

Testosterone's impact on bargaining behavior

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(PhysOrg.com) -- The negotiating process for your desired salary might depend more on hormone levels than the economy, according to a new study. Research from the Kellogg School finds that testosterone plays a silent but forceful role in bargaining behavior.

The study examines whether exposure to prenatal [testosterone](#) predicts aggressive responses to unfair offers during bargaining. The research finds that individual differences in prenatal testosterone predict whether one will act in retaliation after receiving an unfair offer. Those with higher [testosterone levels](#) made lower return offers after they themselves received an unfair offer.

“This research holds important implications for our understanding of the relationship between social challenges and the levels of testosterone present during early prenatal development,” said Adam Galinsky, the Morris and Alice Kaplan Professor of Ethics and Decision in Management at Kellogg. “As anticipated, the effects of testosterone during sensitive developmental periods do not motivate aggressive behavior per se, but rather increase the appeal of getting even.”

To test the theory, Galinsky and co-author Richard Ronay of Columbia Business School conducted a series of experiments designed around students playing an ultimatum game. In the first experiment, both male and female participants who possessed higher levels of prenatal testosterone exposure made lower return offers following an unfair offer. The second experiment replicated the effect in an unfair offer condition, but found that when participants received a fair offer of 50

percent, the level of testosterone no longer predicted the return offers.

Additionally, the test also found that the testosterone level did not alter the perceived fairness of low-ball offers but predicted how people responded to this fairness. Those with higher levels of testosterone were more likely to act on their sense of unfairness by retaliating in response.

“Our results have implications for situations with opportunities for repeat negotiations, especially in the workplace and when the power relationships might be changing,” said Galinsky. “The takeaway is that if you push too hard against a person with high testosterone, then when the tables are turned they will fire back at you. For example, executives who are on the losing end of a salary negotiation might take his or her client list after they leave the company.”

The new study, entitled “Lex talionis: Testosterone and the law of retaliation,” will be published in a forthcoming issue of *Journal of Experimental Social Psychology*.

Provided by Northwestern University

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