

Management and Regulatory Focus: Three New Domains of Application

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Abstract

This article highlights practical applications for managers and leaders of organizations stemming from recent research on regulatory focus theory. Research has shown that individuals with promotion concerns with growth and gain versus prevention concerns with security and non-loss have different: (1) risk-taking responses to change, both below and above the status quo; (2) values and cultural norms; and (3) moral judgments and ethical responses. Each of these new lines of research offers important dos and don'ts to members of diverse organizations.

Distinguishing between what happens when individuals have promotion concerns with growth and gains versus prevention concerns with security and non-losses is a major area of motivation research, touching on myriad topics from goal pursuit, judgments and decision making, and personal and interpersonal performance.¹⁻⁵ In recent years, research into regulatory focus has broken new theoretical ground and extended into additional topical domains. In this brief article, we discuss three new domains of research with a mind toward highlighting discoveries that managers can use in an organizational setting. These domains explore the ways that regulatory focus impacts: (1) risk-taking responses to changes in the status quo; (2) cultural priorities and values; and (3) ethical and moral processes and behaviors. For each domain, we briefly describing the research findings, and then discuss their relevance to leadership and management within organizations.

Regulatory Focus Impacts Risk-Taking When the Status Quo Changes

Early research generally found that individuals with a stronger promotion focus were more open to new alternatives and were more willing to take risks when making choices. In contrast, individuals with a stronger prevention focus tended to prefer the status quo, stick to choices that had already been made, and were more risk-averse in decision making.⁶ Until recently, researchers assumed that these associations between regulatory orientation and risk taking were inherent to each focus. However, more recent research has found that the relation between focus and risk taking depends on individuals' current state relative to the status quo. Preference for choosing a risky option over a more conservative option is different for individuals with strong promotion or strong prevention depending on whether the current state is the status quo, below the status quo, or above the status quo.

The current state that had been studied originally was the status quo. Things change when individuals fall below the status quo or move clearly beyond the status quo. Those with a strong prevention focus actually shift to becoming *more risky* when they fall beneath the status quo.⁷ And when individuals achieve a state far above the status quo, when clear progress or advancement has occurred, those with a promotion focus become *less risky* in their decision making.⁸ Thus, what seemed like the natural inclinations of promotion and prevention individuals for risk-taking can *reverse* depending on how their position changes relative to the status quo.

These changes in risk-taking preferences from changes in the current state relative to the status quo are important for managers to monitor and be aware of because they present both potential problems and potential opportunities. On the problematic side, workers with a strong prevention focus who tend to be very cautious and dependable in their dispositions may suddenly become willing to take very unwise risks when they fall beneath the status quo. This appears to have happened in famous cases of employees from large banks making increasingly risky investments when their initial choices failed, trying desperately to return to the status quo. Another downside is that workers with a strong promotion focus, who tend to approach their work with an eagerness for gains, could find themselves well above the status quo and then become complacent.

Changes above and below the status quo could also be opportunities, however. Overly cautious, prevention-focused workers could become unusually creative when trying to restore a status quo. And when workers

resist change in the organization, which is what prevention-focused individuals can do in order to maintain the status quo, convincing them that the current state is actually below the status quo—the “burning platform” speech—can motivate them to accept the need for change. On the other hand, promotion-focused workers can be motivated to support change by convincing them that not enough progress has been made from the status quo: “Yes we have made some gains, but not the kind of real advancement that we hoped for.”^{9,10} But to take advantage of these promotion and prevention motivations for risk-taking, it is important for managers to get to know the regulatory focus of those whom they manage, and continually monitor their sense of how well things are going.

Regulatory Focus Impacts Cultural Values and Norms

Research on regulatory focus has shown that promotion and prevention also have different emphases when it comes to mores and norms. Those with a strong prevention focus tend to emphasize the importance of moral “binding” foundations, such as loyalty and authority, of economic stability over reform, and conservative values that correspond with conservation of the status quo, such as conformity and security. In contrast, those with a strong promotion focus tend to de-emphasize the binding foundations and instead prioritize reform over stability with respect to economics, and have strong openness values, such as stimulation and self-direction.¹¹⁻¹⁴

It is important that managers also be aware of these differences for three reasons. First, it is important to know the sorts of moral values that have priority to those you work with. For instance, it is possible for promotion-focused managers to overlook the moral values of their prevention-focused workers and send them messages that do not match their concerns, such as talking about bonuses for advancements or individual achievements that are not a priority for them (a non-fit message). There is another possible downside of not being aware of workers’ value priorities. Managers could believe that their workers are behaving inappropriately when, in fact, they simply have a different set of value priorities. This is not to say that organizational leaders should not have strong principles, but they should avoid assuming that all of their employees share the same priorities.

A second reason that managers need to be aware of regulatory focus differences in concerns relates to their attitudes towards organizational change. As suggested above, those who are more prevention-focused may be unwilling to consider making changes to the organization due to their

prioritization of security and maintenance of the status quo, even when these kinds of reforms may greatly benefit the organization. On the other hand, those with a strong promotion focus may be so eager to attain the possible advancements from organizational reforms that they could overlook the realistic disruptions and potential downsides that the organizational change could cause. Also as suggested earlier, awareness of the value priorities of one's workers could help to shape one's framing of the justifications for a particular organizational policy of change or stability given that research has shown that persuasive messages that match or fit an individual's regulatory focus concerns are more effective than those that do not.¹⁵

Finally, managers need to be aware of how their *own* regulatory focus concerns can influence their personal management style because both promotion and prevention motivations have trade-offs, have costs as well as benefits.¹⁶ Individuals who are more prevention-focused, for example, have a tendency to manage their employees in the same manner in which they were themselves managed, even if they did not like that style of management when they were on the receiving end of it.¹⁷ On the other hand, those who are more promotion-focused tend to have a more independent rather than interdependent self-concept, and thus are vulnerable to overlooking the degree to which their own advancement may negatively impact others.¹⁸ While different organizations and management positions will require different levels of emphasis on individual versus team achievements, it is important to know one's own biases in order to do the best one can to approach such situations in a manner that fits the needs of one's team partners and not just one's own needs.

Regulatory Focus Impacts Ethics and Morality

A related and important domain with implications for managers relates to recent research on the effects of regulatory focus in the domain of ethics, particularly with respect to moral judgments and moral behaviors. Research has shown that regulatory focus influences the sorts of behaviors one finds most morally relevant, the kinds of punishments one finds most appropriate, the sorts of justifications for moral judgments one finds most persuasive, and even the kinds of conditions that may be most tempting with respect to immoral behavior.

First, research has shown that those who are more prevention-focused tend to find ethical lapses involving failures of vigilance (e.g., telling a friend's secret) and errors of *commission* to be the most morally wrong, whereas

those who are more promotion-focused tend to find ethical lapses involving failures of eagerness (e.g., failing to be supportive enough) and errors of *omission* to be the most morally wrong.¹⁹ This is important for managers to know since some of their behaviors may not seem unethical to them, but may seem unethical to those with a different predominant focus than them. Furthermore, research has shown that those in higher positions of power tend to become more moralistic with respect to others' ethical lapses, so a danger of management is being overly critical of a particular set of ethical issues in others that may stem, in part, from the manager's particular regulatory focus.²⁰

Another area where individuals differ with respect to ethics is in the domain of appropriate responses to ethical conflict. Research has shown that promotion-focused individuals see *eager* responses that were either positive (e.g., encouragement to succeed) or negative (e.g., taking away a privilege) from their parents as more appropriate than *vigilant* responses, whether they be positive (e.g., removing anything that might cause trouble) or negative (criticizing them when they make a mistake), with the opposite pattern being true of prevention-focused individuals.²¹ This suggests that different forms of encouragement of ethical and discouragement of unethical behaviors will be more or less effective dependent upon the recipient's regulatory focus.

Research has also shown that moral judgments themselves can either be intuitive (i.e., based on feelings) or deliberative (i.e., based on reasons).²² Recent studies suggest that those with a strong promotion focus, compared to their prevention counterparts, are more likely to judge certain actions as wrong when the judgments are based on just their feelings about it (without explicit reasons).²³ This is important for managers to note, because it suggests that promotion-focused individuals may be more likely to affirm ethical values and norms of an organization if they are presented in an emotional, inspirational manner, whereas those with a strong prevention focus may only do so when given clear, logical reasons to do so. This may be related to research showing a fit between transformational leader behaviors that emphasize inspiration and followers with a promotion focus, and transactional leader behaviors that emphasize concrete rules and guidelines and followers with a prevention focus.²⁴

Finally, research has shown that regulatory focus can lead to greater or lesser propensities for unethical behavior under certain conditions. Research has shown, for example, that those with a strong promotion focus are more likely to cheat than those with a strong prevention focus when such cheating

represents a form of risk-taking behavior.²⁵ Interestingly, however, given their motivation to stick to what's given, those prevention-focused individuals who cheat in a small way given the opportunity are significantly more likely to cheat in a bigger way when presented with a subsequent opportunity to do so.²⁶ Managers should take note, then, how tempting situations can impact differently employees with a different dominant focus.

Final Comment

Regulatory focus research findings suggest how managers can introduce a broad array of novel tools to improve the effectiveness of their organizations and the well-being of their employees.^{27,28} In this brief article, we have detailed how regulatory focus can impact risk-taking in response to shifting status quos, priorities among cultural and political values, and ethical judgments and decisions. In each domain, a greater awareness of the regulatory focus of oneself and one's employees can increase the benefits and reduce the costs that derive from the different trade-offs of promotion and prevention motivations. Though research on regulatory focus continues, there are already findings that can help good managers to become better.

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