



Achieving difficult agreements: Effects of Positive Expectations on negotiation processes and outcomes[☆]

Varda Liberman^{a,*}, Nicholas R. Anderson^b, Lee Ross^b

^a The Interdisciplinary Center Herzliya, P.O.B. 167, Herzliya 46150, Israel

^b Stanford University, USA

ARTICLE INFO

Article history:

Received 1 November 2009

Revised 8 December 2009

Available online 4 January 2010

Keywords:

Negotiation outcomes

Effects of expectations

Palestinian–Israeli conflict

Dispute resolution

Dissonance reduction

ABSTRACT

Two studies demonstrate that negotiation processes and outcomes can be altered by the creation of Positive Expectations. Study 1 participants were American undergraduates seeking agreement with a confederate about allocation of funds to programs differentially favoring undergraduates vs. graduates. Study 2 participants were Israeli Business School students seeking agreement with an Arab confederate about allocation of funds to projects differentially favoring Israelis vs. Palestinians. In both studies prior information suggesting the consistent success of previous dyads prompted acceptance of the confederate's "final proposal" whereas merely urging participants to try to reach agreement resulted in consistent rejection of the same proposal. Moreover, participants reaching agreement in these Positive Expectations conditions subsequently offered more positive assessments of the negotiation process and of their counterpart than those doing so in control conditions. The theoretical and applied relevance of these findings, including the role played by post-agreement dissonance reduction, are discussed.

© 2009 Elsevier Inc. All rights reserved.

Introduction

Certain negotiations, such as those required for congressional approval of the US federal budget, reaching a new contract with teachers or civil servants, or the post-election formation of a new Israeli cabinet, predictably produce hard bargaining. Nevertheless, while the negotiation in each of these cases is difficult, and the obstacles to agreement at times seem insurmountable, all parties—the negotiators, those affected by the outcome, and experienced observers—can be virtually certain that agreement will be reached. Indeed, failure is “unthinkable.” Our present thesis is that shared knowledge that the negotiation process both must and will succeed not only induces the parties to make the types of difficult compromises that are necessary for agreement, but also transforms the negotiation process in a way that contributes both to the reaching of such agreement and to the parties' satisfaction.

Consider, for example, the election of a pope. Given the various doctrinal, political, and other sources of division within the Catholic Church, one could imagine that the requirement that two thirds plus one of the participating cardinals agree on a candidate would frequently lead to protracted deadlocks if not outright failures to elect a pope. Yet, at least in modern times, the process inevitably succeeds. The cardinals conduct themselves not only with a sense

of urgency but also with a confidence regarding the outcome that is buttressed by an unbroken history of success. This unthinkability of failure and spirit of *Habemus papem* (we must have a pope) does more than induce some cardinals to make compromises that they would prefer not to make. These sentiments can also help them to justify those compromises, both to themselves and to potential critics of their lack of steadfastness.

The same sentiments may also serve to overcome an important barrier to dispute resolution, that of *reactance* (Brehm, 1966; Brehm & Brehm, 1981) or *reactive devaluation* (Ross, 1995; Ross & Stilling, 1991; Ross & Ward, 1995). That is, disputants tend to devalue concessions, especially those from the “other side”, as a consequence of their having been “put on the table.” To some extent the problem is one of distrust and negative attributions (i.e., if the “other side” is offering concession X and withholding concession Y, then concession X must be of little value to us, and concession Y is the one that we should strive for). Such devaluation, we argue, becomes less likely when the parties know that both sides are expected to make real compromises in order to succeed and thus, are less likely to attribute offers of such compromise to private knowledge or strategic calculation.

Consider, by contrast, negotiations about corporate acquisitions, international trade and security, or, tragically, efforts to reach peace in the Middle East. In such cases the conviction that failure is possible, and even likely, makes the path to agreement more difficult. And where expectations are low enough, and the history of failure long enough, such failure can become all but inevitable—a case of self-fulfilling prophesy. The parties feel that they

[☆] This research was supported by a grant from the United States–Israel Binational Science Foundation (BSF), Israel, to Varda Liberman and Lee Ross.

* Corresponding author. Fax: +972 3 6023473.

E-mail address: liberman@idc.ac.il (V. Liberman).

cannot justify making such concessions—not to themselves and not to those who are urging them to hold fast—and they react with caution and skepticism to proposals from the other side. Such devaluation is further heightened by the asymmetry between the value placed on possible “gains” vs. “losses” (Kahneman & Tversky, 1979, 1984, 1995), which makes it more likely that any prospective gains from proposed agreements will be deemed insufficient to compensate for anticipated losses—particularly when the gains, unlike the losses, are seen as mere possibilities.

Our thesis is thus that positive expectations, whatever their source, increase the likelihood of such success because they change the negotiation process and the attributions made during that process. We test this thesis in two studies involving a negotiation between parties with divergent but not incompatible interests—in Study 1, parties who have no history of enmity, in Study 2, parties with a long history of enmity. What we manipulate in both studies is the purported record of previous negotiations between the parties. What we hold constant in both studies (through use of an experimental confederate) is the offer put forward for the participants' consideration.

Benefits of positive expectations

There is no shortage of anecdotal evidence on the impact of pre-negotiation expectations and orientations. Stories associating optimism, goodwill, trust, and respect with success in reaching difficult agreements, and pessimism, ill will, distrust, and lack of respect with negotiation failures are commonplace. But empirical evidence on the effects of *manipulating* pre-negotiation expectations is relatively sparse. Indeed, Diekmann, Tenbrunsel, and Galinsky (2003) found that although negotiators forewarned about an opponent's negotiation style claimed that they would respond in kind to competitive vs. cooperative counterparts, their actual responses belied such claims. Individuals who had been led to believe that their counterpart was highly competitive tended simply to negotiate less aggressively and to settle for less than those who had been led to believe that their counterpart was cooperative. The belief that one was facing an angry rather than happy party similarly led to less aggressive bargaining and less personally advantageous outcomes (Van Kleef, De Dreu, & Manstead, 2004).

By contrast, Weingart, Bennett, and Brett (1993) found that explicit instructions to negotiators to adopt a cooperative orientation increased the frequency of integrative solutions. Liberman, Samuels, and Ross (2004) showed that inducing participants to adopt cooperative “construals” of the prisoner's dilemma game through labeling and priming manipulations similarly yielded similar joint benefits. Moreover, a meta-analysis by De Dreu, Weingart and Kwon (2000) suggests that pro-social orientations generally lead to higher joint outcomes than egoistic ones. What we do not find in the literature, however, is evidence about the effects of a direct manipulation of the perceived likelihood of reaching agreement on negotiation processes and outcomes.

How and why might Positive Expectations change the course of a negotiation? The literature of most obvious relevance is that dealing with self-fulfilling prophecies or beliefs (e.g., Merton, 1948; Rosenthal, 1994; see also Darley & Fazio, 1980; Kelley, 1950; Snyder & Swann, 1978; Snyder, Tanke, & Berscheid, 1977; Word, Zanna, & Cooper, 1974). As in those earlier studies, we investigate changes in process that result from such expectations, changes that in turn influence relevant outcomes through a variety of separate mechanisms.

First, Positive Expectations can change *thresholds for acceptance*. Insofar as failure to reach agreement in the face of a history of past successes would represent a loss, negotiators (like any decision-makers) are apt to be “loss averse.” By contrast, in the absence of Positive Expectations, the reference point is apt to be *non-agree-*

ment and the status quo, making loss (and risk) aversion a *barrier* to the trades of concessions necessary for agreement.

Second, Positive Expectations, and the knowledge that such expectations and the motives they give rise to are shared by one's negotiation counterpart, allow one to anticipate that any concession one makes will be appropriately valued and even reciprocated. There is less reason to fear that they will be summarily rejected, yet create a new and less advantageous reference point for future negotiations.

Finally, and most relevant to our theoretical contentions, Positive Expectations can foster more favorable attributions regarding one's counterpart. In the absence of Positive Expectations the parties are apt to reason that, “if they offered this deal it must be good for them. . . and if it is good for them it must be bad for me” or suspect that “they must know something that we do not; what they are offering must be less valuable than it seems”. Positive Expectations create, or at least permit, more positive attributions (i.e., “the reason they are offering this deal is that they too know that we are expected to reach agreement and have acted accordingly.”) In other words, Positive Expectations do not merely oblige negotiators to accept terms that they would prefer to reject. They change the way those terms and the party offering them are perceived.

Our thesis is that Positive Expectations change the dynamics of the negotiation process itself, including most notably the interpretations the parties place on each other's actions and the inferences they make about each other. However, the psychological literature leads us also to anticipate dynamic processes that can play a role in the *aftermath* of agreement. Particularly relevant are Festinger's (1957, 1964) theory of cognitive dissonance and Bem's (1967, 1972) self-perception theory. Both of these theories prompt the prediction that parties will come, after-the-fact, to see both the terms of agreement and the party with whom they reached those terms in a more positive light than they had been seen during the negotiation process or than they would have been seen in the absence of an agreement. This would be true even if the parties reached agreement because they felt somewhat obliged to do so in order to keep the record of successes intact, or in order to satisfy the wishes and expectations of third parties, provided that they feel that they had some choice in the matter.

The prediction of post-decisional dissonance reduction is one with both theoretical and applied implications. Such dissonance reduction would demonstrate that participants cared about the agreement that they reached, not merely doing what they thought was expected of them without any sense of personal agency and responsibility. It would also suggest that deals to end real world conflicts that require painful compromises will become more palatable after the decision has been made to accept them.

The present studies

The two studies reported here both employed the same research design. In both studies, participants were assigned to represent the interests of a group to which they personally belonged in a negotiation with someone representing the “other side” (but in actuality, an experimental confederate). This negotiation involved the (hypothetical) allocation of newly available funds among five projects, some of which would disproportionately benefit the participants' own group and some of which would disproportionately benefit the other side. Half of the participants were led to believe that all (Study 1) or almost all (Study 2) previous dyads had reached an agreement (although no explicit suggestion was made that participants were *obliged* to reach one), while half were told nothing about past negotiation outcomes. All participants were told that the consequence of not reaching an agreement would be the loss of the relevant funding opportunity for the coming year.

In both experiments, the confederate followed a fixed set of instructions, always offering the same initial proposal, and then,

Download English Version:

<https://daneshyari.com/en/article/948672>

Download Persian Version:

<https://daneshyari.com/article/948672>

[Daneshyari.com](https://daneshyari.com)