# Psychological Shortcomings to Optimal Negotiation Behavior

## Intrapersonal and Interpersonal Challenges

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A *negotiation* is defined as an interaction in which individuals with mixed motives are communicating with each other in order to resolve their perceived divergent interests and reach their individual goals (Ben-Yoav & Pruitt, 1984). Negotiations can be either informal or formal in nature and they govern almost all of our social relationships (Ben-Yoav & Pruitt, 1984). Given that an effective negotiation requires a delicate balance of both cooperation and competition with others (Pruitt, 1983), negotiators often fail to maximize on both their individual and joint outcomes for various reasons (Nadler, Thompson, & van Boven, 2003; Neale & Bazerman, 1991).

As consequential negotiations pervade both our personal and professional relationships, it is important to understand the common shortcomings that stand in the way of our ability to negotiate successfully. In this chapter, we review some basic psychological challenges that stand in the way of optimal negotiation behavior and outcomes. For a review of basic negotiation and psychology-related principles, please refer to Table 27.1. On the intrapersonal level, we examine a pervasive cognitive bias, as well as the role of affect, in influencing negotiation behavior

and outcomes. On the interpersonal level, we explore the extent to which social perceptions of our opponent's economic and noneconomic behavior drive our negotiation strategies.

### Intrapersonal Challenge: Cognitive Bias

One of the most common and pervasive cognitive biases that negatively influences a negotiator's attitude and subsequent behavior is the fixed-pie belief (Bazerman & Neale, 1983; Fisher, Ury, & Patton, 2011; Thompson & Hastie, 1990). It is the perception that one's own interests are completely and diametrically opposed to an opponent's interests (Bazerman & Neale, 1983; Fisher et al., 2011; Thompson & Hastie, 1990). It has been identified as a bias because negotiators often adopt this belief in situations in which it does not apply, resulting in suboptimal negotiation behavior. Why do we hold this self-defeating belief? What are the psychological mechanisms attributing to this bias? How common is it? What are the consequences that follow? Have researchers been able to identify any effective interventions?

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**TABLE 27.1. Summary of Negotiation and Psychological Principles**

Negotiation principles

*Distributive negotiation:* Single-issue, competitive negotiations, in which one player's gains are in a direct inverse relationship to the other player's losses, such as a one-off sales negotiation between a buyer and seller (Thompson, 2009).

*Integrative negotiation:* Multi-issue negotiations, in which the negotiators' goals are both cooperative and competitive in nature, so that value creation is possible (Fisher et al., 2011; Lax & Sebenius, 1986; Pruitt, 1991; Thompson, 2009).

*Logrolling:* A negotiation strategy that involves making beneficial trades across issues based on understanding a counterpart's preferences (Pruitt & Rubin, 1986).

*BATNA:* The best alternative to a negotiated agreement (Raiffa, 1982; White & Neale, 1991).

Psychological principles

*Fixed-pie belief:* Perception that one's own interests are completely and diametrically opposed to an opponent's interests (Bazerman & Neale, 1983; Fisher et al., 2011; Thompson & Hastie, 1990).

*Egocentrism:* Heavily focused on one's own situation, interests, or preferences, so that one fails to appropriately recognize a counterpart's situation (Chambers & de Dreu, 2014).

*Naive realism:* Belief that we perceive the world objectively, while those who disagree with us are biased or irrational (Pronin, Gilovich, & Ross, 2004).

*Fundamental attribution error:* Tendency to attribute behavior to personality, rather than situational demands (Ross, 1977).

*Correspondence bias:* Drawing inferences about another person based on his or her behaviors and attributing them to a person's dispositions rather than the situation (Gilbert & Malone, 1995; Jones, 1990).

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Before we dive into the intricacies of the fixed-pie bias, we must first distinguish between two different types of negotiations: distributive and integrative negotiations. *Distributive negotiations* are single-issue negotiations, in which motives are purely competitive in nature (Thompson, 2009). Two or more players can be seen as "splitting the pie," so that one player's gains are in a direct inverse relationship to the other player's losses. A typical distributive negotiation would be a one-time sales negotiation between a buyer and seller, in which the single issue at stake is the price of the item or service.

*Integrative negotiations,* on the other hand, are multi-issue negotiations, in which the negotiators' goals are both cooperative and competitive in nature (Fisher et al., 2011; Lax & Sebenius, 1986; Pruitt, 1991; Thompson, 2009). By cultivating a trusting relationship and sharing critical information with each other, negotiators can identify ways for value creation, so that joint benefits can be reached as the "size of the pie grows" (de Dreu, Weingart, & Kwon, 2000; Pruitt & Lewis, 1975). A common integrative negotiation would be an employment agreement in which multiple issues can be discussed and decided, such as salary, vacation days, bonus payments, retirement plans, stock/equity interest, insurance, relocation costs, starting date, and so forth.

While the majority of our negotiations can be considered integrative in nature with a potential for a "win–win" situation, a common shortcoming is to perceive them as distributive (Deutsch, 1973). This faulty belief in seeing negotiations as a fixed pie stems from our psychological tendencies to be egocentric; to fail to perspective-take; and to act as naive realists (Chambers & de Dreu, 2014; de Dreu, Koole & Steinel, 2000; Galinsky, Ku, & Wang, 2005; Pronin, Gilovich, & Ross, 2004). Our egocentrism causes us to focus heavily on our own situation, interests, and preferences, and we fail to perspective-take by appropriately recognizing how our opponent's situation may differ from ours (Chambers & de Dreu, 2014). As naive realists, we perceive ourselves to be objective, so that when we see others acting differently than we would have expected them to, we infer that others are

biased, unreasonable, or acting under questionable motivations (Pronin et al., 2004).

Consequently, in the negotiation context, our fixed-pie bias will have us believe that our opponent's interests similarly mirror our own interests; therefore, we see each other's interests as being completely opposed in nature (de Dreu et al., 2000). In this way, we may see more conflict than there really is and erroneously believe the negotiation needs to be more contentious. With this bias, we fail to properly consider the ways in which our opponent may have different priorities or interests that we can use to our advantage to "expand the pie."

When surveyed, the majority of negotiators believe that their interests are incompatible with those of their opponents, so that one person's gain will be felt as another person's loss (Thompson & Hastie, 1990). This fixed-pie bias that negotiations are "win–lose" by nature is particularly strong among untrained, naive negotiators (O'Connor & Adams, 1999). When novice negotiators were asked to describe a common negotiation scheme, they invoked negotiations that involved competitive, incompatible interests in which negotiators sequentially resolved issues (O'Connor & Adams, 1999). More expert negotiators, however, are better able to see negotiations in a broader sense, as something that involves problem solving between parties with both compatible and competitive goals where interests can be played off each other (O'Connor & Adams, 1999).

The fixed-pie bias makes negotiators feel that an impasse is imminent and cooperation is unnecessary, and it results in issues being resolved one at a time. Negotiators often make the mistake of thinking there is only one issue to resolve; therefore, they focus on one issue at a time, usually the most salient one. In reality there are often several issues that can be negotiated together; however, they can be "hidden" and only become known when efforts are made to uncover them. The fixed-pie bias is most often triggered in negotiations that involve resolving interests (e.g., time and money) that invoke concepts of winning or losing, compared to intellectual or evaluative negotiations in which individuals are discussing, resolving, and problem-solving cognitive or value conflicts (Harinck, de Dreu, & Van Vianen, 2000).

This fixed-pie mindset and resulting behavior are not helpful, however, because in order to come to mutually beneficial integrative agreements, a number of things must happen: (1) Issues of joint value must be identified and voiced and (2) "logrolling" of issues must occur (Pruitt & Rubin, 1986). In other words, negotiators must find compatible interests and trade-off issues in such a way that each negotiator achieves most of his or her preferred outcomes on substantial issues, in exchange for concessions on less important issues, a negotiation strategy known as "logrolling" (Froman & Cohen, 1970). These integrative strategies, however, will be hampered if at least one of the negotiators succumbs to the fixed-pie belief.

Negotiators who hold fixed-pie perceptions of the negotiation often commit two common errors in relation to information disclosure: They may seek out far less than they should about diagnostic information the counterpart holds, and they may erroneously believe that disclosing any of their own information will be harmful (Thompson, 1991, 2009).

Many negotiations in the real world involve asymmetry in the information known between the two parties (Wolfe & McGinn, 2005). The ability to reach mutual gains depends on the exchange of critical information (Thompson, 1991, 2009). Negotiators who are able to consider the constraints and goals of their counterpart by eliciting diagnostic information are more successful (Galinsky, Maddux, Gilin, & White, 2008). Given that negotiators operating under the fixed-pie bias mistakenly believe that they know their counterpart's interests, they fail to search further for relevant information, such as asking their partners pertinent questions about what they value (Pinkley, Griffith, & Northcraft, 1995).

The sharing of information related to underlying interests, priorities, and key facts is important for maximizing the pie (Thompson, 1991, 2009). This kind of information can reveal important differences the parties have on their valuations of certain issues, expectations of certain events happening, as well as differences in capabilities, attitudes toward risk, and also time preferences (Thompson, 1991, 2009). Knowing and capitalizing on these differences can lead to the discovery of mutually beneficial

outcomes in integrative agreements; unfortunately, the fixed-pie belief stymies efforts to ask for and exchange relevant information in an effective manner. Not surprisingly, research indicates that negotiators with a fixed-pie belief come to agreements that are less than optimal (Pinkley et al., 1995; Thompson, 1991; Thompson & Hastie, 1990). Not only do negotiators holding this belief make errors in information availability (not asking or exchanging relevant information), but they also make errors in information processing (Pinkley et al., 1995). In other words, even when relevant information is available to them, the negotiators ignore and/or distort that information because they do not recognize its value (Carroll, Bazerman, & Maury, 1988; Neale & Northcraft, 1991; Pinkley et al., 1995).

Overall, researchers have found that, unfortunately, this cognitive bias in fixed-pie perceptions is not only common but also persistent relative to knowledge, general negotiation experience, and direct feedback (Thompson, 1990, 1991; Thompson & DeHarpport, 1994). The kind of interventions that have been identified as successful tend to be more nuanced in nature and attempt to defeat this persistent bias through either cognitive or motivational means.

For example, researchers have found that specific and recent experience with integrative strategies, such as logrolling, can assist negotiators in recognizing integrative potential in different negotiation contexts (Thompson, 1990). This cognitive approach suggests that negotiators who are regularly trained in integrative negotiation skills, such as asking questions about a counterpart's interests and priorities and revealing one's own, may be more apt in recognizing compatible interests and creating joint value in a future negotiation (Thompson, 1990). Negotiators who actively engage in cognitive perspective taking can also overcome the pitfalls of the fixed-pie bias. Attempting to see the world through a counterpart's eyes can reduce contentious tactics and improve coordination issues (Galinsky et al., 2005).

A motivational account has been found to be successful in reducing the fixed-pie bias (Carnevale & Isen, 1986; de Dreu et al., 2000). Negotiators who are instructed to justify their behavior are more likely to deliberately and systematically process information, leading them to overcome the more automatic fixed-pie approach to a negotiation (de Dreu et al., 2000). Negotiators who are prosocially motivated, in comparison to those who are egoistically or individually motivated, have often been found to reach integrative potential because they are more likely to revise their fixed-pie perceptions and focus on joint benefits (Carnevale & Isen, 1986).

## Intrapersonal Challenge: The Role of Affect

In addition to the cognitive bias of the fixed-pie belief, which stems from our psychological tendencies to be egocentric, fail to perspective-take, and to act as naive realists, a negotiator's individual felt or expressed affect may also surprisingly and detrimentally shape negotiation behavior and outcomes. Both moods and emotions can affect negotiations in fundamental ways. Moods are characterized as being diffuse in nature, varying along a single dimension, ranging from a positive to negative valence (Forgas, 1998). Transient moods have been shown to materially affect a negotiator's behavior (Carnevale & Isen, 1986; Forgas, 1998). For example, positive moods such as incidental happiness triggered by the experimenter resulted in a negotiator being more cooperative in planned and reported bargaining strategies, in comparison to negative moods, such as sadness (Forgas, 1998). Similarly, a positive mood reduced the use of contentious bargaining tactics and increased the use of integrative negotiation strategies (Carnevale & Isen, 1986).

Emotions, on the other hand, are defined as being more discrete in nature and experienced for a shorter period of time (Smith & Ellsworth, 1985). Emotions that affect negotiations can arise from incidents unrelated to the negotiation or triggered from the negotiation itself (Lerner, Small, & Loewenstein, 2004). Emotions that affect negotiations can be *self-directed* (emotional states experienced only by the self but affecting negotiation behavior) or other-directed.

A common self-directed emotional state that has been identified as materially changing negotiation behavior is anxiety (Brooks & Schweitzer, 2011). Anxiety was identified by

negotiators as one of the most commonly and strongly felt emotional states prior to entering a negotiation, and researchers have found that it negatively influences negotiation behavior and outcomes (Brooks & Schweitzer, 2011). Negotiators who felt anxious entering a negotiation were more likely to expect an inferior outcome, to make less ambitious first offers, to take less time to respond to offers, to exit negotiations early, and ultimately to suffer in obtaining optimal outcomes (Brooks & Schweitzer, 2011). One way this harmful anxiety can be mitigated, however, is to boost the anxious negotiator's sense of self-efficacy as a competent negotiator (Brooks & Schweitzer, 2011).

Much research has been directed at understanding the way in which other-directed emotions affect negotiations, where emotions are seen as serving specific social functions over the course of the negotiation (Morris & Keltner, 2000). Two commonly studied emotions in the negotiation context are anger and compassion (Allred, Mallozzi, Matsui, & Raia, 1997). Anger expression has been linked to both negative and positive outcomes in a negotiation. These conflicting results point to important moderating factors that determine whether anger can hurt or help in a negotiation. Strategic expressions of anger, as operationalized through facial and physical expressions and aggressive word choice, are associated with greater value claiming, but only when recipients of the anger have poor alternatives (Sinaceur & Tiedens, 2006).

Anger is theorized to elicit compliance because negotiators "track" each other's emotional states (Van Kleef, de Dreu, & Manstead, 2004). Negotiators are therefore more likely to concede when they interact with angry counterparts rather than happy counterparts because they feel the need to make concessions in order to avoid an impasse (Van Kleef et al., 2004). For example, research indicates that negotiators who expressed anger via electronic negotiation achieved higher individual outcomes than negotiators who expressed happiness (Belkin, Kurtzberg, & Naquin, 2013). Interestingly, as negotiators become limited in their motivation or ability to consider their counterpart's emotional states, these effects disappear (Van Kleef et al., 2004). Strategic expressions of anger can convey an upper hand in the negotiation and

therefore elicit compliance when the recipient infers the anger to signal a potential impasse and to the extent that the recipient fears an impasse because of poor alternatives.

Other empirical researchers have come to the opposite finding that positive emotions such as friendliness, cooperativeness, and empathy are more effective at eliciting compliance in a negotiation than negative emotions such as anger and aggression (Kopelman, Rosette, & Thompson, 2006). In the context of an ultimatum, negotiators are more effective in gaining concessions from the other side with positive emotional displays over negative ones (Kopelman et al., 2006). In order to make sense of these conflicting empirical findings, other scholars have presented a dual-process model to understand how strategic emotional expressions can help negotiators by extracting concessions but also hurt negotiators by eliciting competition (Van Kleef & Côté, 2007).

The dual-process model posits that two important factors in whether anger will hurt or help are the perceived appropriateness of the anger and the amount of power that the recipient of the anger has in the negotiation (Van Kleef & Côté, 2007). High-power negotiators are unaffected by inappropriate anger, whereas low-power negotiators concede to angry opponents regardless of the anger's inappropriateness (Van Kleef & Côté, 2007). Strategically expressing anger in a negotiation can be one way to use emotional displays to gain an upper hand in the negotiation. As negotiators think about using this strategy, however, they must take into account a number of factors that shape whether the anger expression will hurt or help their negotiation goals, including the appropriateness of the anger (as perceived by the counterpart), the type of negotiation at stake (one time vs. repeated interactions), and the extent to which their counterpart has good alternatives to the negotiation.

## Interpersonal Challenge: Social Perception

The role of social perception in mixed-motive conflicts is interesting because of the ubiquitous nature of negotiations in our professional and personal lives, and because social psycholo-

gists have found interpersonal conflict to be a context in which individuals routinely perceive and attribute their counterpart's behavior to personality traits, which in turn affect reactions and conflict resolution strategies (Orvis, Kelley, & Butler, 1976; Thompson & Hastie, 1990). In general, our ability to recognize and enact the optimal strategies in a negotiation ultimately determines negotiation outcomes (Malhotra & Bazerman, 2008).

Theories on conflict resolution suggest that the strategies selected by the negotiators are often determined by the negotiator's perceptions and attributions of the counterpart's behavior (Schelling, 1980). The two fundamental dimensions by which we perceive and evaluate others have long been identified in social psychology as warmth and competence (Abele & Wojciszke, 2007; Asch, 1946; Bales, 1950; Fiske, Cuddy, & Glick, 2007; Rosenberg, Nelson, & Vivekananthan, 1968). These determinations have important consequences for whom we decide to cooperate with, befriend, and trust, as well as those we decide to compete against, hurt, and deceive. Our perceptions of warmth and competence, and the behaviors that stem from these impressions, are particularly salient in the context of negotiations, in which individuals are trying to fulfill their individual goals through both cooperation and competition with others (Pruitt, 1983; Pruitt & Carnevale, 1993).

Even though it has been argued that negotiation behavior is largely driven by a negotiator's economic bargaining situation rather than the negotiator's personality traits, individuals often attribute negotiation behavior to personality traits (Malhotra & Bazerman, 2008; Thompson, 2009; Wheeler, 2002). A bargaining situation can be understood in terms of the negotiator's alternatives, referred to as the best alternative to a negotiated agreement, or BATNA (Raiffa, 1982; White & Neale, 1991), which can vary in both its value and its riskiness; it has been argued that these factors are what determines a negotiator's bargaining behavior and style (Thompson, 2009).

The tendency to attribute bargaining behavior to personality rather than to situational demands has long been studied in social psychology and is referred to as the *fundamental attribution error* (Ross, 1977) or the *correspondence bias*

(Gilbert & Malone, 1995; Jones, 1990), in which individuals attribute the behaviors of others to certain corresponding traits and dispositions. Even when negotiators acknowledge externally imposed situational limitations on the counterpart, they continue to attribute their counterparts' bargaining behavior to personal intent, perceiving counterparts with larger constraints as having greater competitive intent (Kelley & Stahelski, 1970; Pruitt & Drews, 1969). While "hard" bargaining strategies, such as haggling, are more often caused by the negotiator's situational limitations, such as the value of his or her BATNA, the counterpart will perceive the haggling behavior as more indicative of the negotiator's disagreeable or competitive nature (Morris, Larrick, & Su, 1999).

Recent empirical research indicates that in addition to important perceptions being drawn from the value and timing of their counterparts' offers, negotiators also make important inferences from the format and specificity of the numerical offers themselves. For example, negotiators (in the role of a buyer) who made more specific first offers were seen as more knowledgeable (Mason, Lee, Wiley, & Ames, 2013). These inferences of competence made these specific first offers stronger anchors in the negotiation (Mason et al., 2013). On the other hand, when sellers opened a negotiation with a specific first offer price, buyers were less likely to want to enter into a negotiation with them (Lee, Loschelder, Schweinsberg, Mason, & Galinsky, 2018). This occurred because the specificity in the listed price was attributed to the seller's inflexibility as a negotiator (Lee et al., 2018). Also, contrary to traditional negotiation textbook advice, range offers have also been found to be more potent first offers because of a tandem anchoring effect (Ames & Mason, 2015). Range offer-makers were seen as less aggressive, less confident, and more flexible than point offer-makers (Ames & Mason, 2015). Recipients of range offers felt it was more impolite to turn down a range offer than a single value offer (Ames & Mason, 2015).

While the aggressiveness (and specificity) of first offers and counteroffers can be perceived as representing the negotiator's competencies in terms of both bargaining power and prowess, of course, these numerical values are not

communicated in a vacuum. Instead, they are couched in words that communicate a variety of information that can convey different impressions of the negotiator making these numerical offers (Bowles & Babcock, 2013; Lee & Ames, 2017; Trötschel, Loschelder, Höhne, & Majer, 2015). For example, scholars have shown that the same counteroffer can be framed in several different ways that can result in different consequences. For example, an offer that is less than what your counterpart seeks can be framed as a constraint due to your own budgetary restriction, or it can be framed as the appropriate amount given some kind of criticism aimed at the object of negotiation (Lee & Ames, 2017). Constraint rationales were found to be more effective than disparagement rationales in yielding both desired economic results and positive interpersonal consequences because they were perceived as being more valid signals of a buyer's true economic limit (Lee & Ames, 2017).

In a similar vein, negotiators who employed the strategy of framing an economic value as something *offered* to their counterpart, as opposed to *requested* from their counterpart, were able to gain greater concessions (Trötschel et al., 2015). More advantageous economic and interpersonal consequences were obtained from negotiators who acknowledged and gave credit to their counterparts for concessions (Ward, Disston, Brenner, & Ross, 2008). Similarly, emphasizing the benefits of a concession from the perspective of the counterpart assisted negotiators in getting better deals and preserving positive relationships (Bhatia, Chow, & Weingart, 2016). In summary, framing and rationales are able to justify and sometimes soften the blow of less than ideal economic offers. In turn, this can lead to reciprocity, both economically and interpersonally, as counterparts are more open to accepting these offers and feel more positively about these negotiators.

Negotiators also make important inferences based on the level of interpersonal warmth that is communicated. Negotiation scholars and practitioners have long extolled the virtues of embracing an affiliational interpersonal style in integrative negotiation settings (Fisher et al., 2011; Lax & Sebenius, 1986; Pruitt, 1991). On the practitioner side, Ron Shapiro (2001), a well-regarded sports agent and founder of the

Shapiro Negotiation Institute, has devoted an entire book to this subject titled *The Power of Nice*. In This American Life's radio essay titled "Good Guys," producers Ben Calhoun (2014) and Ira Glass test the efficacy of appealing to salespeople with warm camaraderie in hopes of obtaining a "good guy discount."

A warm interpersonal style, defined by the literature and practitioners as being prosocial, cooperative, and nice, has been shown to improve financial outcomes by virtue of creating extra value for both parties. Cooperative negotiators trust each other and therefore exchange more critical information, which thereby allows them to come to more beneficial joint outcomes (de Dreu & Boles, 1998; de Dreu, Giebels, & Van de Vliert, 1998; de Dreu et al., 2000; Weingart, Bennett, & Brett, 1993).

On the other hand, researchers have found that competitively motivated negotiators are more likely to erroneously view the integrative negotiation as a fixed-pie situation and therefore withhold information, take more distributive tactics, and thereby lose out on opportunities to find joint gains (de Dreu et al., 2000; O'Connor, Arnold & Burris, 2005). At the extreme end, competitively motivated negotiators may find themselves engaging in deception in order to exploit their counterparts (Lewicki & Robinson, 1998; O'Connor & Carnevale, 1997). Given that detecting deception may be difficult, negotiators who utilize self-serving lies may find themselves at a competitive advantage in the short term but may ultimately pay the price in the long term when it comes to reputational concerns once their acts of deception are exposed (Murnighan, Babcock, Thompson, & Pillutla, 1999; Rogers, Zeckhauser, Gino, Norton, & Schweitzer, 2017). In this line of research, scholars find that the psychological principle of reciprocity governs negotiation motivations and behaviors, so that cooperatively motivated behaviors are returned in kind, as are competitively motivated ones (Brett, Shapiro, & Lytle, 1998).

The positive economic and interpersonal consequences of taking on a warm interpersonal style in negotiations has some important limitations. First and importantly, it applies to integrative negotiations, a fundamental feature of which is opportunity for value creation (Fisher et al., 2011; Lax & Sebenius, 1986; Pruitt,

1991). In these situations, warmth helps secure mutually beneficial gains because expanding the pie requires disclosure of critical information, and warmth helps build trust and rapport between the two parties, which enable the sharing of information (de Dreu & Boles, 1998; de Dreu et al., 1998, 2000; Weingart et al., 1993). Even within the context of integrative negotiations, however, a completely cooperative motivation is not always beneficial in cases where negotiators mistakenly believe that cooperation means concessions. This often leads negotiators to settle or split the difference, when it would be more beneficial for parties to think both about their interests and their counterpart's interests in ways that would lead to more mutually beneficial outcomes (Pruitt & Carnevale, 1993). This can only be done as parties reveal their interests, trade-off issues in a "logrolling" manner, and therefore "expand the pie."

Recent empirical research examining how dominant or deferential individuals are in a negotiation indicates that the most optimal integrative agreements are reached by negotiators who have complementary styles in expressing dominance (Wiltermuth, Tiedens, & Neale, 2015). This occurred because negotiators who were dominant were generally assertive in expressing what they wanted, while negotiators who were submissive generally asked questions in order to achieve what they wanted to know, so this complementarity resulted in information being exchanged optimally without conflict escalation, which ultimately led to more successful and mutually beneficial outcomes (Wiltermuth et al., 2015).

A notable feature of most of the empirical research showing the positive effects of a cooperative orientation versus a competitive one is that outcomes are measured at the dyadic level (de Dreu et al., 2000). In other words, a dyad of cooperative negotiators has been shown to create a final joint outcome that is more economically advantageous than that achieved by a dyad of competitive negotiators (de Dreu et al., 2000). What is less clear is how the advantages are divided up at the individual level. In other words, while a warm interpersonal style can result in a bigger pie, it is less clear whether a warm negotiator will end up with a smaller portion of that pie compared to more competitively oriented negotiators.

There is less empirical evidence on the consequence of warmth in distributive negotiations, but there is growing research to suggest that it can result in disadvantageous outcomes. Negotiators high in trait agreeableness were shown to do well in integrative settings but poorly in distributive ones when their agreeableness became a liability (Barry & Friedman, 1998). Similarly, negotiators who were more likely to adopt cooperative strategies in a salary negotiation achieved lower salary gains, as compared to negotiators who used competitive approaches (Marks & Harold, 2011). Taking on a warm communication style in a distributive negotiation hurt economic outcomes because counterparts to a warm negotiator responded with more aggressive counteroffers than counterparts to a tough negotiator (Jeong, Minson, Yeomans, Gino, 2019). Interestingly, counterparts reciprocate interpersonal warmth in their communication style but accompany this linguistic warmth with more aggressive economic behavior (Jeong et al., 2019). The proposed mechanism for this difference is perceived dominance: Negotiators who use a warm communication style characterized by high levels of politeness are perceived as less dominant; therefore, counterparts respond with more aggressive concessionary behavior than to tough, or less polite, negotiators who are perceived as higher in dominance (Jeong et al., 2019).

In addition to social perceptions arising from a negotiator's economic and noneconomic behavior, certain characteristics about the negotiator, such as gender and cultural background, or the negotiating situation, such as the medium in which the communication is taking place, can also affect negotiation behavior. Literature on gender stereotypes shows that women are expected to be more communal and less agentic than men (Bem, 1974; Fiske & Lee, 2008). When women exhibit behaviors that are inconsistent with their prescribed stereotypes, such as acting aggressively or dominantly, they are punished (Rudman & Glick, 2001). This holds true in negotiation contexts, where research shows that women who act in self-promoting ways during salary negotiations and job interviews receive negative backlash (Amanatullah & Tinsley, 2013; Babcock & Laschever, 2009; Bowles, Babcock, & Lai, 2007; Kray & Thompson,

2004; Rudman & Glick, 2001). Unfortunately, even when women act in stereotype-consistent ways in a negotiation, their accommodating behavior is not reciprocated by their counterparts (Ames, Lee, & Wazlawek, 2017).

Social perceptions of negotiation behavior are also affected by the cultural background of the negotiators. Cultural differences can often result in negotiators having a more difficult time reaching integrative agreements due to differences in norms surrounding how and when to communicate, bargain, disclose information, and come to mutually beneficial agreements (Brett, 2007; Cox, Lobel, & McLeod, 1991; Tinsley & Pillutla, 1998; Wade-Benzoni et al., 2002).

Finally, another consideration in thinking about social perceptions in negotiation communications is how the medium of negotiation affects these perceptions. As electronic negotiations become more common, researchers have looked at how communicating offers electronically versus face-to-face changes the psychological dynamic of the interaction. For example, negotiations conducted in person reduce incidents of impasse and are more likely to lead to integrative potential given that trust and rapport can be more easily built in face-to-face interactions (Naquin & Paulson, 2003; Valley, Moag, & Bazerman, 1998). Also, all electronic communications are not created equal—negotiators can communicate via e-mail that has a time lag or via online chats (i.e., instant messaging) that occur in real time. An interesting wrinkle is that depending on one's bargaining power, certain electronic media are more conducive to optimal outcomes. For example, researchers have found that negotiators with strong bargaining power perform better in real-time electronic chat negotiations in which they can take advantage of the more dynamic nature of the conversation, whereas those with weaker bargaining power perform better via e-mail, in which the time delay acts an important buffer (Loewenstein, Morris, Chakravarti, Thompson, & Kopelman, 2005).

## Conclusion

While negotiations pervade both our personal and professional relationships, we often find ourselves reaching less than optimal negotia-

tion outcomes due to a number of psychological challenges, both at the intrapersonal and interpersonal levels. A negotiator aspiring to act rationally and effectively can enter a negotiation with all of the necessary tools, information, knowledge, and preparation, yet become detrimentally influenced in surprising ways. In this chapter, we have identified two common psychological influences that can affect a negotiator's behavior and subsequent outcome, at both cognitive and affective levels. We discussed a common cognitive bias known as the "fixed-pie belief," including its pervasiveness, the psychological underpinnings motivating it, the consequences for negotiation, as well as potential social and motivational interventions. We also discussed a multitude of affective states that can influence the negotiator, from transient moods to incidental or triggered emotions, as well as strategic emotional displays. Given that negotiations involve at least two individuals who are communicating together in order to cooperate and compete with each other, the social perceptions that arise from the interactions drive a number of important behaviors. Our interpersonal perceptions help us navigate our interactions by determining how we perceive people and, consequently, how we behave toward them. These perceptions are critical in negotiation contexts because how we perceive our counterparts affects the negotiation strategies we choose to adopt, which ultimately determine negotiation outcomes. Perceptions arise from how we bargain economically, the information we select to disclose, the emotional displays we signal, and the interpersonal warmth we choose to convey, as well as the framing and rationale we use to deliver our economic offers. A successful negotiator is one who navigates the intricate and consequential nature of social perception, while accounting for the nuances and complexities arising from the negotiation context.

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