy comparison for other studies conducted in a different context. In the absence of an organizational hierarchical factor, and with little or no basis to differentiate participants on control of resources, the present findings provide evidence that the three-way interaction between status, process fairness, and outcome favorability is also relevant for the rather ubiquitous realities of peer-to-peer relationships that occur routinely within many school settings.
The results were somewhat perplexing in that the positive main effect of outcome favorability was not present in any of the regression analyses. A significant positive main effect of outcome favorability is to be expected, based upon what has been found in many prior studies in which high outcome favorability generally elicited more positive reactions than did low outcome favorability. It is notable, however, that the absence of a significant main effect of outcome favorability was not present with low status people. This was shown by exploring the nature of the two-way interaction of status and outcome favorability. The simple slope of outcome favorability was significant and positive when status was low, whereas it was not significant when status was high. Furthermore, among the many regression analyses conducted, the study consistently found that for high status participants, the simple slope of outcome favorability was never significant.

It is possible that within the context of this study (i.e., among members of a school leadership cohort program who are of similar status), the negotiation exercise did not effectively elicit strong concerns regarding outcome favorability among high status people as it did in the prior studies (i.e., achieving a favorable financial solution to the exercise did not elicit a strong response from participants). This may have been due to the participants’ lack of familiarity with or interest in financial negotiations. Contrary to our assumption that a favorable financial outcome of the exercise would be felt to be relevant to educators in a leadership development program, they may have had little concern for, or interest in, the financial outcome of the negotiation. Hence, if participants found the negotiation content irrelevant to their interests or concerns, they may have focused their attention and subsequent judgments of outcome favorability on other goals they may have held as favorable outcomes of the negotiation exercise. Consider the desire to learn, for example. It is plausible that the higher status participants in this study, given its context within a highly competitive educational setting, were more concerned that they experience the negotiation exercise as a learning opportunity relative to lower status participants. If they learned from their experience, they may have judged it to be a
favorable outcome. Hence, higher status participants may have achieved a highly favorable learning outcome whether or not they had any desire to work with, or trust in, their negotiation partner in the future. Said differently, the fact that higher status participants achieved a favorable outcome may have been unrelated to the two main DVs in this study.

The hypothesis that higher and lower status persons had different concerns regarding their desire to determine trustworthiness or maintain status also was not supported. More specifically, evidence failed to show that status was a predictor of participants’ desire to determine the trustworthiness of their negotiation partner. In fact, contrary to prediction, higher status people were just as likely to desire to determine the trustworthiness of their negotiation partner as were lower status people. One possible reason for this finding can also be gleaned from the sample population. The particular program from which the sample was drawn engages students in various intensive team-building exercises that also include components of trust building. Hence, the desire to determine the trustworthiness of negotiation partners or, to the contrary, to assume the trustworthiness of their negotiation partner may be a pre-existing condition among all participants regardless their relative status.

Also, contrary to expectations, evidence also failed to show that relative status was a predictor of the desire to maintain status. This finding is not without precedence, as a similar phenomenon was reported by Blader and Chen (2011), who found that status maintenance concerns were present in both high and low status people. Another explanation for why relative status was not found to be a predictor of status maintenance concerns may be related to the fact that status was measured after participation in the negotiation exercise. The more typical differences in status that are found within an organization (such as contributions to the organization’s goals, prestige of the organizational sub-groups to which individuals belong, and position in the formal organizational hierarchy) were not used to determine status in the present study. Rather,
the status differences were determined by self-evaluations of participants’ perceptions of social rank. Threats to social status or rank (i.e., status maintenance concerns) may be activated as a result of being outperformed by another member of the social group (Santor & Zuroff, 1977), which may have been the case in the current dyad pairings for the negotiation exercise. The result of being outperformed is often responded to by submitting to the other. Those who were outperformed by their partner may have activated status maintenance concerns as a result of their experience during the exercise. On the other hand, those who outperformed their partner may have felt particularly confident as a result of the exercise and, consequently, did not activate status maintenance concerns. Furthermore, from the perspective of a higher status participant, submission from their lower status partner would be a signal that their higher status is secure. Hence, status maintenance concerns may not have been activated in those who felt that they had performed well and were paired with a partner who felt the opposite and vice versa.

One unexpected finding was that both status and power were positively related to promotion focus orientation. Although contrary to what I predicted, promotion focus orientation was more likely among higher status relative to lower status participants. An exploratory analysis to determine whether promotion focus orientation may account for the three-way interaction between status, process fairness, and outcome favorability on the two main DVs proved to be without merit. A similar test to determine if promotion focus mediated power in the three-way interaction also failed.

The analysis as to whether self-attribution or relational considerations mediated process fairness among high status people was nullified by the lack of finding a significant two-way interaction between process fairness and outcome favorability. One explanation for this may be that the high status participants in this study did not have significant status maintenance concerns, as previously discussed. Blader and Chen (2010) reported that process fairness and outcome favorability are much less likely to interact
among people who lack concern for status regarding their relative status. The absence of a significant interaction between process fairness and outcome favorability among high status participants may also have been due to the relatively small sample size of high status people. A large number of participants in the sample population perceived themselves to be of equal status (43 out of 149 – see Figure 16). Prior studies found that, among people of equal status, outcome favorability and process fairness did not interact (Chen et al., 2003).

Figure 16. Histogram for Relative Status

Nevertheless, a two-way interaction between process and outcome was present for high power people (see Table 19); however, a subsequent mediation analysis of the two pathways found no evidence that process fairness was a significant predictor of either self-attribution or relational value.

One interesting and unanticipated finding was that relational value was highly correlated with process fairness. The measure for relational value (i.e., whether you feel valued or accepted) was taken from the participants’ partner’s report of how much they “liked” the participant. This finding bears further exploration in that the process fairness
judgment was from the perception of the participant, whereas the relational value was from the perception of the participant’s partner. The implication is that people who are perceived to exercise process fairness accept and value their colleagues.

Finally, the study explored whether demographic variables are significant predictors of status. The results did not find any significant predictors of status among the three demographic variables tested for: race, gender and experience. Furthermore, counter to expectation, the mean relative status for Non-White participants was higher than that of White participants.

Whereas the demographic analysis mentioned above explored the overall demographic-specific perceptions of status, it did not address how a pair of negotiation partners with different demographic characteristics perceived their relative status (e.g., how a female perceived her status relative to a male partner in a dyad). In order to better understand if pairings of people of different demographic characteristics moderated the interaction between process and outcome, a supplementary analysis was conducted. The analysis established dummy variables to account for same and different demographic pairings. The results did not produce any significant four-way interactions between process fairness, outcome favorability, and the combination of self and other pairings for any of the three demographic characteristics (race, gender or experience). One possible explanation for this lack of a significant finding is there was insufficient power to detect a higher-order (four-way) interaction. Criteria suggested by Cohen (1988) recommend an n of twice the sample size of the present study (i.e., approximately 250) in order to provide sufficient power (.8) for a medium effect size for such an analysis.

**Implications for Theory**

This study provides substantial evidence to support prior theory and research on the reactions of both lower-status people toward higher-status others and higher-status parties
toward lower-status others as originally reported by Chen et al. (2003). This study extends the earlier work in two important ways. First, it provides empirical evidence with highly consistent results on two dependent variables: desire for future interaction (which was examined in prior research) and trust (which was not). Second, this study provides evidence that people’s relative power behaves in a similar way to people’s relative status, although the study also found important differences between status and power. From the perspective of organizational behavior, the insights of many existent theories are enhanced with this study’s dual focus on both the parties’ relative status and the parties’ relative power. Furthermore, by examining relative status and relative power within the same context (i.e., that of a cohort of aspiring school leadership candidates), valuable insight into the underlying mechanisms through which status and power moderate the process/outcome interaction may be gleaned. The study’s analysis, which examined both three-way interactions simultaneously, showed empirically that status and power are not the same. The finding that status, more so than power, remained significant, even though each one was significant when examined separately, may be of considerable theoretical value. This finding suggests that whatever status has beyond what it has in common with power is an important construct responsible for moderating the process/outcome interaction.

Given that status and power are often conflated in organizational setting, it is worthwhile to speculate as to how the two may differ. Status, as conceptualized and measured in this study, is largely a product of what others ascribe to an individual. In contrast, power is more recently conceptualized as control over critical resources or the ability to influence the distribution of critical resources (see Blader & Chen, 2012 for a more complete discussion of the differentiating effects of status and power). Even though power was operationalized in a more traditional way than that of the more current theorists, compared with status, power is less reliant on the judgments and evaluations of others (i.e., it is more self or inward oriented). Said differently, status requires the respect
and acceptance of others, whereas power may not. As such, seeking acceptance and respect from others may be a primary underlying construct that mediates status in the three-way interaction.

Status orients status holders outward and makes them more attentive to others, a disposition that may form the basis for the three-way interaction as found in this study. For higher status parties, the outward orientation of a lower status partner who shows high process fairness may provide the higher status party with the acceptance and support they need to maintain and perhaps increase their status. Without this acceptance, the higher status party would be especially unlikely to want to work with, or trust in, the lower status partner in the future. Hence, process fairness heightens the effect of outcome favorability, which was found, to some extent, in this study. For lower status parties, the process fairness from a relatively higher status partner (i.e., seeking input into decisions, listening, etc.) may be experienced in such a way that it draws the lower status party outward and makes them more attentive to the higher status other – in other words it may help them to be less inward oriented and, consequently, less concerned with the self-consequences of an unfavorable outcome. Hence, high process fairness would lessen the effect of outcome favorability on the desire to work with, and trust in, the higher status party, which was found in this study.

Further research is necessary toward understanding the underlying mechanism that gives rise to the different behavior in the status by process by outcome interaction. The tendency for lower status people to attribute more importance to determining the trustworthiness of the higher status other was explored by directly measuring it. The theory that lower status people are more motivated than their higher status partners to discern the trustworthiness of the other was not borne out in the current study. Furthermore, the study findings suggest that the desire to maintain status is just as likely for higher status people as it is for lower status people. This inconclusive finding could be a consequence of the large number of equal status participants in the study. It is not clear
from the inconclusive findings that the reasoning put forth for why the underlying mechanisms give rise to the different behavior is wrong. Hence, future study should consider the current study's hypotheses as well as other possible explanations.

**Practical Implications**

This study was proposed to examine the interactive effects of status, process fairness and outcome favorability among professionals with an interest in how these behaviors might play out in school organizations. Implications for both the school leadership pipeline and career pathway for teachers and other school professionals will be discussed. Replication of these findings within the current context not only has theoretical importance but also practical importance as it indicates that many of the other dynamics of the moderating effects of relative status, process fairness and outcome favorability operate among school professionals. The study was conducted within a sample of school leadership preparation program with the intention of gleaning insight into how some of the dynamics of the interactive effects of relative status, process fairness and outcome favorability might play out in school organizations. Furthermore, by conducting the study within the cohorts of a school leadership preparation program, the findings might also shed light on issues relevant to developing school leaders.

School organizations have a special character in which a relatively highly skilled workforce interacts within a leveled organizational hierarchy. Teachers of English, math, and social studies, guidance counselors, school psychologists, behavioral specialists, and special needs professionals all hold the same hierarchical position within school systems. Hierarchy, though, is not a single concept but, to the contrary, can be based on a variety of dimensions. Two of the most prominent and fundamental hierarchical dimensions in school social interactions are status and power. These dimensions play out in peer-to-peer relationships in most organizations every day and are especially relevant to school
organizations, given the relatively flat hierarchy present. The findings, therefore, have more significance for peer-to-peer relationships than for those where more organizationally driven structures might give rise to differences in status and power.

Teachers have historically had very little basis for determining individual differences in such matters as contribution to an organization’s goals or prestige within their school organization. Schools in general are relatively bureaucratic institutions, both governed by and challenged by the established order of rules and regulations for what it means to be a legitimate school. Such institutions are deeply nested in local, district, state, and federal frameworks of resource allocation, policy determination, and legislative control. Such frameworks, although intended to improve schools, often fail to support the development and exercise of educators’ capacities to build lasting and trusting relationships. At the school level, teachers receive little valuable information from performance evaluations (Weisberg et al., 2009). Hence, the findings in this study offer important insights into the dynamics of status and power differences that may be operating under the surface among school professionals, a context in which many of the traditional determinants of status and power are only visibly present at the leadership level. More often, school professionals work in an environment where leadership is distributed to various actors in isolated positions within the school (Spillane, Halverson, & Diamond, 2004). Yet research shows that teacher empowerment has significant impact on school effectiveness (Marks & Louis, 1997). The most general implication of the study, and the focus for many of the practical implications of the study, is that education practitioners would be well served to better understand and pay attention to process fairness in order to maintain productive relationships with and trust in one another.

One of the most powerful and straightforward findings from the current study is that process fairness had a strong and positive impact on the desire for future interaction and trust among study participants. It may seem patently obvious that if the two parties to an exchange are pleased with how they are treated by each other, both are likely to act in
ways that further the organization’s goals. However, with increasing pressure to produce favorable outcomes in an environment in which such outcomes are less rather than more likely, public school professionals, especially in under-resourced urban settings, are often lacking in their attention to process fairness in their dealings with one another. In particular, lacking control over other resources, school leadership often rewards high-performing colleagues with extra responsibilities with little consideration for increasing their voice in decision making, sharing reasons for decisions, or other considerations that might reflect high process fairness. This study’s findings suggest that school leaders would be well advised to dedicate more attention to process fairness as a way to create more trusting and empowering work environments for their staff and enhance the promise of more positive attitudes toward future work relationships. Status was found to interact with outcome favorability such that those who are lower in status are more likely to desire to work with, and trust in, their colleagues when outcomes are favorable. School leaders and other more high status school practitioners may need to consider this when discerning whether to assign a lower status teacher to particularly difficult situations or to support a lower status colleague in the same position where the likelihood of an unfavorable outcome is high. Given the reality that status differences among school professionals are more likely to span a wider variance within the context of a struggling school in which highly unfavorable outcomes are much more pervasive than within the context of this study, it is even more important to consider how to lessen the impact of unfavorable outcomes. Process fairness provides a powerful avenue for doing so.

Furthermore, if schools expect to retain their most highly regarded teachers, then attention by school professionals at all levels to process fairness should be a major priority. The present findings suggest that favorable outcomes may have less of a relationship-preserving effect among school practitioners when the recipient is in the higher status. This is not to suggest that lower status/power parties should use less process fairness or expend less effort in the pursuit of favorable outcomes in their
dealing with higher status others. To the contrary, this study found that process fairness is an important factor for preserving the desire to work with and trust in work colleagues, regardless the status of the other.

A related consideration with great importance given the findings in this study is how to deepen process fairness behavior in schools in order to achieve the desired effect of lasting and trusting relationships among school practitioners. In many respects, it is both more economically feasible (in terms of available resources) and also more practical (in terms of a more immediate solution to persistently unfavorable outcomes) to exercise high process fairness in order to gain support for decisions and decision makers. Recall that it is not process fairness per se but rather trust in authorities elicited by process fairness that interacts with outcome favorability to influence support for authorities (Brockner et al., 1997). Just as process fairness is positively related to trust, trust is positively related to expectations about the work colleague’s future process fairness is central to the fairness heuristic (Lind & Tyler, 1988). Given all that process fairness promises, why is it that managers in general, and school leaders in particular, do not practice process fairness more habitually.

Evidence that process fairness is not practiced nearly enough is described in a series of studies (Skarlicki & Latham, 2005) conducted on literally thousands of managers, which have investigated the effects of training programs in process fairness. The results demonstrated in many studies that training improves process fairness practices managers. A discussion regarding the paradox as to why managers do not practice process fairness (Brockner, 2010) explores the motivational factors that underlie expectancy theory are the possible deterrents that prevent managers from practicing process fairness. Molinsky and Margolis (2005) suggested that the delivery of unfavorable outcomes with high process fairness requires three sets of skills: technical, interpersonal, and intrapersonal. For example, delivering unpleasant news requires that the message is communicated properly without downplaying what is happening
(technical), that the unpleasant behaviors and emotions that may result from hearing the news are managed (interpersonal), and that the manager can tolerate the various sources of internal discomfort (e.g., guilt or anxiety) they are likely to experience by being the bearer of bad news.

Those who implement decisions may fail to exhibit process fairness because its resulting benefits sometimes may not be obvious. In the tumultuous environment of schools without needed resources and day-to-day challenges, school leaders often are not at all aware of the process fairness of their actions. Various studies that track the daily activities of school principals repeatedly show that, although the principal believes that their first priority is to exhibit instructional leadership, in which she is present in classrooms providing support and guidance to the teaching faculty, the results show that only a fraction of the time is actually spent on such activities (May & Supovitz, 2011).

Brockner (2010) further suggests that the failure to recognize the benefits of process fairness may be due to the nonobviousness of the possible mediating effect of trust. That is, when managers generally implement decisions with high process fairness, they are likely to be seen as trustworthy. The perception of trustworthiness, in turn, may carry over to other situations and thereby have a moderating influence on the favorability of the outcomes received in those situations, such that high trustworthiness reduces the influence of outcome favorability on people’s support for decisions, decision makers, and schools, as has been found in this study. It may also be the case that leaders simply fear the potential harmful legal consequences if they were to behave with high process fairness. When you provide explanations regarding decisions, there is more generally a risk that what you say can and will be used against you in a court of law. Important decisions in schools often have legal consequences, especially in the areas of performance evaluation and student assignment to academic programs. While legal considerations about what to communicate and compliance mandates to align with local,
state, and federal law are important, they often are magnified at the cost of process fairness.

It may be that work colleagues simply do not value process fairness because they believe that practicing it may be costly to them. On the surface, authorities or people who have influence may believe that engaging in process fairness represents a threat to their power or influence. One of the main elements of process fairness is allowing those affected by a decision to have input. It is often believed that involving other work colleagues in decision making may reduce one’s power and influence (Klein, 1984). In actuality, the opposite is more likely to be the case, as shown in research by Zapata-Phelan, Colquitt, Scott, and Livingston (2008).

All of these considerations lead to the question of how one increases the ability to exercise process fairness. Molinsky and Margolis (2006) found that managers use a number of different cognitive and behavioral strategies. For example, to reduce the likelihood of coming on too soft, they justified the correctness of the decision. To make it less likely that they would come on too strong, managers found ways to release emotion before and after but not during their meetings with recipients of unfavorable outcomes.

A more nuanced implication of the study findings is that status and power differences may need to be given greater consideration when seeking to provide lasting and trusting work relationships. Recall that the indirect effect of increasing trusting behavior is improving student achievement (Bryk et al., 2010). Hence, teachers and administrators have a special responsibility to seek to improve the process fairness in which they interact. For example, teachers and administrators are often pitted against each other, most typically over labor union issues. These issues can make productive relationships in the schools difficult for teachers, who often see that the favorable outcomes of their work are underappreciated by leadership. If teachers are interested in heightening the effects of the favorable outcomes they produce, they would do well to treat leaders, who are generally in a more powerful position, with high process fairness.
This does not suggest that they need to give in to demands of administration at the expense of their employee rights, but rather that they provide transparency as to the reasons for their specific demands and engage and involve administration in their deliberations over issues that are important to them.

This study also provides important implications for school leadership development. Because status and power differences are a ubiquitous aspect of life, it is easy to take the differences for granted. Aspiring school leaders undergo a rapid transformation (both in terms of status and power) as they transition from managing relationships with students to managing relationships with their adult colleagues. This transformation often challenges many assumptions for how to interact with the changing power and status relations in which they now find themselves. As demonstrated in this study, people of lower and higher (and equal) status and power respond to events and decisions in very different ways.

As suggested in the discussion of process fairness training, it is not typical that even seasoned leaders have a good sense of the degree to which they practice process fairness in their interactions with work colleagues. The aspiring school leader is also very much in need of developing skills in this area. The Interstate School Leaders Licensure Consortium Standards (ISLLC, 2008), which govern the certification of the preparation of public school leaders in many of the states across the country, were developed to help strengthen preparation programs in school leadership. The standards include a number of performance criteria that are closely aligned to the effective practice of process fairness. Among other expectations embedded within the first standard is that school leaders are expected to facilitate processes and engage in activities to ensure effective communication with staff through the use of multiple methods and also modeled with and among stakeholders. Furthermore, they are expected to recognize the contributions of school community members and to clearly articulate goals and strategies. Standard 5 explicitly states that leaders are expected to treat people fairly, equitably, and with
dignity and respect. These performance objectives are closely aligned to the practices of process fairness. If these are the expectations and the percepts under which school leaders are expected to be prepared upon graduation, school leadership preparation programs must seek to focus on process fairness development in much the same way as they focus on budgeting, supervision, and the various components of instructional leadership in preparation programs (Murphy & Vrisenga, 2004).

Furthermore, the finding that it is status, rather than power, that drives the three-way interactive effect with process fairness and outcome favorability may be a valuable insight for new leaders who are trying to understand how to interact with their work colleagues. Aspiring leaders or newly appointed leaders may experience a difference in power corresponding to their new position within the organization. However, an increase in status, which is more likely associated with conferral of respect or esteem from others, may not immediately accompany their new positional power. Hence, new leaders may experience disjointed relative power and status relationships with others as they assume the power of their new position without a corresponding increase in status. This study provides important empirical evidence that status constructs rather than power constructs are principally responsible for the three-way interaction with process and outcome. As such, new leaders may expect to find that their lower relative status, more so than their higher relative power, will determine the behavior of others toward them.

**Study Limitations and Future Research**

As with all studies, this study has limitations. Future theoretical and empirical work is needed to clarify and verify the assumptions that are central to the study design. In commenting on these limitations, I hope to also indicate possible suggestions for future research.
One limitation of the study is that all variables were measured using self-reported survey data. As is well documented in the social cognition literature, self-reported data may be subject to bias. Second, the measures of trust, promotion focus orientation, and prevention focus orientation consisted of single items, which may have reduced their reliability. Low reliability in the dependent variable may lead to a reduction in the amount of explained variance, and low reliability among the independent variable may bias coefficient estimates upward or downward (Baron & Kenny, 1986).

The sample is not a simple random sample of school professionals. Rather, the sample was recruited from a convenience sample of participants in a highly selective principal leadership training program. Although a benefit of the study is that it was done within a context that may be especially relevant to school organizations and to leadership development, the limitations resulting from the recruitment of the study sample may have impacted findings that are more generalizable to ordinary work relationships as well as extending the findings to school professionals. Also, as a result of the sample selection, all participants were from a relatively similar level of status and power. Furthermore, all participants were required to participate in the study as a course requirement. Future studies may recruit participants who represent a broader cross-section of school professionals. Such a sample of participants may provide greater insight as to how more realistic status and power differences actually play out in school organizations. Nevertheless, that the study findings replicated findings from very different contexts in prior studies provides important evidence as to how status and power differences emerge. These findings might also be especially relevant for populations in which peer-to-peer work relationships are important and in which peers are of the same relative status and/or power.

A central limitation of this study is related to the sampling strategy used in this study in that it violates one of the central assumptions under the generalized linear model in two possible ways. In the first case, by taking measures on members of dyads, there is
the possibility that the dyad members are not independent. Behavior of members of a particular dyad may inevitably influence the responses to the negotiation exercise such that the responses of the two members of the dyad may be dependent upon each other. Kenny, Kashy, and Cook (2006) caution against the assumed independence error in which researchers proceed, as does this study, to multiple regression analyses of the $2N$ interdependent relationships as if they were independent (where $N$ represents the number of dyads). Rather researchers are encouraged to explore both the individual-level and dyad-level correlations in the dyadic relationship, as both have information that is relevant to an interaction. They suggest using a pair-wise analysis method that adjusts for the level of interdependence in the dyad members' responses. If independence from partner effects is established, the method employed in the current study (i.e., inclusion of only the individual-level information that was of most interest to the study) is acceptable. Nevertheless, since it was not controlled for, there may be an over-estimation of statistical significance as a result.

In the second case, the sample population is selected from members of a cohort program with 45 members in each cohort. Cohorts may be considered to be similar to other intact groups in which the correlation among members of the cohort may be more similar to one another in value than would be expected in a random sample. Correlation of dependency among subsets of cases within a data set, as reflected in the cohort clusters, is referred to as clustering (Cohen, Cohen, West, & Aiken, 2003) and may affect the interpretation of hypothesis testing as employed in this study. The result of clustering is that statistical tests for the significance of individual regression coefficients will, in general, be too large, leading to overestimation of significance. The approach taken in this study was to disaggregate the analysis and analyze the individual cases as if there were no group structure. In such cases, there may be alpha inflation (i.e., an overestimation of significance).
The degree of clustering may be measured by the intraclass correlation (ICC) (Shrout & Fleiss, 1979). The ICC measures whether scores from different groups are more discrepant from one another than scores within the same group. Given the large number of participants in the four possible clusters in the data set, it is may be recommended to employ a fixed effects approach to clustering. Disaggregated analysis with dummy-coded groups, however, may render the analysis with too little power, as there would be N/2 dummy variables to account for the group structure. A future analysis of this data may better be accomplished through the use of a random coefficient regression model and multilevel data structures (Raudenbush & Bryk, 2002). In this case, the clusters are considered to be a random sample within the overall population of clusters and level by clustering the data into groups or hierarchically structured levels within the data structure, which allows assumptions of ordinary least squares modeling to be supported to the extent to which the variance component of the between cluster components is close or equal to zero.

Sample size limitations may have limited the ability to explore some of the higher-order interaction effects. Prior to conducting the study, a statistical power estimation (Cohen, Cohen, West & Aiken, 2003) was conducted for a medium effect size, resulting in a study design that called for a sample in excess of 110 to adequately power the analysis for the three-way interaction (i.e., seven predictor variables). Power is primarily a concern when seeking to avoid any non-significant (Type II) errors. In the current study, most of the non-significant findings were in main effects, in which case the sample size is sufficient. However, conducting the supplementary analysis to determine if any of the demographic variables may moderate the process fairness by outcome favorability interaction required the entry of 15 predictor terms. Future studies would be better if at least double the sample size is provided to accommodate such analyses.

The status and power measures were collected by self-reports after participants completed the negotiation exercise. As such, the experience of the negotiation may have
influenced responses to status, such as withdrawing and assuming a lower status due to a negative experience or feeling elated and reporting an exaggerated status due to a positive experience. The study design could be improved by administering the measure of status and power in advance of the negotiation exercise.

The preceding discussion of the study’s findings and theoretical and practical implications suggests several areas in which further investigation would be recommended. Future research should continue to be conceptually guided by the issues that people of varying degrees of status and power assign importance to, and how the differential importance that lower and higher status and power parties assign to these issues may affect their reactions to other aspects of their work environments. It is plausible that both higher and lower status people seek to determine the trustworthiness of others but for different reasons. As developed in behavioral theory, lower power people lack control over resources. Hence, they are dependent upon higher power others and therefore may desire information about the trustworthiness of the other to alleviate their vulnerability (Kramer, 1996). Future research might seek to distinguish the difference between lower power people’s desire to determine trustworthiness and higher power people’s desire to determine trustworthiness, for instance. It would also be worthwhile to distinguish between lower status people’s desire to determine trustworthiness and higher status people’s desire to determine trustworthiness. For example, the research designs may use different measures to differentiate between the concerns of a lower power person (e.g., uncertainty for their future or vulnerability in the absence of resources) versus the concerns of a lower status person (e.g., the desire to be heard or to influence decisions) and to likewise differentiate between the concerns of a higher power person (e.g., desire to determine if the colleague is competent or honest) versus the concerns of a higher status person (e.g., desire that the other show esteem and respect). Similarly, since the desire to maintain status may be prevalent in both high and low status people, future research designs might differentiate between the concerns of
high and low status people related to status gain, status maintenance, and status loss. At
the very least, future research should systematically explore how people of higher and
lower status make judgments about status, process fairness, and outcome favorability.

Another suggestion for future research is to find a more relevant negotiation
exercise for education professionals. If in fact school leaders are less likely to be
concerned with negotiations of financial resources or are more likely to be concerned
with other types of negotiations, then it would be important for future research to use an
exercise that is more relevant to their concerns. For instance, school leaders spend much
of their energies negotiating personnel issues or mediating workload differentials
between subordinates, or conducting performance evaluations with colleagues. A
negotiation exercise or a vignette manipulating an issue of more direct relevance may
produce clearer results.

**Other Future Research**

Given the generally positive main effects of process fairness found in the present
study, future research might also focus on what interventions are most effective in
advancing process fairness. While the focus of this study and many prior studies has been
to understand the underlying mechanisms that determine why people behave the way they
do when subjected to different degrees of process fairness, much less research has been
dedicated to determining which interventions promote it. Such investigations could test
interventions with an eye toward determining the types of organizational conditions that
promote process fairness, such as communication structures that support greater
transparency in decision making or training programs that focus on developing more
outward oriented dispositions that might promote considerations of fairness to others.
Conclusion

The current study confirmed that the reactions to process fairness and outcome favorability of those with relatively higher status are significantly different from the reactions of those with relatively lower status. The study also provided evidence that the reactions to process fairness and outcome favorability of those with relatively higher power are significantly different from the reactions of those with relative lower power, and moreover, that the effects of differential power were actually attributable to differential status. Given the common occurrence of status and power differences in professional life and the particular relevance process fairness and outcome favorability have within school organizations, it is important to understand how both process fairness and outcome favorability influence the behavior of people with relatively higher and lower status and also higher and lower power. I believe these findings may be useful for organizational and management researchers and school practitioners to better understand how to create more agreeable and constructive working conditions.


Appendix A

Exercise ...

June 3, 2009

Thomas Huford
Columbia University Teachers College

Dear Thomas:

The Dispute Resolution Research Center grants permission to photocopy the materials listed below for the research study *Why do I trust you?*

*Working Women* by Ann E. Tenbrunsel & Max H. Bazerman

This study is to be conducted by Thomas Huford and advised by Joel Brockner at Columbia University. The DRRC grants copyright permission free of charge for this study.

Sincerely,

[Signature]

Dispute Resolution Research Center
Working Women
Role of Terry Schiller - Seller
by Ann E. Tenbrunsel & Max H. Bazerman

You are Terry Schiller, Syndicated Sales Representative for HOLLYVILLE, Inc., an international multimedia corporation that specializes in producing television shows and motion pictures. You represent the company in negotiating the sale of syndicated programs to local television stations. Syndicated programs include off-network shows which first appeared on one of the networks and first-run programs which are produced for original airing on local stations across the country. HOLLYVILLE specializes in the former.

As one of the top seven producers in the industry, HOLLYVILLE is a major supplier to the television networks, but this business taken alone results in a loss to the company. First-run network television programs typically incur a 20% loss. It is in the syndication market that this loss can be turned into a sizable profit, something at which HOLLYVILLE usually excels. However, this market is very risky as only about 15% of the network programs from season to season actually make it in syndication.

Over the past decade, the increase in programming outlets has increased the demand for syndicated programs and consequently has put producers in a more favorable bargaining position. Unfortunately, due to an unusually bad year, HOLLYVILLE has not realized the benefits from this increased negotiating strength. Two shows that were a "sure bet" for syndication never sold. As a result, your division is significantly below projected sales. With the fiscal year ending next month, this is of particular concern to you as your performance evaluation is based on year end booked sales.

To improve its financial position, HOLLYVILLE decided to syndicate one of its top ten network hits, Working Women, a year earlier than anticipated. The story line focuses on three women who are trying to balance their lives as advertising account executives and mothers of teenage children. This show generally achieved a 20 rating and 30 share in prime time. The cast draws an audience that is dominated by 18-49 year old women which is the demographic group that commands the highest advertising rates. In addition, these demographics make it ideal for the 6:00 p.m. time slot which attracts a large viewing audience, especially for independent stations.

In preparation for the potential sale of Working Women, you have researched the Chicago market. The three million television households in this market are served by three network and four independent television stations. Your attempt to sell the program to the network stations was unsuccessful because the FCC's Prime Time Access Rule limits their use of off-network product. Therefore, you have turned your efforts to the four independent television stations—WXYZ, WILL, WWIN and WCHL. You do not believe that WXYZ, the smallest station in the market, is interested in purchasing the program due to pricing. WILL has had an excellent year and could afford the show; unfortunately, your research revealed that Working Women would not be conducive to its program profile which is trending toward men. WWIN is currently the highest rated independent in the market. Although it already has a successful program in the 6:00 p.m. slot, it is aware that the purchase of Working Women by a competitor could seriously impact its leadership. Consequently, WWIN is very interested in purchasing the program and has already contacted you to begin negotiations.

# Working Women was funded and is owned by the National Association of Broadcasters. DRRRC has been authorized to distribute the case. Effective January 1, 1997 there is a $2.50 per person usage fee for all DRRRC exercises. Checks should be made out to Northwestern University in U.S. dollars and mailed to the Dispute Resolution Research Center (DRRRC), J. L. Kellogg Graduate School of Management, Northwestern University, 2001 Sheridan Road, Evanston, Illinois 60208-2011.
you formulate the information, any agreement you reach must specify the following:

1. **Program Revenue** - The program revenue can be calculated by multiplying the agreed upon fee per title by 100 (the number of available titles).

2. **Financing Cost** - To calculate the financing cost, multiply any payments that will be made in years 1-5 by the percentage lost for each year. For example, any payments that will be made in year 1 should be multiplied by 20%. The total financing cost can be determined by adding up the annual cost for all 5 years.

3. **Program Revenue less Financing** - The program revenue less financing can be determined by subtracting the financing cost from the program revenue.

4. **Run/Title Adjustment** - If the number of runs/title is greater than 6, $250,000 must be subtracted for each additional run/title. If the number of runs/title is less than 6, $250,000 should be added for each decrease in the number of runs/title. If the number of runs/title is equal to 6, no adjustment is necessary.

5. **Other Piece of the Agreement** - If any other items are relevant to the agreement, the item(s) and corresponding value/cost should be specified.

6. **Net Revenue** - Net Revenue can be calculated by adding the runs/title adjustment and the value of other pieces of the agreement to the "Program Revenue less Financing."

7. **Value of the Alternative Deal** - The value of the alternative deal is the expected value of your "next best offer". For HOLLYVILLE, this is the value of the offer that you believe WWIN is going to submit. As stated above, you estimate that this offer has a net value of $2.5 million dollars.

8. **Net Value of the Bargaining Agreement** - The net value of the bargaining agreement can be determined by subtracting the value of the alternative deal from the net revenue.

Upon completion of a deal, please fill out the "Negotiation Agreement Worksheet" and turn it into the lecturer.
However, of all the stations in the Chicago market, you believe that WCHI needs *Working Women* the most. Due to an unsuccessful buying strategy in the past, its parent company, MULTIMED Inc., placed severe buying restrictions on the station for the last three years. These restrictions finally stabilized WCHI’s financial position, but in the process, it lost the independent audience leadership to WWIN and is now a poor second with weak demographics. WCHI desperately needs new programs for the upcoming season. You think that *Working Women* is just the show it needs.

Your job is to get the best price possible for *Working Women*. To help determine the value of the show to potential buyers, you have made estimates of the likely ratings points that this show will achieve in syndication:

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-7</td>
<td>10%</td>
</tr>
<tr>
<td>7-8</td>
<td>10%</td>
</tr>
<tr>
<td>8-9</td>
<td>10%</td>
</tr>
<tr>
<td>9-10</td>
<td>20%</td>
</tr>
<tr>
<td>10-11</td>
<td>20%</td>
</tr>
</tbody>
</table>

The revenue you receive from the show is determined by multiplying the agreed upon fee per title by the number of available titles. *Working Women* will end its network run with 100 titles available. These 100 titles are being offered as part of a 5 year contract; the length of this contract is non-negotiable. Because of its audience potential, you would not be willing to accept anything less than $35,000 per title; optimistically, you would like to receive $70,000 per title. You also know that WWIN is going to make an offer for the show and that this offer has an estimated net value of $2.5 million dollars.

You place some significance on not overexposing the show in order to maintain its potential value beyond the five years of the contract. The revenues described above were based on 6 runs/title which means that the station could run the same title 6 times throughout the life of the contract. If the agreement involves more than 6 runs, you believe that it will end up costing you $250,000 in today’s dollars for each “extra run” (i.e., 7 runs/title will cost you $250,000, 8 runs/title will cost you $500,000, etc.). However, if the agreement involves less than 6 runs/title, you believe that it will save you $250,000 for each decrease in the number of runs (i.e., 5 runs/title will save you $250,000, 4 runs/title will save you $500,000, etc.). HOLLYWOOD policy specifically states that any agreement with more than eight runs per title is not acceptable.

You generally request financing terms that involve 50% up front and 25% in years 1 and 2. Buyers, on the other hand, generally prefer payments spread evenly over 5 years. Your financial group has helped quantify the cost of delayed payment by specifying the money that is lost for each payment made in years 1-5.

<table>
<thead>
<tr>
<th>Payment</th>
<th>You Lose</th>
</tr>
</thead>
<tbody>
<tr>
<td>up front</td>
<td>0% of the money paid in this year</td>
</tr>
<tr>
<td>1st year</td>
<td>20% of the money paid in this year</td>
</tr>
<tr>
<td>2nd year</td>
<td>35% of the money paid in this year</td>
</tr>
<tr>
<td>3rd year</td>
<td>50% of the money paid in this year</td>
</tr>
<tr>
<td>4th year</td>
<td>60% of the money paid in this year</td>
</tr>
<tr>
<td>5th year</td>
<td>70% of the money paid in this year</td>
</tr>
</tbody>
</table>

Although *Working Women* will be sold for viewing this season, your relationship with the buyer of *Working Women* will continue as future shows become available. For example, you are interested in selling *Junior* for the upcoming season, a program which centers around high school students in their junior year. Unfortunately, the teenage market segment that this show appeals to makes it difficult to sell due to the low advertising rates that this age group commands. In fact, you have not been successful in selling *Junior* to any of the network stations. You would really like to sell this program in the Chicago market and consequently you are willing to sell it at a reasonable price. WXYZ has offered you $10,000 per title for the show’s 100 titles. However, you hope to sell the program for more than this in future negotiations with other stations.

You are about to meet with Kim Taylor of WCHI to discuss the sale of *Working Women*. The attached “NEGOTIATION AGREEMENT WORK-SHEET” found on page 4 can be used to help evaluate the net worth of any negotiated deal. In addition, a sample calculation using this format is found on page 5. You are not limited to the structure presented; rather this sheet is intended to be helpful for organizing the various pieces of a negotiated agreement and to provide a reasonable basis for evaluating the worth of any proposed deal. While you may reach agreements not on this chart, you must base your decisions only on the factual information presented in the case. Regardless of how
NEGOTIATION AGREEMENT WORKSHEET

(see example on next page)

1. Program Revenue
   Fee/Title x 100 titles

2. Financing Cost
   Payments in Year 0 * .00
   Payments in Year 1 * .20
   Payments in Year 2 * .35
   Payments in Year 3 * .50
   Payments in Year 4 * .60
   Payments in Year 5 * .70

   Total Financing Cost

3. Program Revenue less Financing
   (1)-(2)

4. Runs/Titles Adjustment
   If 4, + $500,000
   If 5, + $250,000
   If 6, no adjustment
   If 7, - $250,000
   If 8, - $500,000

5. Other Pieces of the Agreement
   (Specify)

6. Net Revenue
   (3)+(4)+(5)

7. Value of the Alternative Deal
   $2,500,000

8. NET VALUE OF BARGAINING AGREEMENT
   (6)-(7)
EXAMPLE: NET VALUE CALCULATION

Assume that you have reached an agreement for the sale of "Working Women" that specifies the following terms:

- purchase price: $50,000
- runs/title: 5
- financial terms:
  - YR 0 50%
  - YR 1 30%
  - YR 2 20%

The calculation of the net value of this agreement is described below.

1. Program Revenue $5,000,000

   Fee/Title x 100 =
   $50,000 x 100 = $5,000,000

2. Financing Cost $650,000

<table>
<thead>
<tr>
<th>YR</th>
<th>Payment</th>
<th>Cost (%)</th>
<th>Cost ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>.5*$5,000,000</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>1</td>
<td>.3*$5,000,000</td>
<td>20%</td>
<td>$300,000</td>
</tr>
<tr>
<td>2</td>
<td>.2*$5,000,000</td>
<td>35%</td>
<td>$350,000</td>
</tr>
</tbody>
</table>

   Total Cost $650,000

3. Program Revenue less Financing Cost $4,350,000

   $5,000,000 - $650,000 = $4,350,000

4. Runs/Title Adjustment $250,000

5. Other Pieces of the Agreement $0

6. Net Revenue $4,600,000

   $4,350,000 + $250,000 + $0 = $4,600,000

7. Value of the Alternative Deal $2,500,000

8. NET VALUE OF THE BARGAINING AGREEMENT $2,100,000

   Net Revenue - Value of the Alternative Deal
   $4,600,000 - $2,500,000 = $2,100,000
Working Women*

Role of Kim Taylor - Buyer

by Ann E. Tenbrunsel & Max H. Bazerman

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You are Kim Taylor, the general manager of WCHI, an independent television station located in Chicago. This market has three million television households which are served by three network owned and operated stations and four independents, including WCHI. Your station is a subsidiary of MULTIMED Inc., a highly successful, national, multimedia corporation. In addition to owning several independent television stations across the country, MULTIMED also operates newspapers, magazines and a film/video company which produces theatrical films and television programs for network and syndicated distribution.

As an independent station, WCHI relies mainly on the syndication market for its programming. There are two broad categories of syndicated product. One is off-network which involves programs that previously appeared on one of the networks; the other is first run shows which are produced specifically to be aired on local stations. Your task as general manager is to assess WCHI’s current ratings position in the Chicago market, evaluate the audience potential of its current library, analyze the present syndication market and determine what products are available, and negotiate the best possible price for the programs that you deem to be beneficial to WCHI.

Until 3 years ago, WCHI followed an aggressive buying strategy. During this time, shows were bought not only to air but also to prevent competitors from purchasing them. The end result was that too high of a price was paid for most programs and, as a result, the station found itself in financial difficulty. To remedy the situation, MULTIMED canceled all buying for three years. Although the station is now out of financial trouble, its audience position has eroded because of the lack of new product; consequently, WCHI is now ranked as the second independent station in the market with a relatively low household rating and weak demographics. It is ranked fifth among all seven stations.

To improve this position, MULTIMED has recently permitted you to purchase new programs. Although most of the best shows that will become available for the upcoming season have already been sold, you were just notified that HOLLYVILLE INC., one of the top seven producers in the industry, is releasing Working Women to syndication a year earlier than anticipated. This program would be ideal for WCHI’s turnaround. It involves three women in their late 30’s who are trying to balance their lives as account executives in the advertising industry and as mothers of teenage children. Working Women is doing very well on the SBT network, ranking in the top ten each week with a 20 rating and 30 share in a competitive prime time slot. This strong rating is reflective of the program’s excellent writing and talented cast of characters. The show appeals primarily to 18-49 year old women who constitute 45% of its viewing audience. These demographics make the program particularly appealing because of the high rates that advertisers will pay to reach this market. In addition, these demographics are ideal for the 6:00 p.m. time slot which commands the largest viewing audience for independent stations.

* A rating point is the percentage of all television households that are watching a particular show (#households watching a show/# TV households). A share point is the percentage of all television households with a television tuned on that are watching a particular show (# households watching a show/# TV households with TV turned on).

Working Women was funded and is owned by the National Association of Broadcasters. DRRC has been authorized to distribute the case. Effective January 1, 1997 there is a $2.50 per person usage fee for all DRRC exercises. Checks should be made out to Northwestern University in U.S. dollars and mailed to the Dispute Resolution Research Center (DRRC), J. L. Kellogg Graduate School of Management, Northwestern University, 2001 Sheridan Road, Evanston, Illinois 60208-111.
To further assess *Working Women*, you have researched your competitors’ programming profiles and audience positioning. You are reasonably certain that the network stations will not be interested in the program because of the FCC’s Prime Time Access Rule which inhibits their use of off-network syndicated product. In your assessment of the independent stations, you know that *WILL*—typically the third independent in the market, has had an excellent year with a 10% increase in overall market share. Its new profile, although fairly well-balanced, is trending toward young men and is not conducive to an additional woman’s program. Consequently, *Working Women* should not appeal to WILL. *WXYZ*, the smallest station in the market, has already told HOLLYVILLE that it is not interested in the show because of financial reasons. You know that WWIN, the independent leader in the market, is interested in purchasing the program. Although it currently has a strong 6:00 p.m. show, the introduction of *Working Women* by a competitor would erode its market share. In light of this and its strong financial position, you expect that WWIN will offer HOLLYVILLE a good price for the program.

Like MULTIMED, HOLLYVILLE is a large multimedia company. In the production business, syndicated programs are the cash cow. Although only 15% of the network programs make it to syndication, the money realized from this business more than offsets the 20% loss from the other first-run network shows. In the past, the limited number of stations in each market had placed producers like HOLLYVILLE in a weak position. However, the recent expansion in the number of program outlets has increased the producer’s negotiating strength. Despite this increase in demand, HOLLYVILLE has had a bad network season. Two shows that it had planned for syndication never sold. Consequently, its financial position has deteriorated significantly from its yearly financial plan.

Your job as WCHI’s general manager is to get the best price and terms for *Working Women*. In calculating the worth of the show to WCHI, you realize that the value—determined by expected net advertising revenue—is really a function of the show’s performance. Although you expect that the program will draw 7-8 rating points, you know realistically that both the ratings and advertising revenue generated from the show are uncertain. Your best estimate of the likelihood of various ratings and their corresponding valuations is as follows:

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Likelihood</th>
<th>Net Adv. Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-7</td>
<td>20%</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>7-8</td>
<td>50%</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>8-9</td>
<td>10%</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>9-10</td>
<td>10%</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>10-11</td>
<td>10%</td>
<td>$11,000,000</td>
</tr>
</tbody>
</table>

Thus, your overall estimate of the net advertising revenue from the show is equal to

\[
(0.20 \times \$7M) + (0.50 \times \$8M) + (0.10 \times \$9M) + (0.10 \times \$10M) = \$8.3M.
\]

This valuation assumes that each title will be run 6 times. Up to 8 runs/title, each additional run increases the advertising revenue of the show by $840,000 (i.e., 7 runs/title would add $840,000, 8 runs/title would add $1,680,000). An assessment of your current advertising needs reveals that any more than 8 runs/title would not be beneficial to WCHI. On the flip side, however, each decrease in the number of runs/title results in a $840,000 decrease in advertising revenue (i.e., 3 runs/title would decrease the value by $2,520,000, 4 runs/title would decrease the value by $1,680,000).

The total cost of the program is determined by multiplying the agreed upon price/title by the number of titles. *Working Women* will end its network run with 100 titles. The 100 titles are being offered as part of a five year contract; the length of this contract is non-negotiable. You know that management will not let you buy the program if the price exceeds $60,000 per title; however, you also realize that the show would never sell for less than $30,000 per title. In evaluating the price you would be willing to pay for *Working Women*, you are aware that you can purchase a different program for the same time slot from another producer. You estimate that this show would produce $3,000,000 in net profit.

Given HOLLYVILLE’s financial position, you have heard that they would prefer 50% up front and 25% in years 1 and 2. You prefer zero payment up front and the payments spread evenly over 5 years. To assist you in the negotiation, your financial group has quantified the savings of delayed payment:
<table>
<thead>
<tr>
<th>Money Paid</th>
<th>You Save</th>
</tr>
</thead>
<tbody>
<tr>
<td>up front</td>
<td>0% of money paid in this year</td>
</tr>
<tr>
<td>1st year</td>
<td>10% of money paid in this year</td>
</tr>
<tr>
<td>2nd year</td>
<td>20% of money paid in this year</td>
</tr>
<tr>
<td>3rd year</td>
<td>30% of money paid in this year</td>
</tr>
<tr>
<td>4th year</td>
<td>40% of money paid in this year</td>
</tr>
<tr>
<td>5th year</td>
<td>50% of money paid in this year</td>
</tr>
</tbody>
</table>

Although you would like the best deal possible, you also know that your relationship with HOLLYVILLE will continue as new shows for future years become available. For example, you know that HOLLYVILLE is very interested in selling a new show, "Juniors," for the upcoming season. Although the show has done moderately well in the networks, the teenage market segment that the show appeals to has one of the lowest advertising rates. Due to your weak program profile, you may be interested in purchasing the show. Based on 100 titles, the maximum value that you would place on this show is $20,000 per title. Thus, any price below $20,000 per title would result in a positive profit.

You are about to meet with Terry Schiller, Syndicated Sales Representative of HOLLYVILLE to discuss. To assist you during the negotiation, the "Negotiation Agreement Worksheet" (found on page 4) can be used as a guide in calculating the final net worth of any agreement. In addition, an example of a net value calculation is provided on page 5. At a minimum, the agreement should specify the items listed below.

1. **Expected Advertising Revenue from the Show**
   The expected advertising revenue from the show can be determined by using the expected value of $8.4 million as a base and then adjusting this value for any agreement that differs from 6 runs/title.

2. **Price of the Show**
   - To calculate the price of the show, multiply the agreed on price per title by 100 titles.

3. **Payment Savings**
   - Any payments made in years 1-5 constitute a savings. For any agreement that specifies payments in these years, calculate the annual savings by multiplying the payment by the percent savings for each year. To determine the total savings from the payment terms, add up all savings from years 1-5.

4. **Net Price of the Show**
   - To determine the net price of the show, subtract the payment savings from the price of the show.

5. **Other Terms of the Agreement**
   - If applicable, note any other terms of the deal and their corresponding value/cost.

6. **Net Profit of the Show**
   - The net profit of *Working Women* can be determined by subtracting the net price of the show from the net value of the show and adding in any other terms of the deal that have been agreed upon.

7. **Value of the Alternative Deal**
   - Your alternative to purchasing *Working Women* is to buy a different program from another producer. As described, the value of this program is $3,000,000.

8. **Net Value of the Bargaining Agreement**
   - To determine the total net value of the bargaining agreement, subtract the value of the alternative deal from the net profit of the show.

   You are not limited to the structure presented on the Negotiation Agreement Worksheet. Rather, this is to help you organize the various pieces of information that will be included in the final negotiation agreement. While you may reach agreements not on this chart, you cannot add any information that you do not know to be factual. Regardless of the structure you decide to use to organize the negotiation, you should have a reasonable basis for evaluating the worth of your agreement.

Upon completion of the negotiation, please fill out the "Negotiation Agreement Worksheet" on the following page and turn it into the lecture as soon as it is completed. After turning this sheet in, you will receive an additional summary sheet to complete.
**NEGOTIATION AGREEMENT WORKSHEET**

*(See example on next page)*

1. **Expected Revenue from the Show**
   
   **$8,400,000**

   **Runs/Title Adjustment**
   
   If 4, subtract $1,680,000 from value
   If 5, subtract $840,000 from value
   If 6, make no adjustment
   If 7, add $840,000 to value
   If 8, add $1,680,000 to value

   **Net Value of the Show**
   
   ____________

2. **Price of the Show**

   **Price/Title x 100 titles**
   
   ____________

3. **Payment Savings**

   **Payments in Year 0 * .00 **__________
   **Payments in Year 1 * .10 **__________
   **Payments in Year 2 * .20 **__________
   **Payments in Year 3 * .30 **__________
   **Payments in Year 4 * .40 **__________
   **Payments in Year 5 * .50 **__________

   **Total Payment Savings**
   
   ____________

4. **Net Price of the Show**

   ____________

   *(2)-(3)*

5. **Other terms of the agreement (specify):**

   ____________

6. **Net Profit of the Show**

   ____________

   *(1)-(4)+(5)*

7. **Value of the Alternative Deal**

   **$2M**

8. **NET VALUE OF THE BARGAINING AGREEMENT**

   ____________

   *(6)-(7)*
EXAMPLE: NET VALUE CALCULATION

Assume that you have reached a tentative agreement with Terry Schiller on the purchase of *Working Women* that involves the following terms:

- purchase price: $60,000 per title
- runs/title: 7
- financial terms:
  - YR 0: 80%
  - YR 1: 10%
  - YR 2: 10%

The calculation of the net value of this agreement is described below.

1. **Expected Revenue from the Show**
   
   $8,400,000

   **Runs/Title Adjustment**
   
   $840,000

   **Net Value of the Show**
   
   $9,240,000

2. **Price of the Show**
   
   $6,000,000

   Price/Title x 100 titles
   
   $60,000 x 100 = $6,000,000

3. **Payment Savings**
   
   $180,000

<table>
<thead>
<tr>
<th>YR</th>
<th>Payment</th>
<th>Savings (%)</th>
<th>Savings ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>.80*$6,000,000=$4,800,000</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>1</td>
<td>.10*$6,000,000=$600,000</td>
<td>10%</td>
<td>$60,000</td>
</tr>
<tr>
<td>2</td>
<td>.10*$6,000,000=$600,000</td>
<td>20%</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

   Total $180,000

4. **Net Price of the Show**
   
   $5,820,000

   Price of the Show - Payment Savings
   
   $6,000,000 - $180,000 = $5,820,000

5. **Other Terms of the Agreement**
   
   $0

6. **Net Profit of the Show**
   
   $3,420,000

   Net Value - Net Price + Other Terms
   
   $9,240,000 - $5,820,000 + $0 = $3,420,000

7. **Value of the Alternative Deal**
   
   $3,000,000

8. **NET VALUE OF THE BARGAINING AGREEMENT**
   
   $420,000

   Net Profit - Alt Deal
   
   $3,420,000 - $3,000,000 = $420,000
Appendix B

Relative Status Items

Instructions
Questions 1 – 6 ask for your impressions of yourself within your cohort, and also the other person with whom you did the negotiation (whom we will refer to as your negotiation partner) within your cohort. By cohort, we mean the group of participants enrolled in this program (that is, the Summer Principals Academy).

Item 1 – 3 are related to self:
1. What kind of impression do most people in your cohort have of you?
   Very Negative 1-------2-------3-------4-------5-------6-------7 Very positive

2. How would you describe the amount of prestige you have within the cohort?
   Very little 1-------2-------3-------4-------5-------6-------7 A Great Deal

3. What kind of image do most people in your cohort have of you?
   Very Negative 1-------2-------3-------4-------5-------6-------7 Very Positive

Item 4 – 6 are related to the other:
4. What kind of impression do most people in your cohort have of your negotiation partner?
   Very Negative 1-------2-------3-------4-------5-------6-------7 Very positive

5. How would you describe the amount of prestige your negotiation partner has within the cohort?
   Very little 1-------2-------3-------4-------5-------6-------7 A Great Deal

6. What kind of image do most people in your cohort have of your negotiation partner?
   Very Negative 1-------2-------3-------4-------5-------6-------7 Very Positive
Appendix C

Relative Power Items

Instructions
Questions 7 – 14 ask about your perception of your power and influence relative to your negotiation partner.

Items 7 – 10 are related to self:
7. I could get my partner to listen to what I said

Strongly disagree 1 ------- 2 ------- 3 ------- 4 ------- 5 ------- 6 ------- 7 Agree Strongly

8. I could get my partner to do what I wanted

Strongly disagree 1 ------- 2 ------- 3 ------- 4 ------- 5 ------- 6 ------- 7 Agree Strongly

9. To what extent did your partner ignore your ideas and opinions?

Not at all 1 ------- 2 ------- 3 ------- 4 ------- 5 ------- 6 ------- 7 Very Much

10. To what extent did your wishes carry much weight during the negotiation?

Not at all 1 ------- 2 ------- 3 ------- 4 ------- 5 ------- 6 ------- 7 Very Much

Items 11 – 14 are related to other:
11. My negotiation partner could get me to listen to what he/she said.

Strongly disagree 1 ------- 2 ------- 3 ------- 4 ------- 5 ------- 6 ------- 7 Agree Strongly

12. My negotiation partner could get me to do what he/she wanted

Strongly disagree 1 ------- 2 ------- 3 ------- 4 ------- 5 ------- 6 ------- 7 Agree Strongly

13. To what extent did you ignore your negotiation partner’s ideas and opinions?

Not at all 1 ------- 2 ------- 3 ------- 4 ------- 5 ------- 6 ------- 7 Very Much

14. To what extent did your negotiation partner’s wishes carry much weight during the negotiation?

Not at all 1 ------- 2 ------- 3 ------- 4 ------- 5 ------- 6 ------- 7 Very Much
Appendix D

Procedural Fairness Items

1. How fairly did your partner treat you in his/her dealings with you during the negotiation process?

Extremely Unfairly 1-----2-----3-----4-----5-----6-----7 Extremely Fairly

2. How much did the other person treat you with dignity and respect?

Not at all 1-----2-----3-----4-----5-----6-----7 A Great Deal

3. How often did the other person show attempts to understand your concerns and interests during the negotiation process?

Never 1-----2-----3-----4-----5-----6-----7 Very often

From Chen, Brockner, & Greenberg, (2003)
Appendix E

Outcome Favorability Items

1. In your opinion, how was the negotiation outcome for you?
   Much Worse 1------2------3------4------5------6------7 Much Better
   Than Expected As Expected Than Expected

2. How satisfied were you with your outcome from the negotiation?
   Not at all satisfied 1------2------3------4------5------6------7 Very satisfied

3. In your opinion, how fair was the negotiation outcome for you?
   Extremely Unfair 1------2------3------4------5------6------7 Extremely Fair

4. How favorably did you regard the outcome of your negotiation?"
   Very unfavorably 1------2------3------4------5------6------7 Very favorably

From Chen, Brockner & Greenberg, (2003) and from (Blader & Chen, 2011)
Appendix F

Desire for Future Interaction Items

1. How much would you like to work with this person on a work-related project in the future?

Not at all 1-----2-----3-----4-----5-----6-----7 Very much

2. How willing are you to introduce other people you work with to this person in the future?

Not at all 1-----2-----3-----4-----5-----6-----7 Very much

3. How much do you want this person to continue to be your colleague?

Not at all 1-----2-----3-----4-----5-----6-----7 Very much

From Chen, Brockner & Greenberg, (2003)
Appendix G

Trust Item

1. How much did you trust the other person after the interaction?

   Not at all 1-----2-----3-----4-----5-----6-----7 A lot

From Blader & Chen (2011) as modified from Brockner, Siegel, Daly, Tyler & Martin (2007)
Appendix H

Importance of Determining Trustworthiness Items

1. During the course of the negotiation, how important to you was it to figure out how much the other person could be trusted?
   Not at all important 1-------2-------3-------4-------5-------6-------7 Very important

2. During the course of the negotiation, how much did you find yourself thinking about whether the other person was well-intentioned?
   Not at all 1-------2-------3-------4-------5-------6-------7 A great deal
Appendix I

Importance of Maintaining Status Items

To what extent does each of the following statements generally apply to you?

1. During the course of the negotiation, how important was it to you to be treated by the other party in a way that was respectful of your status?

Not at all important 1-------2-------3-------4-------5-------6-------7 Very important

2. During the course of the negotiation, how important was it to you to be treated with deference by the other party?

Not at all important 1-------2-------3-------4-------5-------6-------7 Very important
Appendix J

Regulatory Focus Orientation Items

How much does each of the following statements characterize the approach you took to the negotiation exercise?

1. I was playing to win

Did not apply to me at all 1-----2-----3-----4-----5-----6-----7 Applied to me a great deal

2. I was playing to not lose

Did not apply to me at all 1-----2-----3-----4-----5-----6-----7 Applied to me a great deal

Note: Item 1 measures promotion focus. Item 2 measures prevention focus (Blader & Chen, 2011).
Appendix K

Self-attributional Items

How much was the outcome of your negotiation with the other party due to the following?

1. How hard I tried:
   
   Not at all 1------2-------3-------4-------5-------6-------7 A great deal
   *(This item indicates internal attribution)*

2. My ability as a negotiator
   
   Not at all 1------2-------3-------4-------5-------6-------7 A great deal
   *(This item indicates internal attribution)*

3. The difficulty of the negotiation exercise
   
   Not at all 1------2-------3-------4-------5-------6-------7 A great deal
   *(This item indicates external attribution)*

4. Luck
   
   Not at all 1------2-------3-------4-------5-------6-------7 A great deal
   *(This item indicates external attribution)*

Note: To explore whether self-attributional factors were drivers of the process/outcome interaction among higher status people, items were developed during Brockner/Haferd discussion 5_21_09 based upon factors that influence self-attribution *(Weiner, 1985)*
Appendix L

Relational Value (Liking from Perspective of Partner)

1. How well do you regard your negotiation partner after the negotiation?

   Not at all 1-------2-------3-------4-------5-------6-------7 Very well

2. Based on your negotiation experience, how much do you like your negotiation partner?

   Not at all 1-------2-------3-------4-------5-------6-------7 A lot

Note: Relational value was measured from the perspective of the participant’s negotiation partner using items adapted from a Liking scale.
Appendix M

Demographic Questionnaire

1. What is your gender?
   - Male
   - Female

2. What is your age?
   - 25 – 30 years old
   - 31 – 35 years old
   - 36 – 40 years old
   - 41 – 45 years old
   - 45 years and over

3. What is your race?
   - American Indian or Alaskan Native
   - Asian
   - Black or African American
   - Native Hawaiian or other Pacific Islander
   - White or Caucasian

4. What is your ethnicity?
   - Hispanic or Latino
   - Not Hispanic or Latino

5. What is the highest level of education you have completed?
   - College graduate
   - Some postgraduate work
   - Masters degree
   - Masters degree and additional credits
   - Doctorate degree

6. How many years of educational experience do you have?
   - Less than 3 years
   - 3 – 6 years
   - 7 – 10 years
   - 11 – 15 years
   - More than 15 years