

Asking the Boss for a Raise

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Waiting until your boss is in a good mood to ask for a raise may be a popular strategy, but what if the boss knows you know she is a good mood?

Two professors at the University of California, Berkeley's Haas School of Business recently examined this question in an experiment at Berkeley's Experimental Social Science Laboratory, or XLab. Assistant Professor Eduardo Andrade and Professor Teck-Hua Ho, both in the Haas Marketing Group, found evidence that other people's incidental feelings can influence one's strategic decisions.

For instance, their findings suggest that employees are more likely to ask for a raise if their boss is in a good mood. However, the researchers also found that the relationship disappears – employees are not more likely to hit up the boss for a raise – if the boss knows that the employee is aware that the boss is in a good mood.

Andrade and Ho outlined their results in an article titled "How is the Boss's Mood Today? I Want a Raise," in the August issue of the journal *Psychological Science*.

"People are more likely to attempt to benefit from the other party's incidental feelings when they believe the other party is unaware that they know about those feelings," Andrade and Ho conclude in the article.

In their experiments, Andrade and Ho divided 122 students into two groups – "proposers" and "receivers" – and asked them to decide how to

share a small amount of money with each other.

Proposers, whose role was equivalent to an employee asking for a raise, got to suggest how to divide the pot, choosing between either splitting it in half 50%-50% or keeping 75% and giving just 25% to their matched receiver. Receivers, whose role was equivalent to the boss, got to decide the size of the pot, any amount between \$0 – fully rejecting the offer – and \$1 – fully accepting the offer.

Before making their choice, proposers were told whether their matched receiver watched a film clip that made them either happy or angry.

When proposers knew their receiver watched a funny sitcom, nearly 70% had the confidence to propose an “unfair” offer (keeping 75% of the money). The percentage dropped to 52% when proposers knew their partner had watched an angry clip prior to the game.

“We were actually surprised by how much participants did take into account other people’s feelings before ‘making a move’ ” Andrade said.

However, that changed significantly when proposers were told that their receiver knew the proposer was aware of the receiver's mood. The percentage of unfair offers to receivers who had watched a happy clip fell to 55%. That was roughly the same as the percentage of unfair offers to receivers who watched an angry clip (52%).

Translating these finds to the workplace, Ho and Andrade conclude that employees are more likely to ask for a raise if their boss is in a good mood. However, an employee expects a happy boss to be less generous with a raise when the boss knows the employee is trying to benefit from the boss's happy mood. In this case, the employee will not ask for the raise.

"Employees have an intuition that a boss would react negatively to an attempt to profit from her good mood," explains Ho, the William Halford Jr. Family Professor of Marketing.

In experiments currently under way, Ho and Andrade are investigating whether this intuition is correct.

To read Andrade and Ho's article "How is the boss's mood today? I want a raise," visit papers.ssrn.com/sol3/papers.cfm?abstract_id=957641.

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